

Of
Human
Wealth

Beyond Greed & Scarcity

GALLEY EDITION

By
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&
Stephen M. Belgin

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Of Human Wealth

Dedication

*To the children
To our children's children
And, to the trees*

ACKNOWLEDGMENTS

First and foremost, we would like to express our eternal gratitude to Jacqueline Lesley Dunne, Co-Founder and Executive Director of the ACCESS Foundation, whose love, encouragement, countless contributions and selfless support made this work possible.

And to our tireless editors and friends Eric Karlson and Les Squires.

This book has been the result of many years of countless conversations and input from many people. We owe a special debt of gratitude for the intellectual, editorial and emotional inputs given to us by the following individuals:

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To the memory of those dear supporters who have died during the writing of this work that toiled and dreamed of a better world for us all: Willis Harman, Rita Hensley, Phyllis Karlson, Michael Kasaba, Gary Kaelon, Anne de Long and Marilyn Wallenstein.

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B.A.L., S.M.B.

TABLE OF CONTENTS

WHY TWO AUTHORS	vii
INVITATION TO ACADEMIC COLLEAGUES	ix
INTRODUCTION	1
Five Mega-trends	4
The Underlying Mechanism	10
The Mission of this Book	11
Organization of this Book	12
 PART I—YIN, YANG, JUNG & MONEY	 15
CHAPTER 1—IN WHOSE INTEREST?	19
What Is Money	20
Effects of our Money	23
CHAPTER 2—ARCHETYPES	35
Concepts of Collective Psychology	36
A Map of the Human Psyche	43
The Four Archetypes	44
CHAPTER 3—THE MISSING ARCHETYPE	47
The Great Mother Archetype	48
Early Money & The Great Mother	50
The Archetypal Human	57
Archetypal Repression	58
CHAPTER 4—THE CONSEQUENCES OF REPRESSION	67
The Shadows of the Great Mother	68
Resonance & Archetypal Repression	70
Our Money & the Yang Construct	71
Effects of a Monopoly of Yang Currencies	74
 PART II—THREE AGES	 83
CHAPTER 5—THE CENTRAL MIDDLE AGES	87
The First European Renaissance	88
A Half-Renaissance for Women	92
Age Of Cathedrals	97
The Black Madonna	98
Demurrage—The Invisible Engine	104
How The Music Stopped	107

CHAPTER 6—DYNASTIC EGYPT	115
The Isis Cult	115
Egyptian Demurrage	119
Status Of Women In Egyptian Society	125
A Greco-Roman Ending	129
Mere Coincidence?	130
CHAPTER 7—INDIGENOUS CULTURES & BALI	133
The Fate Of Indigenous Cultures	133
The Balinese Exception	138
Balinese Hinduism & Integration	146
Bali's September 11th	152
PART III—COMPLEMENTARY CURRENCIES	155
CHAPTER 8—CONTEMPORARY CURRENCIES	159
Japan	160
Time Dollars	169
LETS	170
Around The World	173
Conclusion	177
CHAPTER 9—RECENT LESSONS	179
Complementary Currencies & World War II	179
Argentinean Credits—The Rise & Fall	186
Conclusion	187
CHAPTER 10—THE TERRA TRC™	189
Overview	189
Systemic Monetary Issues	194
The Terra TRC™ Mechanism	198
Benefits of the Terra TRC™	199
Conclusion	208
CHAPTER 11—OF HUMAN WEALTH	209
An Age Of Change	210
Two Worldviews	216
A Fundamental Shift	221
Future Implications	230
APPENDIX A—GLOSSARY OF TERMS	237
APPENDIX B—THE ACCESS FOUNDATION	245
RECOMMENDED READING LIST	249
ENDNOTES	253

WHY TWO AUTHORS

Some paths take time to converge. In the summer of 1973, on a road outside of former Titograd, Yugoslavia, I was speeding headlong into a motorcycle accident, while Bernard Lietaer was developing computer models that would maximize hard currency earnings for the country of Peru. Discovering that the hundreds of millions of dollars of additional earnings from his work were going entirely to purchase Dassault Mirage fighter plane squadrons instead of caring for the obvious and dramatic needs of the population there, Mr. Lietaer concluded that he was working from too narrow a perspective and, somewhat disillusioned, moved on.

For nearly three decades I was struggling to understand what I had accidentally tapped into during what is now commonly referred to as a “near-death experience.” I returned from that incident determined to find answers to three fundamental questions:

- Was the fabric of our being, the nature of reality and the potential for humanity as I had been shown during those extraordinary moments?
- If so, why on earth was there so much pain, suffering, conflict, injustice, greed and fear?
- Finally, what could realistically be done to help bring about a better world, one informed by wisdom and compassion?

All the while, Bernard was making a distinguished career in the monetary field. With colleagues at the Central Bank in Belgium, he was charged with designing the convergence mechanism for a single European currency, now known as the Euro. Having labored from several mutually exclusive perspectives on money—including university professor and President of various electronic payment systems, advisor to multinational corporations and developing countries, currency trader and central banker—Bernard set his sights on unraveling the many mysteries of the monetary system. He began to map the all-important links between our money along with the pressing challenges facing our world today with the collective internal universe of humanity.

It was shortly after New Year’s 2000 that I finally met up with Bernard Lietaer at a dinner party in Marin, California. We exchanged stories and our respective inquiries and I listened attentively to

Bernard's findings. I had by now, looked at most other disciplines for answers to my questions, but had not even considered more than a cursory examination of the monetary system.

I asked for and received several thousand pages of Bernard's research materials, including previous manuscripts, numerous articles, along with some new areas of investigation and interest, to "browse though at my leisure." Nearly four years of browsing later, this book—a synthesis of Bernard Lietaer's work—was realized.

It should be emphasized that this work is an overview intended for the general public. As such, it contains broader concepts while omitting data and supportive information that may be deemed important to academicians and others. To those interested in a more in-depth approach to these materials, please refer to the invitation on the following page.

Three decades ago, quite literally by accident, I came upon an experience and information that left an indelible imprint upon my being—that who we are and what we are capable of has only begun to be realized. This book offers an understanding and tools by which we may each come to experience and realize the vast potential of our species—our inherent human wealth.

Imagine what we can create together...

Stephen M. Belgin

INVITATION TO ACADEMIC COLLEAGUES

I wish to express my infinite appreciation to my co-author Stephen Belgin for making the information and concepts of this book more accessible to the general public. It is inevitable however, that selected references, facts and data required for academic verification and discourse are by design not included in this work. We therefore, kindly request that those who are interested in stricter evidence and proof of the ideas presented here please consult the following books and documents: *The Future of Money* (London: Random House, 2001), *The Mystery of Money* (Munich: Riemann Verlag, 2002) as well as articles in journals such as *Reflections* (the journal of the Society of Organization Learning at MIT) and the *International Journal of Social Economics*. Whenever possible, the more complete supporting texts are also available on the following website: www.accessfoundation.org.

The topics covered in this work are in many respects new. Thus the material presented here is a work in process, a first approximation of what may actually become available through still on-going research. We emphasize, therefore, that this should be looked upon as an exploration, as an offer of the evidence uncovered so far. The above website should therefore be seen as an integral part of this book, as it will provide regular updates on the evolving state of monetary innovations designed to benefit our world and future generations.

Bernard A. Lietaer

INTRODUCTION

***"The world is not given by our fathers
but borrowed from our children."***

Sign in the American Museum of Natural History

Garbage was a major problem in Curitiba, the capital of the southeastern state of Paraná, Brazil. Its urban population had mushroomed from 120,000 in 1942 to a staggering 2.3 million in 1997. Many of the inhabitants lived in *favelas*, shantytowns made out of cardboard and corrugated metal. Garbage collection trucks could not even get into these favelas as no streets there were wide enough for them to travel through. As a consequence, the garbage just piled up and diseases broke out.

Jaime Lerner, who became mayor of Curitiba in 1971, did not have access to funds to apply "normal" solutions such as bulldozing the area, or building new streets. Bond measures, raising taxes or federal assistance were simply not options. Another way had to be found in order to deal with the garbage problem.

Large metallic bins were placed on the streets at the edge of the favelas. Anyone who brought in a bag full of garbage earned a bus token. For those who collected biodegradable materials, a plastic chit was given, exchangeable for food parcels of seasonal fresh fruits and vegetables. In addition, a school-based garbage collection program supplied poorer students with notebooks.

The neighborhoods were soon picked clean by tens of thousands of children. Parents made use of these tokens to take the bus downtown, oftentimes to find and report to work. The bus tokens were soon being accepted at local markets and exchanged for food as well. In one three-year period, more than 100 schools traded 200 tons of garbage for 1.9 million notebooks. The paper-recycling component alone saved the equivalent of 1,200 trees—each day!

These improvements were accomplished without the need for the redistribution of wealth, without having to raise taxes or bond measures, without the need for charity or loans, without having to depend on the federal government or international organizations such as the World Bank (WB) or the International Monetary Fund (IMF). No one was burdened to gain the improvement. And everyone benefited.

Eventually, more than 70% of Curitiba households became involved. The 62 poorer neighborhoods alone exchanged 11,000 tons of garbage for nearly a million bus tokens and 1,200 tons of food. The results in purely economic terms are worth noting. From 1975-1995, the Domestic Product of the city of Curitiba increased by some 75% more than for the entire state of Paraná and 48% more than for Brazil as a whole. The average Curitibaano makes about 3.3 times the country's minimum salary, but his real total income is at least 30% higher still (i.e., about 5 times the minimum salary.) This 30% difference is income directly derived in non-traditional monetary forms, such as the food for garbage systems. What the results were in human terms, in the renewal of dignity, honor, pride and faith in the future of these Curitibaños can only be imagined.

Other programs were created as well, designed specifically to finance the restoration of historical buildings, create green areas and provide social housing, all by means that would not financially burden the municipality.

In 1992, Curitiba was awarded the title of "the most ecological city in the world" by the United Nations.

This city discovered a means by which to match unmet needs (e.g., garbage collection, environmental issues, city restoration, job creation, education, hunger, etc.) with unused resources—the talents, willingness, and longing of people to participate in the creation of a better life for themselves, their loved ones and their community. They did so by re-thinking money, by making use of complementary currencies—monetary initiatives that do not replace but rather "complement" (i.e., assist, support, and balance) their national currency system. This innovative approach enabled one developing, formerly impoverished city to vastly improve its living standards and conditions in the remarkable span of a single generation.

Curitiba represents an important, 25-year practical case study demonstrating that a "whole system" approach that uses both the

traditional national currency and a well-designed complementary currency is of benefit to all, including those people and entities that are focused exclusively on the traditional economy denominated in national currencies.

Curitiba, rather than being a unique, solitary occurrence, is only one in an ever-growing list of remarkable success stories in diverse communities all around the world. These monetary innovations are not only finding application in developing areas and countries, they are being used to address a nearly inexhaustible range of issues in Western nations as well, with equally impressive results.

This book recounts the story of two worlds, beginning with the one in which we currently reside, the challenges that now burden and threaten it, along with a review of the underlying reasons for these challenges. This work also speaks of another world, one that an ever-growing number of us long for, and one which we now believe is within our grasp as hinted at by the remarkable success story of Curitiba.

Try to imagine for one moment this other world, a world in which the long-term interests of mankind and the sustainability of our planet temper the short-term interests of business and industry, a world in which there is meaningful work for all people and sufficient time for our families, communities and personal pursuits; where the raising and education of our children and the caring for our elders are valued and compensated for in equal measure to other forms of employment so vital to our society. Imagine a world that encourages conservation as it does consumption, **community as it does productivity**, cooperation as it does competition, individual growth as it does economic growth; a world that nurtures our spirits and our souls in equal measure to our material and manufacturing needs, and honors the diversity and sanctity of all life and the life-affirming aspects of what it is to be fully human in its many myriad shapes and forms.

Idealistic, implausible? Given today's state of affairs, such a world may indeed be difficult to imagine. Nevertheless, there are credible reasons to suggest that such a transformation is not only possible, but rather, is achievable within our lifetimes.

Yet, the fact that such a vision seems so implausible bespeaks to some of the many problems we seek to redress.

Our world today faces problems, many of which appear unrelenting, and we question our ability to address such issues effectively. Indeed, despite some breakthroughs and the many valiant efforts in the public and private sectors, the challenges to humanity and our planet are growing both in scope and severity with each passing year.

Why is this? Why have our efforts, the countless billions of dollars spent, the many treaties enacted and initiatives taken, not stemmed the tide of worsening conditions to our environment, nor effectively addressed our most pressing social issues? Is it possible that our attentions and efforts are misdirected? Are the challenges and issues facing our world today being fueled by an even more systemic problem?

In attempting to answer these questions, let us first briefly consider present-day global conditions.

FIVE MEGA-TRENDS

At the turn of the Millennium we are being propelled by five leading mega-trends that are converging upon us over the next several decades, namely: Climate Change/Bio-diversity Loss, The Job Crisis, The Financial Divide, The Age Wave and Monetary Instability (The Money Mega-trend).

Let us briefly examine each of these mega-trends.

Climate Change & Bio-Diversity Loss

The facts regarding our biosphere are sobering. The United Nations Insurance Initiative declared the last several years as the worst ever for natural disasters. According to the World Food Program (WFP), the frequency of major natural disasters has tripled since the 1960's. Insurance losses for 1999 alone were higher than for the entire decade of the 1980's. After tallying up total insurance losses incurred by the dramatic events of September 11th 2001, the world's largest reinsurance company, Munich Re, warned that its worst concerns for the future are not terrorism but rather climate change (which will cost an estimated \$60 billion for the year 2003 alone). Nearly 85% of all insurance payments worldwide now go to compensate for natural disasters. CGNU, the largest insurance company in the UK, for example, forecasts that property damage costs due to natural disasters are increasing at such a rate that they will surpass the entire world production by the year 2065.¹

Over the past 150 million years, the rate of speciation (the creation of new species) is estimated to have either equaled or exceeded the rate of extinction. However, human impact over these past two centuries, particularly over these last few decades, has changed all that. In a comprehensive survey by the World Conservation Union, some 600 scientists concluded: “25% of mammals and amphibians, 11% of birds, 20% of reptiles, and 34% of fish species surveyed are threatened with extinction. Another 5% to 14% of species are “nearing threatened status.”² Another survey concluded that 10% of all existing tree species are now endangered as well.

A striking 69% of all biologists, as surveyed by the Museum of Natural History of New York, have concluded that we are now living in massive species extinction. They claim that we will lose between 30% to 70% of the planet’s bio-diversity within the next 20 or 30 years, more encompassing than the last extinction, some 60 million years ago when the dinosaurs were wiped out.

The following public Warning to Humanity was unanimously agreed upon by 1,600 scientists, including a majority of living Nobel Prize winners in the sciences: “A great change in stewardship of the Earth and the life on it is required if vast human misery is to be avoided and our global home on this planet is not to be irretrievably mutilated... If not checked, many of our current practices may so put at serious risk the future that we wish for human society and the plant and animal kingdoms and may so alter the living world that it will be unable to sustain life in the manner that we know. Fundamental changes are urgent if we are to avoid the collision our present course will bring about.”

The Job Crisis

There is presently a fierce, global struggle for jobs. At least 700 million able and willing people are out of work or are chronically under-employed worldwide. Unemployment, once primarily a Third World problem, has now spread to developed countries as well. Europe recently endured its worst job crisis since the 1930’s, while Japan experienced its worst job crunch ever.

The United States is affected as well, currently experiencing one of the fastest economic deteriorations on record—more Americans have lost their jobs in the last few years than at any time since the Great Depression. The ensuing competition for available jobs in the United

States shows up in the relative degradation of the conditions of employment. For instance, though U.S. labor productivity grew by some 30% during the period 1973-93, pay dropped by about 20% in real terms for that same period. Concurrently, average working hours have increased by 15% and white-collar workaholism has become, for many, a tacit requirement for keeping one's job.

The future looms uncertain. While technological achievements and the Information Revolution offer hope and promise, they have nonetheless led to a post-Industrial global economy that does not need and will not provide jobs for the current population of six billion, much less the eight billion-population forecast for 2019.

For major corporations, jobless growth is not merely a forecast; it is an established fact and, in many instances, a desired goal. William Greider, the political and economic columnist explains that: "The world's 500 largest corporations have managed to increase their production and sales by 700% over the past 20 years, while at the same time reducing their total workforce."³ Corporate America has averaged more than 100,000 announced job cuts per month since 2001.

Economists will correctly argue that productivity improvements in one sector tend to create jobs in other sectors and that therefore "in the long run" technological change doesn't much matter. However, these new technologies are necessitating fundamentally new qualifications and massive displacements of jobs. If the change is rapid enough, such job displacements can be just as disruptive as are permanent job losses.

Wassily Leontieff, the Nobel Prize-winning economist, has summarized the overall process as follows: "The role of humans as the most important factor of production is bound to diminish in the same way that the role of horses in agricultural production was first diminished and then eliminated by the introduction of tractors."⁴ We could let the horses peacefully die out, but what will we do with people?

The Financial Divide

The divide between "the haves and the have-nots" is growing worldwide—so too is human suffering. The disparity is now wider than at any time since the beginning of the 20th century. The pay gap between top executives and their average employees in the 365 largest U.S. companies soared from 42:1 in 1980 to 531:1 in 2000.⁵ "Of the surplus of over a trillion dollars generated between 1979 and 1999,

95% went to a mere 5% of Americans.”⁶ The financial wealth of the top 1% of U.S. households now exceeds that of the lower 95% of U.S. households, combined.⁷

In stark contrast, the average American family after 50 years of work manages to amass savings of just \$2,300.⁸ This is so even as they labor ever harder: during the year 2000 the average American worked two weeks more than a decade earlier. And increasingly, both parents must now be employed. Back in 1968, only 38% of married mothers worked for pay; currently, it is over 70%.⁹

Concentration of wealth is not limited to the United States. Indonesia’s 15 richest families, for example, hold 61.7% of all stock market holdings. The comparable figure for the Philippines is 55.1%, and for Thailand, 53.3%.¹⁰ Globally, 80 countries have per capita incomes lower than a decade ago; 60 countries have grown steadily poorer since 1980. Two billion people suffer from malnutrition. Three billion people presently live on \$2 or less per day, while 1.3 billion of those get by on \$1 or less per day.¹¹ “Of the world’s total population, 65% have never made a phone call; 40% have no access to electricity. Americans spend more on cosmetics, and Europeans more on ice cream, than it would cost to provide schooling and sanitation for the two billion people who currently go without.”¹²

With global population expanding by 80 million people each year, World Bank President James D. Wolfensohn cautions that, unless we address the “challenge of inclusion,” thirty years hence we may well have 5 billion people living on \$2 or less per day.

The Age Wave

When Germany’s Chancellor Bismarck decreed in the 1870’s that 65 years was an appropriate age for retirement, the life expectancy in Germany was only 48 years, with a mere 2% of the population left alive to enjoy their “golden years.”

One remarkable consequence of improved medicine, hygiene and nutrition over the last several decades is that two-thirds of all people who have managed to live to 65 years of age are alive now. The life expectancy throughout 99% of the entire existence of our species has averaged about 18 years of age. In the 1960’s, about one out of every 11 people was 65 or older in OECD countries.¹³ Now, it is one out of

every seven, and by 2030, it is estimated that one out of every four people will live to 65, or longer.

While this global graying trend may well transform the incoming Knowledge Age into a Wisdom Age, there remain sobering issues to be addressed.

One such issue is “un-funded liabilities.” These are benefits already earned by today’s workers, but for which no reserves exist. These funds have already been paid out as benefits to the currently retired population. These un-funded liabilities have now accumulated to well over \$35 trillion in the OECD countries alone (more than four times the entire Gross National Product of the U.S. economy). Adding healthcare to these costs would easily double that figure.

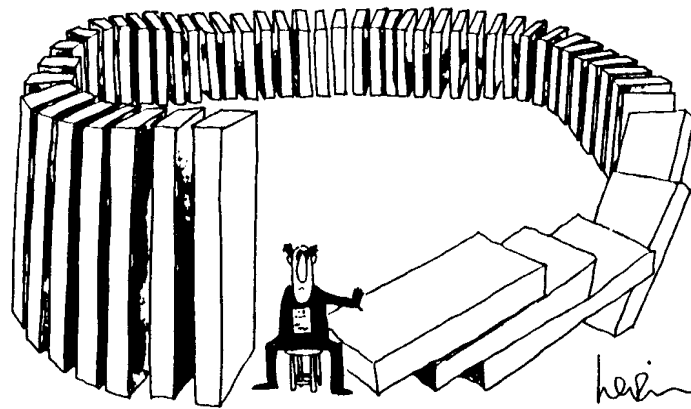
Monetary Instability

Our monetary system is in a state of great instability and change. A current global casino of unprecedented proportions determines our money’s value. Over \$1.2 trillion are traded each day in foreign exchange markets,¹⁴ a figure that is almost 100 times more than the trading volume of all of the world’s stock exchanges combined. Nearly 96% of these transactions are purely speculative; they do not relate to the “real” economy, they do not reflect global movements or exchanges of actual goods and services.¹⁵ Functioning primarily as a speculative market, current economic systems can be undermined not only by tangible economic news, but by mere rumor or perception as well.

Michael Camdessus, former three-term managing director of the International Monetary Fund, described the December 1994 Mexican economic near-cataclysm as “the first financial crisis of the 21st century.”¹⁶ Only having the United States cobble together an emergency package of an uncommonly large \$50 billion dollars prevented a total breakdown, which would have almost certainly pulled the U.S. banking system down with it. The Southeast Asian crisis of 1997 and the Russian crisis in 1998 dwarfed that episode and the emergency packages that were required made the Mexican bailout look puny.

These instances are by no means anomalies. According to the World Bank, no less than 87 countries have been through a major currency crisis within the last 25 years.

The world's leading economies are quite vulnerable as well. According to Alan Greenspan, Chairman of the U.S. Federal Reserve: "It is not credible that the United States can remain unaffected by a world that is experiencing greatly increased stress." This ominous forecast is even more likely for Japan and Europe, each of which relies more heavily on global trade.



"I don't see the relevance ..."

Unless some precautions are taken, there is at least a 50-50 chance that the next five years will see a global crisis that, in turn, may well result in global depression in our time.

Our contemporary mega-trends beg important questions, the answers to which affects each of us individually and all of us, collectively. How might we resolve the conflict between short-term financial interests and long-term sustainability? How will we provide paying jobs to additional billions of people when our technologies make jobless growth a clear possibility? How do we include less developed nations in the global economy? How will society provide the elderly with the money to match their longevity? Finally, how can we prevent or at least best prepare for the possibility of a worldwide monetary crisis?

THE UNDERLYING MECHANISM

Each of the questions posed above has a common bond—*money*. Money is a fundamental component of our lives and a tacit requirement for much that we do and aspire to as individuals, communities and nations. In fact, it is our monetary system that fuels and exerts the most profound influence upon all other systems within our world today.

However, it is not the mere lack of money or the perpetual need for more money that is precipitating these mega-trends or preventing us from addressing current challenges. Countless billions of dollars have already been spent and have not, nor cannot, fully restore our environment or solely resolve our core issues.

Rather, it is the limited functionality of our money system that is a major force behind our present-day disorders. So many of the problems we face, and the solutions we seek, reside within the architecture of our monetary system, and in our understanding of, and our agreements around, money.

Despite the preeminent role that money plays in our lives, the creation, history, influence and very definition of money remains clouded in mystery and misunderstanding for the vast majority of people.

Money is not a thing, but rather an agreement. Most of the agreements regarding our money were made centuries ago at the very beginning of the Industrial Age, an age that viewed the world as imperishable, its resources as unlimited and held a vastly different view of humankind. The monetary and banking systems that emerged during that period were very much in keeping with that former mindset and would become the most persuasive instruments of the primary objectives of that period.

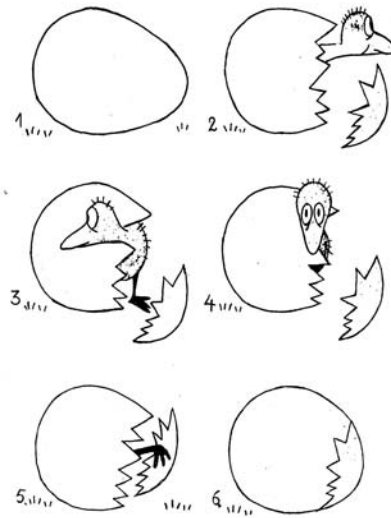
Is this what best serves our world today?

We submit that those aspects of our monetary system that reflected so accurately the worldview of another age are, to one degree or another, at the core of many of today's most pressing concerns and require our understanding, comprehensive re-evaluation and adjustment. Creative currency initiatives are in fact already occurring in many communities around the world, demonstrating quite clearly what is possible when we re-think money.

THE MISSION OF THIS BOOK

We can minimize the threats to our environment and significantly aid in its restoration. We can help provide meaningful work for all, with work that enhances and replenishes the world about us. We can effectively address fundamental urban and rural concerns and assist in the development of viable, sustainable communities. We can care for the sick and the elderly and provide *all* of our children with adequate shelter, health-care, nutrition and decent educations. We *can* create a better world where life and all living systems flourish. This is not an idealistic dream, but rather, a pragmatic attainment, achievable within the short span of but a single generation. *Yes, a single generation!*

However, no matter how noble the cause, no matter how sincere the desire or determined our efforts, humankind simply cannot hope nor must not expect our difficulties to magically disappear or global conditions to significantly improve until and unless we acknowledge and address the primary determinants of our current state of affairs. A vital shift forward requires a **keen** understanding and refinement of our present-day monetary system.



***Tempting as it may be to do as the little chick,
ignoring our challenges will not make them go away.***

The goal of this book is to provide readers with a greater understanding of our money, its influence and impact upon our lives and upon the world we inhabit, and to offer pertinent information and pragmatic currency initiatives essential to the realization of comprehensive global revitalization. It is our assertion that the measures discussed herein offer a broad framework for economic stability, growth and evolution and will ensure effective relief and dependable, lasting solutions to the challenges now facing our species and planet.

ORGANIZATION OF THIS BOOK

This book is organized in three parts.

Part I—*Yin, Yang, Jung and Money*, explores the link between the world “out there” and the universe “in our heads,” where so much of what is happening emanates, including the type of money in use today. Chapter 1 identifies the key characteristics of today’s money system. Chapter 2 proceeds with establishing the language necessary to understand the collective emotions that money generates in our society. Chapter 3 is a detective story that uncovers the bond between the emotional world and our money’s characteristics. And finally, Chapter 4 portrays the many vital consequences of that link.

Part II—*Three Ages*, examines how three societies shaped their money system in support of their prevailing worldview, which has direct relevance for our world today. Chapters 5 to 7 deal with the Central Middle Ages in Europe, Dynastic Egypt and Bali, respectively.

In Part III—*Complementary Currencies Today*, the information above is applied to today’s age and conditions. Chapter 8 highlights a few of the ever-growing numbers of complementary currency systems operational in the world at present. Chapter 9 identifies lessons from recent history; while Chapter 10 describes how monetary innovations can help effectively address pressing issues concerning jobs, meaningful work, and sustainability for the planet. Chapter 11, “Of Human Wealth,” shows the broader vision underlying this work.

There are also two Appendices. The first Appendix is a Glossary of Terms used in the book. Any word included in the Glossary is marked by an * the first time it is used in the text of the book.

The second Appendix introduces The Access Foundation, a non-profit organization, part of whose mandate is to provide important and up-to-date information regarding complementary currencies on its website, www.accessfoundation.org, including links to related projects taking place around the world, along with practical advice and freeware to assist in the creation of such currency systems.

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PART I

**YIN, YANG, JUNG
&
MONEY**

*“We don’t see things as they are.
We see them as we are.”*

Anaïs Nin

If you are confused about our money* system, take some comfort in the fact that you are not alone...

The U.S. representative to the International Monetary Fund (IMF)* under the Clinton administration offered this revealing definition: “Money is magic. Central bankers are magicians. Like all magicians, they don’t like to show their tricks.” Was she referring to real magic or simple parlor tricks? The answer is both. Magic and mystery have surrounded the money process throughout its long evolution. For millennia, the magic used to be of a religious nature; now high priests wielding impenetrable scientific equations perform it, but they still communicate in a purposefully cryptic language.

A hearing by the Chairman of the U.S. Federal Reserve in Congress has as much ritual and ambiguities as the oracles of the priests of Apollo in Delphi in Ancient Greece. A typical Alan Greenspan witticism illustrates this: “If you have understood me, then I must not have made myself clear.” William Greider, in his aptly-named best-selling book on the Federal Reserve, *Secrets of the Temple*, writes: “Like the temple, the Fed did not answer to the people, it spoke for them. Its decrees were cast in a mysterious language people could not understand, but its voice, they knew, was powerful and important.”¹⁷

There is indeed a deeper level of mystery operational in modern money; one that has even misled some of the money priests themselves. According to one implicit economic assumption dating back to Adam Smith, the architect of economics, money is supposedly “value neutral”; it is viewed as a passive instrument that doesn’t affect the nature of the exchanges or the relationships between its users. In fact, theoretical considerations and a substantial body of empirical data reveal that Adam Smith’s hypothesis about money’s neutrality is simply not valid. The use of different kinds of currency* can profoundly affect the behavioral patterns and relationships among the people using it.

If specific behavior patterns can be generated spontaneously, without regulation or coercion when different types of money systems are used, then monetary experimentation may become a key ingredient for the peaceful evolution toward a better human society. With humanity today facing some of its greatest challenges ever, the question is: can we afford not to use the remarkable motivational power of money to try to solve some of them? In the following four chapters, the

type of money used in our world will be examined; the veil that has hidden the mechanism of contemporary money and how it programs specific behavior patterns will be lifted.

Most important of all, the essential link between money and the **collective world*** within us will be mapped.

In Chapter 1, *In Whose Interest*, money itself will be defined; and the profound effects that our present-day money has upon our collective lives will be reviewed, with particular regard to the effects wielded by four seemingly innocuous aspects of our money, most especially that of interest.*

In Chapter 2, *Archetypes*, the all-important link between the world we live in and the human psyche will be examined, with an introduction to the main concepts of collective psychology: archetypes and shadows. Four of the most widely accepted human archetypes will be identified and linked to the Taoist concepts of Yin and Yang. .

In Chapter 3, *The Missing Archetype*, a long-repressed and fundamental archetype—the Great Mother—will be re-introduced; her vital significance to humanity and the profound relationship existent between this archetype and money will be examined, and her repression over the course of the last five millennia will be recounted.

Finally, in Chapter 4, *The Consequences Of Repression*, the dire, dramatic effects that have resulted from the repression of the Great Mother archetype will be detailed, along with the relationship of this archetypal repression to the predominant type of money in use in our world today.

CHAPTER 1

IN WHOSE INTEREST?

***“Money is like an iron ring we put through our nose.
It is now leading us wherever it wants.
We just forgot that we are the ones who designed it.”***

Mark Kinney

Money matters. More specifically, the kind of currency* used in a society and the manner in which money is created and administered, deeply molds values and relationships within that society by encouraging or discouraging specific emotions and behavior patterns. All money systems facilitate exchanges among people. But given the remarkable motivating power of money, whenever a specific money system is designed, it has been loaded with a host of other objectives as well, sometimes conscious, oftentimes unconscious, from prestige of the gods or a ruler to collective socio-economic motivations.

While payment and banking technologies (i.e., how we do things financially) have continued to dramatically change and improve, the fundamental objectives pursued by the monetary system (i.e., why we do them) have not been seriously revisited since Victorian England.

Every modern society, independent of its cultural or political background, has accepted the current money system. When the French and the Russian revolutions overthrew the established order in their countries (in 1786 and 1917, respectively), they changed just about everything else—but not the money system. Both societies completely rebuilt their legal systems. The French overhauled the entire measuring system (the metric system dates from then), and even tried to change the calendar. The Russians threw out the very

concept of private ownership and nationalized their banks. Nonetheless, the money system remained exactly as before, with the only significant, or rather, insignificant difference, being that the bills were now adorned with new mottoes and different heroes—but nothing else. When Mao’s communist takeover occurred in China, or when one hundred developing countries gained their independence over the past half-century, the same exact thing took place.

To more fully appreciate the profound effects that our money has upon our lives, individually and collectively, and to appreciate the choices that are available to us, we must first understand what money actually is and examine the rules of our current monetary game more closely.

WHAT IS MONEY?

It is quite common when considering money to think of it in terms of its material representations. Down through the ages, money has definitely *appeared to be a thing*, in fact, an incredible variety of things. Without having to enlist the most recently prevailing forms of money, such as paper, gold, silver or bronze, Glyn Davies created a money alphabet with a small selection of objects which had this purpose; from such things as Amber, Beads and Cowries to Wampum, Yarns and *Zappozats*—decorated axes.¹⁸

Money has appeared to us in many material forms. However, money itself is not a thing.

A simple experiment distinguishes the aura of money from any and all things. Stranded alone on a deserted island, a thing, say a knife, is still useful as a knife. However, a million dollars in money, in whatever form it takes—cash, gold coins, credit cards, or even zappozats—has ceased to be money. It becomes paper, metal, plastic or whatever, but it is no longer money. For any “thing” to act as money, it requires a community to agree that the particular object in question has a certain value in an exchange.

Events in recent decades have further made evident the non-material nature of money. In 1971, the United States ceased to define the value of the dollar in terms of gold. Since that time, the dollar has represented a promise from the U.S. government to redeem the dollar with... what? Another dollar! At least when the dollar was backed

with gold, we could more easily believe it had some material value. With the demise of the “dollar-gold equivalency standard,”* such self-deception has become more difficult to accept.

No self-respecting magician’s routine is complete without a decent disappearing act. Money has been performing this feat in a rather spectacular fashion. Once upon a time, when money was mostly gold and silver coins, banks started issuing pieces of paper that, in effect, just pointed out where the metal really was. The next step in the disappearing act is already well under way. Even our paper money is rapidly dematerializing into binary bits in computers belonging to our bankers, brokers, or other financial institutions. There is now serious talk that all of it may soon join the virtual world. Must we wait until the last dollar bill has disappeared into an electronic purse to wake up to its true non-material nature?

In short, although money has taken many forms throughout human history, money itself is not a material object, but rather, is merely represented as such.

What then is money?

A Working Definition of Money

Money may be defined as an agreement, within a community, to use something as a medium of exchange.*

As an *agreement*, money lives in the same space as other social constructs, like marriage or lease agreements. These constructs are real, even if they only exist in people’s minds. The money agreement can be attained formally or informally, freely or coerced, consciously or unconsciously.

This agreement is valid only within a given *community*. Some currencies are operational only among a small group of friends (like chips used in card games), for certain time periods (like the cigarette medium of exchange among front-line soldiers during World War II), or among the citizens of one particular nation (like most “normal” national currencies today). Such a community can be a geographically disparate group (such as Internet participants) or the entire global community (as in the case of the U.S. Dollar as long as it is accepted as “**reserve currency**”*)).

Finally, the key function that transforms the chosen object into a currency is its role as a medium of exchange. There are other functions that today's money tends to perform, such as unit of account, store of value, tool for speculation, and so on. However, these other functions may be considered secondary, as there have been perfectly effective currencies that did not perform some or all of these other roles.

In summary, the magic of money is bestowed on something as soon as a community can agree on using it as a medium of exchange. Our money and monetary systems are therefore not *de facto* realities like air or water, but rather, are choices like social contracts or business arrangements and, as such, are agreed to and are subject to, review and amendment.

Let us now look at some of the finer points on the agreements that have been made with regard to our money.

Our Monetary Agreements

The fundamental components of our modern-day monetary and banking systems were agreed to, not by the many, but by a powerful few; not in today's world with its present conditions and requirements, but, rather in another age, an age with vastly different perspectives, sensibilities, objectives and realities.

As mentioned previously, it was in pre-Victorian England at the beginning of the Industrial Revolution, in a world impervious to pollution, greenhouse effects and overpopulation, in an age that encouraged nationalism, competition and colonization and viewed the earth's resources as inexhaustible, that the vast majority of our prevailing monetary characteristics and features were molded. Whether by design or by happenstance, the monetary and banking systems that emerged were very much in keeping with that former mindset and would become the most persuasive instruments of the primary objectives of that bygone period.

Our world today continues to be thoroughly influenced and profoundly affected by the most powerful and persistent designer and enforcer of the Industrial Age's values and dominant emotions—the monetary system. Four deceptively benign features of our money maintain this influence.

EFFECTS OF OUR MONEY

All Industrial Age currencies have in common four key characteristics that continue to persist to modern day as unquestioned features of “normal” money systems:

- Geographical attachment to a nation-state.
- Its creation out of nothing—“fiat money.”*
- Issuance by bank debt.
- Incurrence of interest.

These seemingly innocuous components of our money system have wielded profound influence upon our society, the effects of which will now be briefly discussed.

Positive Effects

While the primary focus of our attention is that of issues and problems related to our present-day monetary system (examined below), it is important to bear in mind that the prevailing money system, with all its shortcomings and required adjustments, has propelled us quite effectively into and through the Modern Age and particularly, the Industrial Age. These ages have contributed to a historically unique ethos of *universality*, the ideals of *individual self-control and responsibility*, and *inventiveness*—some of the very best of humankind’s contributions. For instance, the concept of human rights, applicable to all humans, can be traced back to this ethos. The emphasis on individual freedom has no historical precedent. It has fostered an ethic based on self-determination and self-reliance that has made freedom more possible in society. Finally, without the incredible technological developments of the past two centuries, humanity in its current numbers could not long survive. These and numerous other advancements are to one degree or another directly or indirectly attributable to our monetary system.

National Currencies

The creation of a national currency has proven to be a most powerful tool to bolster national consciousness. National currencies are designed to facilitate economic interactions with fellow citizens rather than with foreigners.

“A common currency translates into a common information system, so that its inputs and outputs can be measured and compared across the parts.”¹⁹ It draws an information border between “us” and “them,” making tangible in everyday life boundaries that would otherwise be visible only by means of an atlas. In effect, it reinforces our unity within the confines of one nation while simultaneously emphasizing our division and separation internationally.

During the breakup of the Soviet Union, one of the first acts by each of the newly independent republics was issuance of their own national currencies. The Euro, the single currency that officially replaced a dozen national currencies, had as one of its aims the creation of a European supra-national consciousness and unity.

While it might be difficult today to imagine any currency other than those issued on a national level, the vast majority of historical currencies were, in fact, private issues made by local lords or sovereigns.

Fiat Money & Bank Debt

The Latin word *fiat* is found (in the Latin version) in the bible. According to Genesis, *Fiat Lux* (translation: "Let Light Be") were the first words pronounced by God. The next sentence states: “And light was, and He saw it was good.” We are dealing here with the seemingly godlike function of creating something out of nothing (*ex nihilo*) by the power of the Word.

All conventional national currencies in our world today are fiat currencies, created by an authority who declares that something that may otherwise be deemed worthless is instead a currency or valid “legal tender.”* These fiat currencies are created as bank debt, under the hierarchical authority of a national “central bank.”*²⁰

The convoluted money-creation process by means of bank debt is particularly inventive at resolving the apparent contradiction between two types of objectives pursued in pre-Victorian England: that of creating and reinforcing the nation-state on the one hand, while relying on private initiative and competition on the other. Specifically, it provides a smooth way to privatize the creation of the national currency (theoretically, a public function) via the private banking system as a whole, while maintaining pressure among individual banks to compete for the deposits of their clients.

A very important built-in aspect of bank debt, fiat money systems is summarized by economists Jackson and McConnell: “Debt-money derives its value from its scarcity relative to its usefulness.”²¹ For a bank debt based currency to function at all, scarcity has to be artificially and systematically introduced and maintained. This is one reason why today’s currency system is not self-regulating, but instead, requires an active role of central banks to maintain that scarcity. Actually, central banks compete to keep their own currency in short supply internationally so that the relative value and scarcity of their currencies are maintained as well. They accomplish that, for instance, by making borrowing more expensive whenever they want to “tighten money supply.”

Scarcity is a very strong reinforcer of competition rather than cooperation, exerting profound effects upon our society and nearly every aspect of our lives, as will be explored next in the consideration of “interest.”

Interest

Charging interest on money was prohibited on both moral and legal grounds by Western civilization for much of its existence and would not become an officially acceptable practice until the reign of King Henry VIII of England, who, after his break with Rome, first legalized interest in 1545. For most of history, all three “religions of the Book” (Judaism, Christianity and Islam) emphatically outlawed usury,* intended here as any interest on money. It is sometimes forgotten that the Catholic Church remained prominently in battle against the “sin of usury” for much of its existence, up until the 1800’s (see insert, next page).

Though the implications of the loans that create our money are seldom understood, their effects upon society are pervasive and powerful. Three well-known consequences of interest as a built-in feature of our money system are:

- Interest encourages systematic competition among the participants in the system.
- Interest continually fuels the need for endless economic growth.
- Interest concentrates wealth by taxing the vast majority in favor of a small minority.

Usury and Religion

It is written in the Hebrew Scriptures: “Unto thy brother thou shalt not lend upon usury, that the Lord thy God may bless thee in all that thou settest thine hands to.” (Deuteronomy 23:20). Islam is even more encompassing in its condemnation: “What ye put out as usury to increase it with the substance of others, shall have no increase from God.” (Koran Sura 30:38).

However, since modern money systems evolved predominantly under Christian influence, it is this religion’s changing view of usury over time that merits particular attention.

Usury was one of the most persistent dogmas of the Catholic Church. Clement of Alexandria, an early Church father, specified: “the law prohibits a brother from taking usury; designating as a brother not only him who is born of these same parents, but also one of the same race and sentiments...”

More than a dozen councils upheld the condemnation of the practice of usury, from the Councils of Elvira (A.D. 305-306) to the Council of Vienna (1311), which went so far as to warn that any ruler who would not criminally punish anybody committing usury in his realm would be himself excommunicated. The 5th Lateran council (1512-1517) reiterated the definition of the sin of usury as: “receiving any interest on money.”

The original doctrine against usury was finally questioned within the Catholic Church itself in 1822, after a woman from Lyons, France was refused absolution unless she returned an interest she had earned. Clarification was requested from Rome that responded: “Let the petitioner be informed that a reply will be given her question when the proper time comes... meanwhile she may receive sacramental absolution, if she is fully prepared to submit to the instructions of the Holy See.” A forthcoming resolution was promised again in 1830 and once again in 1873. This promised clarification never came.

Thus, the sin of usury, never officially repealed by the Church, was simply forgotten.

1. Encouraging Competition

When a bank creates money by providing, say, a \$100,000 mortgage loan, it creates only the principal when it credits the account. However, it expects a return of perhaps \$200,000 over the next twenty

years or so. The bank does not create the interest; it sends the borrower out into the world to battle against everyone else to bring back this second \$100,000 which has never been created; hence, the shortage.

The following story, *The Eleventh Round*, illustrates the way interest is woven into the fabric of our money system and how it stimulates competition among the users of our currency.

The Eleventh Round

Once upon a time, there was a small village where people knew nothing about money or interest. Each market day, people would bring their chickens, eggs, hams and breads to the marketplace and enter into the time-honored ritual of negotiations and exchange for what they needed with one another. At harvests, or whenever someone's barn needed repairs after a storm, the villagers simply exercised another age-old tradition of helping one another, knowing that if they themselves had a problem one day, others would surely come to their aid in turn.

One market day, a stranger with shiny black shoes and an elegant white hat came by and observed the whole process with a sardonic smile. When he saw one farmer running around to corral six chickens wanted in exchange for a big ham, the stranger could not refrain from laughing. "Poor people," he said, "so primitive."

Overhearing this, the farmer's wife challenged him. "Do you think you can do a better job handling chickens?"

The stranger responded: "Chickens, no. But there is a much better way to eliminate all the hassles. Bring me one large cowhide and gather the families. I'll explain the better way."

As requested, the families gathered, and the stranger took the cowhide, cut perfect leather rounds in it and put an elaborate and graceful little stamp on each round. He then gave ten rounds to each family, stating that each round represented the value of one chicken. "Now you can trade and bargain with the rounds instead of those unwieldy chickens." It seemed to make sense and everybody was quite impressed with the stranger.

"One more thing," the stranger added. "In one year's time, I will return and I want each of you to bring me back an extra round, an eleventh round. That eleventh round is a token of appreciation for the technological improvement I just made possible in your lives."

"But where will that round come from?" asked the wife.

"You'll see," said the stranger, with a knowing look.

Assuming that the population and its annual production remained exactly the same during that next year, what do you think happened? Remember, that eleventh round was never created.

As the stranger had suggested, it was far more convenient to exchange rounds instead of the chickens on market days. But this convenience had a hidden cost beyond the demanded eleventh round—that of generating a systemic undertow of competition among all the participants. The equivalent of one out of each eleven families would have to lose all of its rounds, even if everybody managed their affairs well, in order to provide the eleventh round to the stranger.

The following year, when a storm threatened some of the farmers, there was a greater reluctance to assist neighbors. The families were now in a wrestling match for that eleventh round, the round that had not been created, which actively discouraged the spontaneous cooperation that had long been the tradition in the village.

The Eleventh Round is a simplified illustration for non-economists, isolating the impact of interest on money on the system. To isolate that one variable, we have made the assumption of a zero growth society: no population increase, no production or money increases. In practice, of course, all three of these variables grow over time, further obscuring the impact of interest. The point of the “Eleventh Round” is simply that—all other things being equal—competition to obtain the money necessary to pay the interest, which is never created, is structurally embedded in the current system.

So how does a loan, whose interest is never created, get repaid? Essentially, to pay back interest on a loan, someone else’s principal must be used. In other words, the device used to create the scarcity (which is indispensable for this type of bank debt money system to function), involves having people compete with each other for money that was never created—and penalizes them with bankruptcy should they not succeed.

This is one important reason why interest rate decisions by central banks are paid so much attention. Increased interest costs automatically determine a larger proportion of bankruptcies in the future. When your bank checks your creditworthiness, it is really verifying your ability to compete successfully against the other players—that is to say, managing to wrestle out of them something that was never created—the interest.

Our monetary system obliges us to collectively incur debt and compete with others in the community just to obtain the means to perform exchanges between us. No wonder “it is a tough world out there” and that Darwin’s supposed “survival of the fittest” is so readily accepted by those who live within our competitive money system. However, there is an ever-mounting body of evidence to support significantly less harsh and even wholly contrary interpretations of the natural world.

Bio-sociology Professor Imanishi, from Kyoto University, has shown that the stereotypical Darwinian vision of nature as a struggle for life has been completely blind to the many more frequent cases of co-evolution, symbiosis, joint development and harmonious coexistence which prevail in all domains of evolution. Even our own bodies would not be able to survive long without the symbiotic collaboration of billions of microorganisms in our digestive tract, for example.²²

Evolutionary Biologist Elisabet Sahtouris points out that predominantly competitive behavior is a characteristic of a young species during its first forays in the world. In contrast, in mature systems like an old-growth forest, the competition for light, for instance, is balanced by intense cooperation among species. Species that do not learn to cooperate with the other species with whom they are co-dependent on invariably disappear.²³

In stark contrast to competition as the foremost tool of survival, most especially in the evolution of man, evolutionary systems scientist David Loye, in his books *The Great Adventure* and *Darwin’s Lost Theory of Love*, points us right back to the very source of Darwinism itself, Charles Darwin.

After writing *Origin of Species*, Darwin wrote a second book, *The Descent of Man*, in which Darwin himself points out that the brutal and bloody theory of *Origin* pertains mostly to pre-human evolution. In *Descent*, which deals primarily with human evolution: “Darwin actually writes only twice of survival of the fittest—and one of these times is to apologize for exaggerating the importance of this idea in *Origin of Species*!” Furthermore, “in this book of 848 pages in fine print, he writes only 12 times of selfishness, which by now hordes of socio-biologists, evolutionary psychologists and best-selling books have assured us is the central survivalist motivation for human evolution high and low.”

The misunderstood theory of evolution simply does not apply to human evolution, because once human consciousness comes into play, everything can change. As Loye points out, what Darwin is actually writing about in *Descent* can be clearly inferred by the word count:

Survival of the Fittest, 2 times

Selfishness, 12 times

Moral Sensitivity, 92 times

Love, 95 times

Habit, 108 times

Brain, 110 times

More surprising still, as Loye uncovers, Darwin himself quite plainly wrote for all to see, word for word, in *Descent* more than a century ago: "Important as the struggle for existence has been and even still is, yet as far as the highest part of our nature is concerned there are other agencies more important. For the moral qualities are advanced, either directly or indirectly, much more through the effects of habit, by our reasoning powers, by instruction, by religion, etc., than through natural selection."

Descent was completely overlooked, not because it was less valid than *Origin*, but rather, because it didn't fit in with the bias of the age in which he lived. That bias of another age is still systematically reinforced in our world today by our monetary system; most especially by interest.



2. Need for Endless Growth

The main simplifying assumption of the “Eleventh Round” is that everything remains the same from one year to next. In reality, we do not live in a world of zero growth in population, output, or money supply. The real process involves growth and the money system just preempts the first slice of that growth to pay for the interest. In other words, if one doesn’t pay back the interest on the loans, the bank forecloses on his or her property. It is ironic that in the old agrarian societies one customarily sacrificed to the gods the first fruits of the harvest. Now, instead, we are giving the first fruits of our toils to the financial system...

In this dynamic view, it is much more difficult than in our Eleventh Round story to notice what is actually happening. The money system acts like a treadmill requiring continuous economic growth, even if the real standard of living remains stagnant. The rate of interest fixes the average level of growth that is needed to remain at the same place.

This need for perpetual growth is another fact of life which we tend to take for granted as a natural component of our modern societies, rather than recognizing how it is fueled by our money system.

Yet, indefinitely compounded interest in the material world is a mathematical impossibility (see insert).

The Impossible Mathematics of Compounded Interest

Indefinitely compounded interest in the real world is a mathematical impossibility. For example, one U.S. penny invested at 4% compounded interest by Joseph at the birth of Jesus Christ, would have grown by the year of the American independence to the value of one ball of gold of half the weight of the earth.²⁴ By today it would have compounded further to the value of 2,252 balls of gold, each, half the weight of the earth.

3. Concentration of Wealth Effect

A third systemic effect of interest is its continual transfer of wealth from the vast majority to a small minority. The wealthiest receive an uninterrupted rent from whoever needs to borrow to obtain the medium of exchange.

A revealing study on the transfer of wealth via interest from one economic group to another was performed in Germany in 1982 (Figure 1.1).²⁵

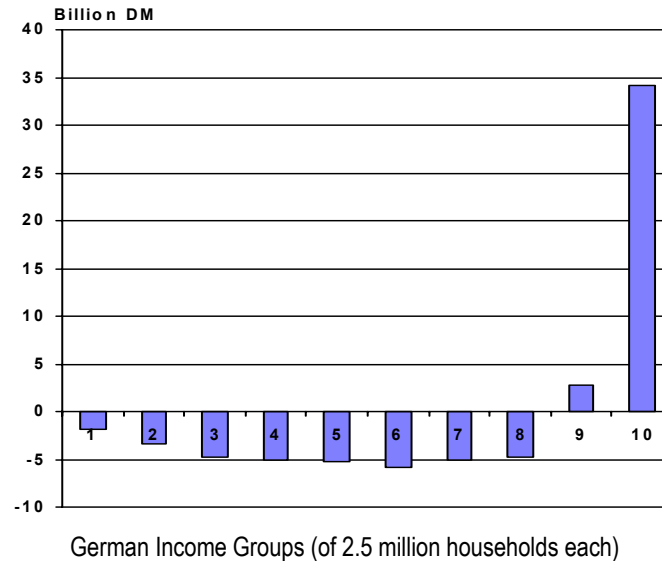


Figure 1.1 Transfer of Wealth via Interest (Germany, 1982)

All Germans were grouped in ten income categories of about 2.5 million households each. During that year, transfers between these ten groups involved a total of DM 270 billion in interest payments (approx. U.S. \$120 billion at the time). A stark way for presenting the process is to graph the net interest transfers (interest gained minus interest paid) for each of these 10 household categories.

The highest transfers of interest occurred from the middle class categories (3 to 8), each of which transferred about 5 billion DM to the top 10% of the households (category 10). Even the lowest income households transferred a substantial 1.8 billion in interest, per year, to the highest group.

The net effect is that the top 10% of households received a net transfer of DM 34.2 billion in interest from the rest of the society during that year. The graph illustrates the systematic transfer of wealth

from the bottom 80% of the population to the top 20%, especially the top 10%, due exclusively to the monetary system used, and independent of the degree of cleverness or industriousness of the participants and recipients—a classical argument so often presented to justify large differences in income.

Though no study on the effects of interest payment on the concentration of wealth is available for the United States, the overall concentration of financial wealth is even more dramatic. The only group that has increased its percentage of overall income during the past 20 years in the United States has been the top 5% of households. Though the next 15% of households held their own, all other groups have seen a decrease in their piece of the national pie.

While it is true that between 1975 and 1995, the combined income of all U.S. households rose from \$2.7 trillion to \$4.5 trillion in constant 1995 dollars, the benefits of this growth were not the same for all. The top 5% increased their average income by a whopping 54.1%, absorbing the bulk of the new growth, mostly at the expense of the middle 60% of the population. The cumulative result of this process explains the imbalance in U.S. and world wealth distribution.

Was it a concern for social justice and stability that previously motivated three major religions—Judaism, Christianity and Islam—to unanimously prohibit the practice of charging interest? It is intriguing that after interest became officially legal, almost all countries have felt the need to create income redistribution schemes to counteract at least part of this process.

The three side effects of interest (i.e., competition, the need for perpetual growth, and wealth concentration) have been the hidden engines that have propelled us into and through the Industrial Revolution. Both the best and the worst of what the Modern Age has achieved can be directly or indirectly attributed to these hidden effects of interest—the apparently benign feature of our officially prevailing money system.

But how could such a money system with biases as systematic as those exposed earlier have arisen in our civilization? How is it that this money system is so widely considered as the only one possible, as if it were a given like the number of planets in our solar system, by even our brightest people? Is this some sort of fluke, or perhaps a dark conspiracy, or maybe even a kind of “matrix” in which we are all manipulated puppets? And if so, who is pulling the strings?

To understand what is happening “out there,” we need to complete the circle and bring to light how money connects “in here,” inside our own psyche. Through this exploratory trip we will discover how the outer world of money is a reflection of our inner world. After all, that is where the engine that is driving it all has been hiding.

CHAPTER 2

ARCHETYPES

*We rarely hear the inward music,
but we're all dancing to it nevertheless.*

Rumi

The recent successful mapping of the human genome reveals an extraordinary likeness amongst all human beings. In fact, if the DNA of each person were, say, a book of one hundred pages, the differences between our individual “books” would be measured not by chapters, nor by pages, but by little more than a phrase or short sentence. While our covers (i.e., our outward appearances) may vary considerably, more than 99.9% of our wording would be identical. Genetically, at least, it is quite accurate to affirm that the bonds that unite us as a species far exceed any and all things that differentiate us as races, cultures, religions, philosophies, families and individuals.

Our commonality is to be found not only in our heritage, our biochemistry and in our physiology, but in our psyche as well. While much of our identity is unique and influenced by individual circumstance and environmental factors, there exist many psychic elements that belong to an entire society or to the human race in general—to the so-called collective. Just as apes, bees and chimps are each born with certain innate behaviors characteristic of their species, so, too, do we humans enter life with certain patterns, preferences, propensities and emotions that are universally “human.” The “collective unconscious” contains the whole spiritual heritage of mankind’s evolution, born anew in the brain and emotional structure of every individual.

An essential proposition of this work is that the kind of money used in a society is a reflection of that society's collective unconscious. That is why each society considers its own money system as self-evident, regardless of whether it uses stones, pieces of metal or bits of colorful paper as its money. So we need to dig up how and why our money system leads us by our noses, even to places few of us might consciously want to go.

The best tool available to explore the collective unconscious is archetypal psychology.

CONCEPTS OF COLLECTIVE PSYCHOLOGY

The field of Archetypal Psychology was pioneered by Carl Gustav Jung.²⁶ Among the better-known applications of collective psychology are the forecasts of fascism in Europe by Jung himself back in the 1920's and the dynamics behind the cold war period.

For our purposes we need to grasp only a few key concepts of that field: archetypes and their shadows. Both elucidate how it is that we have become predisposed to feel and behave in certain predictable ways. With archetypes and shadows as building blocks, a map can be sketched of the way humans tend to relate toward one another and the world around them, including the role that money plays in all of this.

Archetypes

An archetype* can be defined as a recurrent image that patterns human emotions and behavior, which can be observed across time and cultures.

There are hundreds, even thousands of archetypes. Each of our mythological figures describes an archetype. All of our perennial stories stage archetypes. Joseph Campbell, for example, identified the "Hero with a Thousand Faces" as a universal and quintessential story found across the eons of time and transcending the boundaries of culture: in Sumer (Gilgamesh), in ancient Greece (Hercules), in the Middle Ages (Knights in shining armor), in Japan (the fearless Samurai in the Edo Era), or in the United States (Superman in the 20th century).

"These hero myths vary enormously in detail, but the more closely one examines them, the more one sees that structurally they are very similar. They have, that is to say, a universal pattern, even though

groups and individuals developed them without any direct cultural contact with one another; for instance, tribes in Africa... or the Incas in Peru. Over and over again one hears tales describing a hero's miraculous but humble birth, his early proof of superhuman strength, his rapid rise to prominence or power, his triumphant struggle with the forces of evil, his fallibility to the sin of pride (hubris) and his fall through betrayal or a 'heroic' sacrifice that ends with his death."²⁷

King Solomon and the Queen of Sheba,
both representing the archetype of the
Sovereign.

(Stained Glass window from Canterbury
Cathedral, 13th century.)



Other archetypes are just as universal; the archetype of the wise Sovereign as embodied by King Solomon and the Queen of Sheba; the tragic Lover archetype as dramatized by Romeo and Juliet, Marilyn Monroe or Princess Diana.

Each of us regularly visits the archetypal realm in our dreams. Advertisers, campaign designers and Hollywood use archetypes to prompt you to feel or react a certain way. Media stories that "capture the imagination of the masses" are rich in archetypal content. The fact that more than one billion people around the world, independently of their cultural affiliation, watched the funeral of Princess Diana reveals the archetypal nature of the princess' tragic story.

Stories which trigger national fascination point to aspects of the collective unconscious of the corresponding culture: the fascination with the O.J. Simpson trial points to the racial wound in U.S. history; the media frenzy around Presidential sexual antics highlights the shadow of sexual repression in a culture with Puritan roots.

The historian Arnold Toynbee described the process by which archetypes play a role in human evolution "as part of a cultural strategy to respond to collective historical challenges, by organizing the emotional dimension of life."

Jung claimed: “All the most powerful ideas in history go back to archetypes. This is particularly true of religious ideas, but the central concepts of science, philosophy and ethics are no exception to this rule. In their present form they are variants of archetypal ideas, created by consciously applying these ideas to reality. For it is a function of consciousness not only to recognize and assimilate the external world through the gateway of the senses, but to translate into visible reality the world within us.”²⁸

Shadows

The other concept essential to exploration of the collective unconscious is the shadow.* A shadow can be defined as the way an archetype manifests whenever it is repressed.²⁹



Darth Vader from Star Wars fame re-enacts in new clothes one of the shadows of the Sovereign archetype: the Tyrant. Even his name plays a phonetic pun on that theme. When the mask is finally removed, an empty human is revealed, who is not in touch with his Higher Self. Any repressed archetype manifests in the form of one of its two polar Shadows: excess or a deficit of the energy of that archetype.

What archetypes and shadows have in common is to predispose people to act in certain predictable ways. For example, the archetype embodying the Higher Self is the Sovereign, represented by the King for men and the Queen for women. If, for whatever reason, someone is repressing his or her Higher Self (i.e., the Sovereign within), he or she will tend to behave either as a Tyrant or as a Weakling—the two shadows of the Sovereign.

The Tyrant possesses an *excess* of a Sovereign’s emotional and behavioral attributes, while the Weakling has a *deficit* of the same characteristics. Furthermore, it is well known that whenever one scratches below the surface of a Tyrant, one invariably discovers a Weakling. Conversely, when someone weak is given power over someone else, he or she will spontaneously turn into a Tyrant.

The Common Denominator

Fear is often a normal, healthy emotion. When a car veers out of control in front of you, for example, fear will unleash an adrenaline rush that will prompt you to react faster than usual. Each archetype has a healthy space for fears and their corresponding desires (e.g., desire for love by the Lover, survival for the Warrior). But when a fear becomes an enduring rather than a transient reaction, the fear then freezes up and becomes permanently embodied. This embodied fear “splits” the archetypal energy and the now-repressed archetype will manifest in the form of its shadows.

There is always a direct relationship of fear between the two shadows of an Archetype. A Tyrant, for example, is primarily afraid of appearing weak, while a Weakling is afraid of appearing tyrannical. In fact, the common denominator among all the shadows is fear. Figure 2.1 illustrates the “splitting” of the Sovereign archetype into its two shadows. Such splitting by fears into polar shadows can occur with any of the archetypes. For instance, the repressed Lover becomes Addicted or Impotent. In all cases, the two shadows are two faces of the same coin, one being excessive and the other lacking the essential energy of the archetype itself.

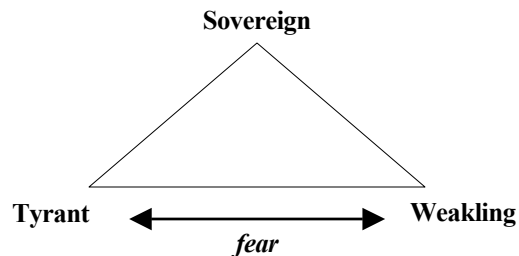


Figure 2.1 Shadows of the Sovereign Archetype

What all the shadows have in common is the fear of the other polarity. As an example, fear of impotence can provide the energy that pushes someone to become addicted to sex. Moreover, someone who is stuck with one of the shadows will automatically tend to attract people who embody the opposite shadow. A Tyrant will tend to be surrounded by Weaklings and vice versa. All of these examples illustrate the well-known psychological quandary that whatever we do

not accept in ourselves (i.e., our shadows) we will tend to project onto others and our surroundings. It is one common way whereby we, in Jung's words "translate into visible reality the world within us."

Yin, Yang and Jung

The age-old Taoist concepts of Yin-Yang* relate well to the two polar shadows of archetypes. Taoists conceived of all forces in nature and life as complementary pairs like heaven-earth, fire-water, inhaling-exhaling, pulling-pushing, etc. Although obviously separate forces, they are really part of a single ultimate unity and thus, intimately connected to one another. Integration of the Yin-Yang concept into the scheme of Jungian archetypal shadows is illustrated in Figure 2.2.

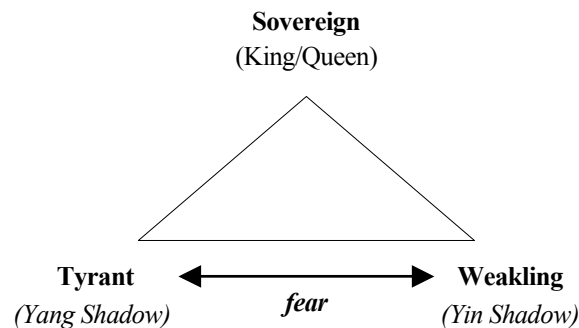


Figure 2.2 Yin-Yang Shadows of the Sovereign Archetype

Yang refers to the masculine, a term that is not synonymous with man. Similarly, Yin refers to the feminine, a term that, likewise, is not the same as woman. There is, of course, the typical predominance of masculine energy in men and of the feminine in women, but when this predominance becomes exclusive, dangerous pathologies develop. Archetypal psychology shows quite clearly that a male cannot be fully man in a mature way without having access to his feminine dimension, just as a female cannot be fully a woman without accessing the masculine within herself.³⁰ For instance, a Warrior without the loyalty and love for an ideal higher than himself becomes a dangerous element in society, a potentially destructive "loose cannon." Jungian psychologists Robert Moore and Douglas Gillette called him "an uninitiated or immature Warrior."

As illustrated in Figure 2.3, below, consciousness can be seen as a personal theater where the Ego (i.e., the conscious perception of the individual self), the personal unconscious, and the collective archetypes all play their respective roles. Since the Ego is unaware of these other actors, it normally has the illusion that it alone is in charge, operating under its own free will. Yet, as long as someone is afraid of a shadow, the Ego will tend to remain stuck in the fear-ridden axis between the two shadows and invariably act out one of them.

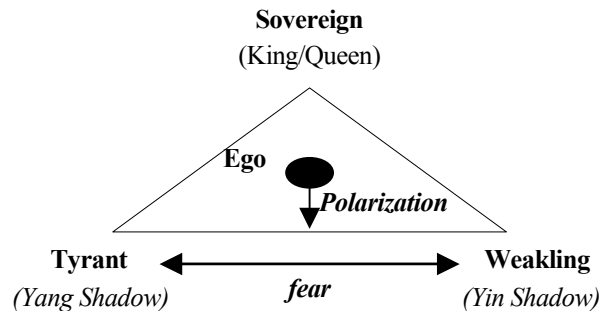


Figure 2.3 Polarization of the Sovereign Archetype

In short, an Ego who has not learned to properly access an archetype will be possessed by that archetype's shadows.

The Shadow Is Not The Enemy

The Shadow is not meant to harm us, but rather, to assist us. It would be logical to consider the shadow as “the enemy.” It is, by definition, the problem of which we would most like to rid ourselves, the face we do not want to acknowledge, the aspect of ourselves that would elicit the most disapproval by our culture, our family and in our own eyes.

However, one of the paradoxes of consciousness growth is that the Shadow is also our taskmaster, relentlessly needling us to evolve toward our next evolutionary stage. When the Ego has narrowed our feelings to an acceptable range—the image as to what is proper and appropriate—when all personal power is used to maintain or fake that image, it is at that very point that the shadows begin to haunt us. Shadows take us to places where we would prefer not to go. But they also reconnect us with our vulnerability, open us up to new depths

that we had forgotten we had. Therefore, the shadow is not the enemy. Paradoxically, the real enemy is our very reluctance to face and embrace the shadow.

The only way to escape from the control of shadows is to embrace them (i.e., to stop being fearful of either shadow). When someone has succeeded in embracing the two shadows, it frees the Ego to move toward integration with the Archetype and can continue until the Ego coincides with the Archetype itself. This is what is meant by integrating the archetype, represented in Figure 2.4.

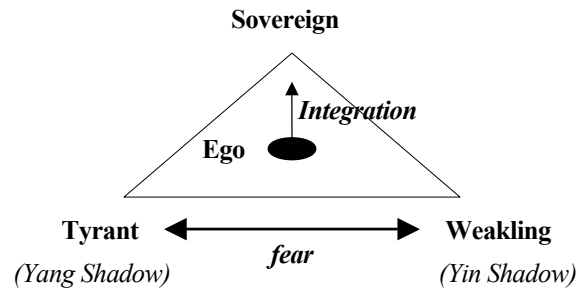


Figure 2.4 Integration of the Sovereign Archetype

James Hillman indicates that shadow work is soul work. The suffering it causes is the prelude to the re-awakening of the sacred in daily life, in our relationships, and our work. This idea is not a recent one; it has been echoed by respected figures down through the ages.

"If only it were all so simple!

*If only there were evil people somewhere insidiously committing evil deeds,
and it was necessary only to separate them from the rest of us and destroy them.
But the line dividing good and evil cuts through the heart of every human being.
And who is willing to destroy a piece of his own heart?"*

Alexander Solzhenitsyn

*"If you bring forth what is within you,
what you bring forth will save you.
If you don't bring forth what is within you,
what you do not bring forth will destroy you."*

Jesus

A MAP OF THE HUMAN PSYCHE

A map is a simplified model of reality that is useful because it highlights specific aspects and ignores the superfluous. For instance, a road map emphasizes landmarks important for a driver and ignores the geology, plant life, and many other features less relevant for its purpose.

A map of the Archetypal Human is similarly a single map that highlights the essential aspects of that most complex of all domains, the human psyche.

The criterion used in selecting particular archetypes for such a map is to capture as broad a spectrum of contemporary human emotions as possible with a minimum number of the most important archetypes. In other words, it is an attempt to draw the simplest chart with the most explanatory power.

The Quaternio. Jungian psychologists Robert Moore and Douglas Gillette developed a map of the human psyche³¹ based upon Jung's Quaternio: a structure of four major archetypes. It has the advantages of being simple while capturing a broad range of human experiences and includes the best-known archetypes found in all cultures: the Sovereign, the Warrior, the Lover, and the Magician.

The Quaternio is illustrated graphically with its corresponding Yang and Yin shadows in Figure 2.5 (Yin shadows are italicized).

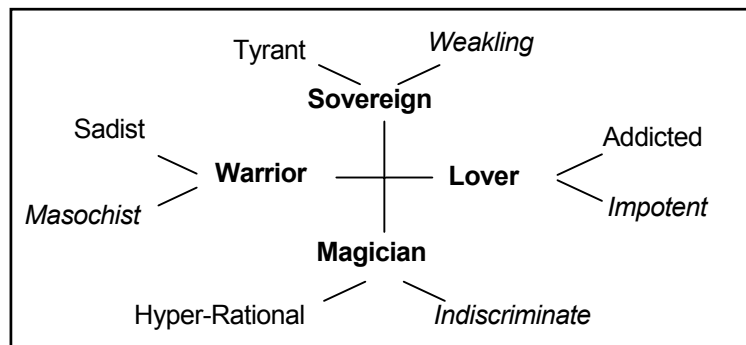


Figure 2.5 Jung's Quaternio of Major Archetypes

THE FOUR ARCHETYPES

The four archetypes, the Sovereign, the Warrior, the Lover, and the Magician will now be briefly described, along with their Yin and Yang shadows.

The **Sovereign** is the integrating force at the core of the psyche. This archetype represents the Higher Self that (when healthy) mobilizes, accepts and integrates the forces of all other archetypes.



The Sovereign (in this case the King), integrating all polarities. Richard I represents himself on his Seal as holding in his right hand the Sword of death, and in his left hand the Tree of Life. The sun and the moon, the cosmic symbols of the complementary masculine and feminine energies, surround him.

(Second Great Seal of Richard I).

In turn, the sovereign makes the necessary sacrifices (from *sacer facere*, literally “making sacred”) for the good of the whole. It is androgynous (i.e., both male and female, integrating the energies of both the King and the Queen). Its two shadows are the Tyrant (Yang shadow) and the Weakling (Yin shadow).

The **Warrior** masters discipline, asceticism, and force. The Warrior protects what needs protecting for the common good and destroys what needs to be eliminated, in order to enable the blossoming of new life and forms. The ideal of the Western Medieval knight, America’s Superman, and the Samurai in the Japanese tradition, embody this archetype. Its original usefulness came from hunting and avoiding being hunted by animals of prey.³² Its two shadows are respectively the Sadist (Yang shadow) and the Masochist (Yin shadow).



An Etruscan Terracotta (5th century B.C.) captures the calm assurance of the warrior, master of his discipline and force.

From the ancient Assyrians who flayed and impaled men alive for sport to the atrocities and genocide of World War II and Bosnia, the Sadist shadow has been with us for a gruesomely long time.

The **Lover** masters play and display, sensuous pleasure without guilt. It is the power of empathy and connectedness to other people and everything else. The Lover is particularly sensitive to art and beauty. Its two shadows are the Addicted Lover (Yang shadow) and the Impotent Lover (Yin shadow). Addictions have become one of the most universal features of Modern society. Some addictions have been made illegal, such as heroin or crack cocaine; others are quite legal, such as alcohol, tobacco, and coffee; while some are actually encouraged in our mainstream contemporary culture, such as workaholism, co-dependency, and addictions to control.³³



Rodin's Lovers. The Lover archetype breaks down the barriers and borders that the Warrior creates and protects.

The **Magician** masters knowledge and technology in the material world (through science, technologies, and crafts) as well as in the immaterial worlds (shaman, healer, priest or priestess), or the connections between both realms (alchemists, magi). The two shadows of the magician are the Hyper-rationalist know-it-all (Yang shadow) and the Indiscriminate (Yin shadow).

Each one of these archetypes is active both at the individual and at the collective level. At the collective level we also have organizations that embody these archetypal energies. For instance, government plays the role of the Sovereign; the army and corporations carry most of the Warrior energy; academia, science, technology, and religion perform the Magician's activities. The Lover is expressed in the Arts, but it is significant that in our societies, most other expressions of the Lover archetype have been limited to private life.



Magicians changed the world by understanding and using the laws governing the different realms. Each age has its magicians, from Merlin and Faust to Einstein.

Equipped with these tools—the archetypal language—you are invited to explore in the next chapters the collective human unconscious. Along the journey we shall visit a long repressed archetype, the roots of Western Civilization, and the relationship all this has to our money. You will also discover that who we are, what we are capable of and what is possible in addressing our present-day challenges and forging a path toward tomorrow is quite different from what most of us have been taught or might tend to believe.



CHAPTER 3

THE MISSING ARCHETYPE

***“The mind makes up the world,
and then claims it did not.”***

David Böhm

Western civilization has been characterized by three foremost taboos: sex, death, and money. For centuries, these topics were considered inappropriate to bring up in “polite company.” The sexual revolution of the 1960’s brought the first taboo into the open. Near-death experiences, a growing awareness of Eastern philosophies, drug overdoses, sexually transmitted diseases, and especially the AIDS epidemic, have helped us to face death, and even discuss it with our youngsters. It is now time to tackle the last taboo, money.

The money taboo operates at both the individual and collective levels. For example, it is considered quite improper to ask anybody how much money he or she has or where it comes from. Collectively, there is a remarkable blindness and misunderstanding about how our money is created or the fact that the particular type of money we currently use induces specific individual or collective programming, even that it creates any emotional or behavioral encoding at all.

Contrary to the assumptions made in economic, psychological, or sociological textbooks—money is not an emotionally neutral tool. For example, two key emotions commonly exhibited by all of our modern financial markets are greed and fear of scarcity. In fact, these two emotions are so prevalent that they are considered normal by our society.

But are such emotions in reality normal? Are greed and fear of scarcity elements that dominate within the healthy human psyche? Or are these emotions, perhaps, the signs and reactions of something else at work? In forging answers to these questions, we will employ the tools of collective psychology and examine a particular and essential archetype.

The Meaning of Myths. A work dedicated to such issues as our monetary system and the challenges facing our planet might seem like a strange or inappropriate place to employ myths. However, myths are *not* untrue, pre-scientific tales about the origin of mankind—as now-popular attitudes might have us believe. Quite to the contrary, myths are valid descriptions of psychic sequences; they are favorite scenarios that illustrate how specific archetypes manifest.

Myths, therefore, should be understood in a collective psychological sense, not as some hero or god's story. They represent “powers that have been common to the human spirit forever, and that represent the wisdom of the species by which man has weathered the millenniums.”³⁴ Myths are the dream-thinking of a whole civilization.³⁵ They are revelations and expressions about the “stuff”, the make-up, of our collective being.

Carl Jung pointed out that Modern rational man has tended to dismiss the power of archaic symbols and archetypes and cautioned otherwise. “It is a folly to dismiss them because, in rational terms, they seem absurd or irrelevant. They are important constituents in our mental make-up and vital forces in the building up of human society and they cannot be eradicated without serious loss. Where they are repressed or neglected, their specific energy disappears into the unconscious with unaccountable consequences.”³⁶

THE GREAT MOTHER ARCHETYPE

Clear and mounting evidence points to the fact that for much of human history a rather important archetype has been the object of systematic and substantial repression. So pervasive has this repression been, in effect, that it is characteristically missing from the Quaternio map of the Human psyche presented in Figure 2.5, page 43.

This missing archetype is that of the Great Mother.

Archeological Evidence

One of the most powerful ways to understand what a particular society is or has been up to here on earth is to look at its images of the divine. Archeological evidence from the upper Paleolithic to the early Bronze Age periods (roughly from 30,000 to 3,000 B.C.) shows many prehistoric representations of feminine figurines that, though not identically uniform, do share unmistakable and important characteristics in common.



The Great Mother of Willendorf (30,000-25,000 B.C.). This is an emblematic fertility figure, and not the portrait of a specific woman. Seven circles of “hair locks” hide her face. The vulva is clearly marked. The bosom and the thighs are disproportional compared to the hands, in order to emphasize them.

“At the beginning was the breast. For all but a fraction of human history, there was no substitute for a mother’s milk. Indeed, until the end of the 19th century, when pasteurization made animal milk safe, a maternal breast meant life or death for every newborn babe. Small wonder that our prehistoric ancestors endowed their female idols with such bosoms... It takes no great stretch of the imagination to picture a distraught Stone Age mother begging one of those buxom idols for an ample supply of milk”³⁷

The first forms of religious expression often found in archaeology and across cultures are images of a mother pregnant with or nurturing her child and identified as the Great Mother or the Fertility Goddess. She was a key aspect of the goddess cult. Great Mother effigies were carved during the upper-Paleolithic period (30,000 to 9,000 B.C.) in mammoth ivory, in reindeer antlers, on stone or in live rock at the entrance of the sacred caves symbolizing her womb.³⁸ As pottery developed, artisans working in that new medium created a plethora of her representations as well.

Her presence has been documented from the earliest times of human consciousness, uninterrupted until about 3,000 B.C. Her unrivaled influence and imprint lasted at least ten times longer than the male Creator Sky God prevalent in today's Judeo-Christian worldview. Moreover, four times as many prehistoric representations of feminine figurines rather than masculine ones have been uncovered,³⁹ indicating her predominant position in pre-history.

Archetypal Significance

"The Goddess in all her manifestations was the symbol of unity of all life in Nature. Her power was in water and stone, in tomb and cave, in animals and birds, snakes and fish, hills, trees and flowers. Hence the holistic and mythopoetic perception of the sacredness and mystery of all there is on Earth."⁴⁰ She is the power of fertility and regeneration, the womb as well as the receptive tomb, the power of death. "All proceeds from Her, all returns to Her. As Earth, She is also plant life, trees and the herbs and grains that sustain life. She is the body, and the body is sacred."⁴¹

Thus, the Great Mother archetype encompasses the mysteries of life (sex and death) and that which gives us sustenance—including money—within her psychic energies.

As befits each important archetype, the Great Mother was honored and active over an extensive period of time, tens of thousands of years, in fact, and over vast geographical areas and diverse cultures. However, the single linguistic term of the "Great Mother" is not meant to imply that there was literally a single identical uniform entity that was venerated.

Furthermore, it must be emphasized that our concern here is not a theological one, but instead focused upon the existence of an archetype, an image that patterns collective human emotions and behavior, an intrinsic aspect of the collective human.

EARLY MONEY & THE GREAT MOTHER

Substantial evidence has demonstrated that money was not only invented during the period when the Great Mother archetype was honored, but that money's earliest forms were directly related to her.

Cattle: The First Working-Capital Asset⁴²

Cattle played a major role as mediums of exchange and payment and a unit of account in much of the ancient world. For instance, the poet Homer (7th century B.C.) expressed wealth in heads of cattle. The English word “pecuniary” (as in “pecuniary compensation”) comes straight from the Latin *pecus*, meaning “cattle”; the word “fee” evolved from *vieh*, it, too, meaning “cattle” in Old Germanic. The Indian currency “rupee” comes from the Sanskrit *rupa* meaning “head of cattle.”⁴³

Nothing Wrong with a Head

One side effect of the use of cattle for monetary purposes is that it is the number of head, rather than the quality or health of the animals that counts. A contemporary agricultural expert, when trying to persuade the Wakamba tribal chiefs not to keep diseased and old cattle, was given the following reply: “Listen, here are two pound notes. One is old and wrinkled and ready to tear, this one is new. But they are both worth a pound. Well, it’s the same with cows.”⁴⁴

Even the word “capital”* is a direct derivative from that same concept (*capus*, *capitis*, meaning “head” in Latin)⁴⁵ and is still used today in ranching societies as a unit of measure (“He’s worth a thousand head.”).

Archetypal Significance—For our purposes, the key question is: what are the symbolic or archetypal associations of cattle?

Cattle seem to have been strongly related to feminine archetypes of fertility and abundance for as long as human artifacts can trace. The symbol of the cow personified the Great Creatrix and the Great Mother everywhere in ancient myth. Milk-giving, ferociously protective of her young, the white cow was the classical symbol of the Moon Goddess, akin to the White Buffalo Woman of American Indian traditions. The Inanna of Sumer claims proudly: “Heaven is mine, the earth is mine... I am a splendid wild cow!”⁴⁶

In Egypt, her name was Hathor, Goddess of beauty and plenty, whose udder overflowed to the point of creating the Milky Way (as we still call our own galaxy). Hathor gave birth every day to the sun, her “golden calf.” Her horn was the sacred “Horn of Plenty”—the cornucopia—out of which poured all the fruits of the world.



Hathor capital with a human face and cow ears, in the temple of Hathor built by Ramesses II in Memphis. Hathor, one of Isis' forms, was the goddess of love, joy, fertility, and abundance. Her udder was so overflowing with milk that it created the Milky Way.

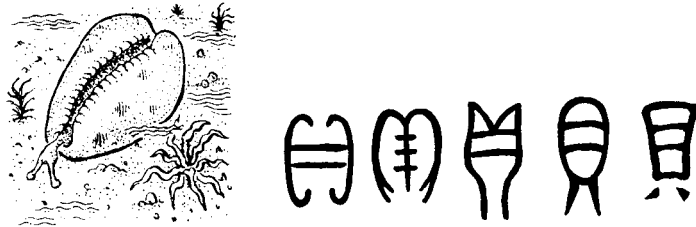
(Capital from Memphis, XIXth dynasty, Middle Kingdom, 1290-1224)

Cow and woman each gave milk. Both were the source of generation and life. Water, milk, cattle, and women were the source of nourishment and regeneration. These associations—birth, death and resurrection—were of deep archetypal significance and were the foundations of several religions, including that of Dynastic Egypt and Christianity.

The Cowrie

“The cowrie shell, of all forms of money, including precious metals, was current over a far greater space and for a far greater length of time than any other... Cowries are durable, easily cleaned and counted, and defy imitation and counterfeiting... For many people over large parts of the world, at one time or other they have appeared as an ideal form of money... They were still officially accepted for payment of taxes until the beginning of the twentieth century in West Africa.”⁴⁷

In ancient China, the cowrie played such an important role as money that its pictogram was adopted in their written language for money. The first Chinese manufacture of bronze and copper currency took the form of imitation “cowries.”



Sequence showing the evolution of the drawing of the cowrie shell into the symbol of money in Chinese ideograms. The ideograms for the words “desire,” “treasure,” “valueless,” and “lending” have all kept the same cowrie shell root.

Archetypal Significance—The cowrie shell, with its vulva-like form, is associated with the water where it is formed, and the fertility is specific to the water element. It is traditionally related to sexual pleasure, prosperity, chance, and fecundity. The cowrie is also associated with death, because its useful life as currency starts after the death of its original inhabitant.

In Spanish the feminine name of Concepción (conception) is abbreviated as Conchita (literally, little shell and also slang for the feminine sexual organ). To the Aztecs, the moon God Tecaciztecatl, whose name translates as “the one from the shell,” has as its attributes the process of birth and generation and is represented by a vulva.⁴⁸

In case there would still be some doubt about the association between the cowrie shell and the feminine fertility archetype, we can return full circle to the earlier cattle example. The word “cow” comes from the Sanskrit *gau* and the Egyptian *kau*. It is also at the origin of the words *gaurie* or *kaurie* that became the cowrie shell in English.

Gold

The use of gold as currency is intrinsically linked to the Great Mother archetype as well, with explicit mythological evidence in several cultures. For instance, Hathor, the Egyptian cow Goddess was called the “Golden One”; just like Lakshmi, the Hindu Goddess of abundance and wealth is still called today the “Goddess of Gold.” The ancient legends of the Edda describe similarly Gullveid as the “golden Goddess” whose wealth in gold became the object of war between two warrior tribes.

Amber

Amber was another important commodity-currency in antiquity, especially in international sea-trade. In Dynastic Egypt it was more highly valued than gold. It was found in its natural state of fossilized resin, then as now, on the beaches of the Baltic Sea. Pieces of amber were considered as the “tears of the Great Mother,” identified with the primordial ocean.

Some Early Coins

Early coins were deeply related to the feminine aspect of the divine. Just two examples will be provided here: the Sumerian Shekel and the origin of the word “money” itself.

The Sumerian Shekel

The Sumerians called their first coin-like object (used as a token or proof for payment) the “Shekel,” because *she* meant wheat and *kel* was a measurement similar to a bushel. Hence, this coin was a symbol of a value of one bushel of wheat. (The word “shekel” survives in modern Hebrew as Israel’s monetary unit).

The original purpose of the shekel was that of payment for sacred sexual intercourse at the temple of Inanna/Ishtar, the Goddess of life, death and fertility. This temple, as well as being a ritual center, was the storage place for the reserves of cereals that supported the priestesses, and the community in lean times. So farmers fulfilled their religious obligations to society and the Goddess by bringing their contribution of wheat to the temple and receiving in exchange this shekel, entitling them to a visit with the priestesses at festival time.

Two thousand years later, after the patriarchal* system had changed dramatically the meaning and nature of these rituals, the Bible would describe these priestesses as “temple prostitutes.” However, such practices and their significance must be understood within its own particular cultural context. The “sacred prostitutes” were representatives of the Goddess, and intercourse with them was intercourse with the Goddess of fertility herself, nothing to be taken lightly. At that time, fertility was truly a matter of life and death. If the crops failed, there was no alternative. The magic ritual properly ensured the fertility in crops, animals and children, each of which were requisites for future prosperity.



On a large alabaster vase dating from 3100-2900 B.C., a naked man brings a large basket filled with food to Inanna. The Goddess is shown standing in front of a twin-doorpost entrance, symbolizing her temple. An ancient repair with copper rivets is visible above the head of the goddess, indicating that the vase was treasured already in antiquity.

(Alabaster vase, Uruk (Level III) height: 3 ft. Iraq Museum. Photograph Hirmer .Fotoarchive, photo 624.3014, Munich.).

The reason why money, sex and death all became powerful taboos in the West relates to the fact that all three are attributes of the ancient Great Mother archetype, as illustrated by the shekel associations.

Juno Moneta

The English word money* derives from the Latin *moneta*, as the first Roman mint operated out of the Temple of Juno Moneta in its basement (her womb). The choice of that particular location was a direct reminder of the relationship of money to the essential feminine, as is revealed by the attributes of that Goddess.



Ancient Roman silver coin with the head of Juno Moneta (inscription “Moneta”) from whose name the word “money” originates. On the obverse are represented all the key coining tools. The original feminine dimension of money creation is explicitly demonstrated in this coin.

(Roman coin issued around 45 B.C., actual size 18 mm.)

The Goddess Juno Moneta

Juno was a very ancient Italic Goddess, initially different from the Greek Goddess Hera with whom she became amalgamated later, during the period of cultural assimilation at the maximum extension of the Roman Empire. Both Juno and Hera, however, were essentially Goddesses of womanhood. Juno was part of the Capitoline triad, the Trinity that ruled Rome (with Minerva, the Goddess of wisdom, and Jupiter, the sky God). To the Romans, just as every man had his “genius,” every woman had her “juno,” the essence of her femininity. As daughter of Saturn, Juno was the Goddess of the feminine menstrual cycles and was therefore worshipped by Roman women every month at the Calends, the first day of the new moon. Juno presided at all key feminine occasions as is identifiable by her attributes. She was the Pronuba who made marriage abundantly fertile; Populonia, the Goddess of conception; Ossipago, who strengthens fetal bones; Sospita, the labor Goddess; and Lucina, who leads the child to the light, the birth Goddess.

One relic of her tradition is that many brides still choose to marry in June, ensuring for themselves the beneficence of the Goddess for whom that month is named.⁴⁹

In summary, the Great Mother archetype and deep honoring of the feminine were not only present when money first came into being, but were intrinsically and symbolically connected to it. Of course, all this happened when words reflecting feminine characteristics had not yet acquired their pejorative bias. Words like *silly* still meant “blessed by the moon Goddess Selene”; *hysteria* implied “having a womb,” not a mental disturbance; *chaos* referred to “unbounded becoming,” in stark contrast to its definition today as disorder.

THE ARCHETYPAL HUMAN

The missing archetype of the Great Mother/Provider will now be integrated into Jung’s Quaternio as interpreted by Moore and Gillette to arrive at a (more) complete Archetypal Human (see Figure 3.1).

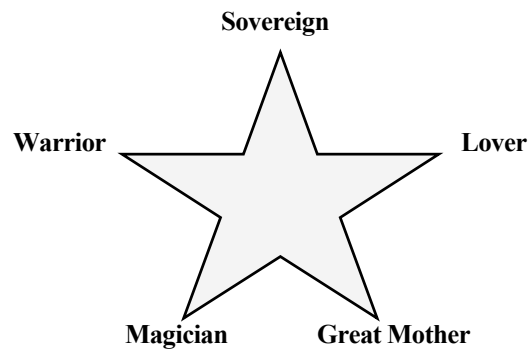


Figure 3.1 *The (more complete) Archetypal Human*

This figure is not intended as an all-encompassing map. More comprehensive representations of the human psyche could readily be built, but the objective, again, is to use the least number of archetypes to describe important aspects of the collective human. Given that the quaternio had left out at least one important archetype, the minimum number of archetypes for our map is five. These five archetypes may be considered as primary landmarks comprising the vast territory of the collective human psyche. As foundational elements, any disturbances here would have a profound impact upon individual and collective emotions and behaviors.

ARCHETYPAL REPRESSION

Over the past five millennia, there has been a substantial repression of the feminine in general and of the Great Mother archetype in particular. This repression would eventually result in many consequences, including formidable ones for our monetary system and for society at large. In Europe, the first signs of this repression can be traced back to the successive waves of Indo-European invasions.

Indo-European Invasions

Patriarchal repression of the feminine traces its origins back to the rise of warrior energy during the 4th Millennium B.C. This coincides with a period of massive climate changes, which brought about an intense desertification of a wide area ranging from North Africa (the Sahara) via the Middle East (the Arabian and Syro-Iraqi deserts) all the way to Southwestern China (the Gobi desert).⁵⁰

Whether or not there exists a causal relationship to this change of climate, communities in these affected areas, whose lands would no longer support farming or many forms of wildlife (thus hunting) transformed into pillaging, nomadic, authoritarian-ruled, patriarchal, warrior societies who spread their violent behavior over very large distances. The communities that came in touch with these nomads were either exterminated, or survived only by “toughening up” and adapting as warrior cultures themselves.

The influence of the Mother Goddess, who had been all powerful during the stone ages, now began to wane. Male deities, particularly gods of war and conquest, were on the ascendant. “Metal was the source of their might... Along with ruthless invasions, undeclared warfare, and appropriation of women as their rightful spoils, they were developing a society in which masculinity was supreme. An insatiable desire for property and power, together with insensitivity to pain and suffering in themselves as well as in others, characterized everything they did.”⁵¹

After military conquest, the standard procedure was to kill off all the adult males of the vanquished group, then rape and enslave the females.⁵² This is where “ethnic cleansing” originated. In the short span of a very few generations the genetic and cultural make up of the region was dramatically transformed. Thereafter, the mythologies of the vanquished people would gradually be converted into patriarchal

systems, wherein the ancient all-powerful Goddess was split up into many separate functions, each of which became attributes or partners of dominant male gods. Repression, control, and subservience of the feminine and particularly of the aspects of the Great Mother sexuality and fertility have been the practical outcome ever since that time.



The myth of Wotan, the God of war, incarnates the earl horse men, who were the highly specialized caste of warriors among the Indo-Europeans.

(Wotan, Stela of Hornhausen, Halle Museum).

Greek Civilization

The nearly endless and incomparable contributions made by Greek civilization to virtually every aspect of human endeavor (e.g., architecture, drama, governance, language, geometry, medicine, philosophy, etc.) are well noted and have profoundly influenced and

enriched our world. However, the Greek culture was itself strongly patriarchal and would convert so-called archaic matrifocal* mythologies beyond recognition into patriarchal ones.⁵³ For example, the amber “tears of the Great Mother” changed into the “tears of Apollo” which *he* shed when he was banished from Olympus.

For the Greeks the very act of founding a civilized community became symbolized by “cutting the feminine” (see insert).

“Cutting the Feminine” as a Metaphor of the Civilizing Act

Greek-priests would found a new city by cutting a large cow-skin with a knife into a single, thin, uninterrupted rope. That rope would then be spread out to create the perimeter of the new city. This ritual was a metaphor for expunging the feminine nature (symbolized by the cow-skin), thereby creating an ordered “civilized” space.

Founding Roman cities had the same symbolic content. Rome itself, as well as all other Roman cities, was founded by ritually opening the earth with a plow pulled by oxen to mark the perimeter of the new town.

The Greek awakening of the so-called rational mind provided new arguments for the repression of the feminine, which became cornerstones of Western thinking for the next 25 centuries. This includes Parmenides’ declaration of the independence, autonomy and superiority of Reason as the only legitimate judge of reality. For him, all senses mislead; only intellectual Reason perceives reality. Socrates and Plato built on that. Reason became associated with the transcendental, spiritual desire and the absolute. Everything outside of it is dismissed as the irrational, associated with the imperfections of matter, instinctual desires and the relative.

Finally, Aristotelian philosophy would claim that women are incomplete and damaged human beings of an entirely different order than men. “For the female is, as it were, a mutilated male.” Her womb is but a passive receptacle for the “divine male sperm.” Aristotle’s logical conclusion was “the male is by nature superior, and the female inferior... the one rules, the other is ruled.”⁵⁴ Twenty-three centuries later, Freud would still refer to this “incompleteness” in women’s nature as proof of their “natural inferiority.”

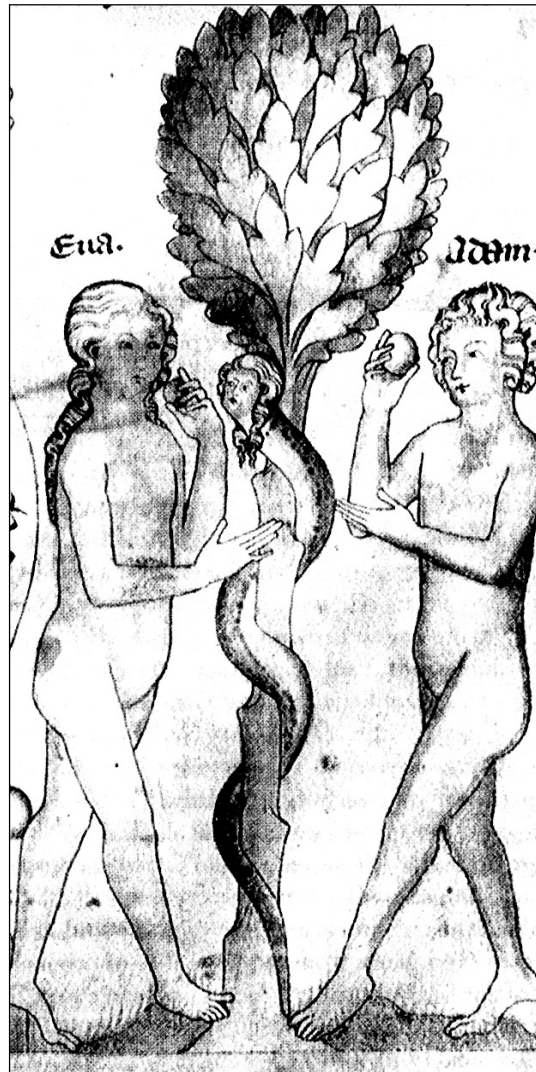
Western Religion

The shadows of archetypal repression of the all-important Great Mother would be expressed and felt in all major domains of human activity and belief systems, especially that of religion. As our main interest lies in Western civilization, the focus of our attention is centered on its predominant religion over the course of the last two millennia, Christianity. It is important to keep in mind, however, that along with the excesses and patriarchal attitudes associated with the Church down through the centuries, Christendom was also responsible for the reactivation of the Lover archetype in Western civilization, as expressed in such noble ethics as charity, caring for ones neighbor, the concept of loving one's enemy, blessing those who curse you, doing good to those who hate you, praying for those who would spitefully use or persecute you (Mathew 5:44-45), as well as providing many vital services and support to communities. Furthermore, Christianity (along with Islam and Judaism), was the primary opponent to the practice of usury.

Nevertheless, the advent of Monotheism, the belief that there is only one deity, would leave even less room for the feminine principle. The sole male skyward Deity, who ruled as absolute monarch from the heavens, would negate the earth-bound divinities, themselves attached to specific mountains, caves, lakes, springs or other prominent geographical features, each aspects of the Great Mother. Adam and Eve, the creation story for Western Culture, placed Eve ("the mother of all living") as responsible for the fall of mankind, due to the serpent (not surprisingly, one of the oldest symbols of the Great Goddess).

When the archetypal Trinity (as in Brahma-Vishnu-Shiva, Isis-Osiris-Horus, or Juno-Jupiter-Minerva) was reactivated in Christianity, this version of the Trinity was unique in being all male (Father, Son and Holy Ghost).

Attacks on the remnants of the Great Mother cultures might be further explained by historical context. Christianity initially spread most successfully in the cities of the fallen Roman Empire. Its foremost opposition came from the pagans (literally, *pagani*, meaning "people of the countryside") or from villagers (those living in rural *villae*, hence "villains" and "vilify") who were more closely connected to nature, the land and fertility rites and thus, to the Great Mother.



The snake is tempting Adam and Eve to eat the fruit of the tree of knowledge, which will precipitate them both “into sin” and out of Paradise. Notice that the snake has a woman’s head, and thereby became the symbol of woman’s sinful nature. The snake used to be one of the positive symbols of the Great Mother in earlier time, referring to her wisdom, power and sexuality. Its reprogramming as the personification of evil started here, with the story of Genesis.

Centuries later, repression of the Great Mother archetype would find its most violent expression in the Inquisition, during which an estimated six million women ended up being burned at the stake or otherwise put to death as witches. This appalling period of history, which would span more than three centuries, coincided not with the dark Middle Ages as is commonly thought, but rather with the Renaissance and the early Modern period (A.D. 15th-18th centuries).⁵⁵



Print showing “three notorious witches” of various ages being hanged in 1589 at Chelmsford, Essex, UK. The animals, a couple of which are copulating in front of them, hint at the “devilish practices” for which they were condemned.

It is during this early Modern period when so-called witches were being put to death in Europe that our present-day monetary system and the field of economics took form.

While the closing decades of the twentieth century enjoyed palpable strides forward in the reemergence of feminine values, such repression is still with us. While its more extreme positions and expressions are particularly evident in fundamentalist cultures such as that of the former Taliban of Afghanistan, repression continues to haunt and permeate beliefs, institutions, and systems of Western society as well, particularly that of our monetary system.

Patriarchal Bias

Joseph Campbell claimed that there has been one dominant myth shaping the development of male identity in all civilizations: the *Hero with a Thousand Faces*. Each culture may emphasize particular archetypal forces, but they have in common that the hero is a god or a mortal, young or old, rich or poor, king or commoner, but always male.

This bias toward heroic masculine archetypal energy is at the same time a cause and a result of the repression of the feminine and the Great Mother. The net effect is that in our Western cultures there is now formally no goddess myth and no feminine dimension in the collective image of the divine. It justifies the comment by Adrienne Rich: “I know of no woman—virgin, mother, lesbian, married, celibate—whether she earns her keep as a housewife, a cocktail waitress or a scanner of brain waves—for whom the body is not a fundamental problem.”⁵⁶

In contrast, the Paleolithic, Neolithic, or Cretan worldview considered everything to be alive, animated and sacred, with soul and purpose making possible a very different attitude of the body than our *modern view*. Such beliefs are still common in what we call “primitive” societies; it is the very reason why we call them primitive. Five millennia of patriarchal supremacy have shaped the modern view that pushes to its extreme the split between spirit and nature, mind and matter, soul and body.

However, the process toward the separation of spirit and nature started earlier. In the Bronze Age in Mesopotamia, for example, Marduk, the invisible sky God, had vanquished the Mother Goddess, Tiamat. It is from her carcass that Marduk made heaven and earth. The same concept is provided in the Teutonic creation myth, wherein Odin

formed the earth by raising the corpse of the Great Mother Ymir from the vast ocean of Ymir's own blood. Both mythologies convey the notion that the physical world is made of inert "matter," which can be manipulated only by a superior "spirit." This worldview has led to our modern materialism that might yet destroy our species and our planet.

The paradox is that, again, the word itself reveals the deeply hidden wound; "matter" and "materialism" derive directly from the Latin *mater*, meaning "mother."

This relentless repression also explains why three key attributes of the Great Mother—sexuality, death, and money—became taboo topics for patriarchal societies, including our very own.

Continued Repression

The extraordinary continuity in the repression of the feminine across civilizations and down through the ages can be summarized by the following set of quotes:

"Such is the stupidity of woman's character that it is incumbent upon her, in every particular, to distrust herself and to obey her husband."

Confucius (5th century B.C.)

"Sin began with a woman and thanks to her we all must die."

Ecclesiasticus 25:24 (2nd century B.C.)

"Women are the gate of the devil, the patron of wickedness, the sting of the serpent."

St. Jerome (A.D. 5th century)

"Men have broad shoulders and large chests and small narrow hips and are more understanding than women, who have but small and narrow chests and broad hips; to the end they should remain at home, sit still, keep house and bear and bring up children."

Martin Luther (16th century)

"Husband and wife are one person in the law; that is, the very being or legal existence of the woman is suspended during the marriage."

William Blackstone (18th century)

Examination of our contemporary world will give greater meaning and new relevance to the power of archetypes. It will also illustrate just how profound the consequences of archetypal repression can be.

CHAPTER 4

THE CONSEQUENCES OF REPRESSION

*“That which we do not bring to consciousness
appears in our lives as fate.”*

Carl Gustav Jung

When an archetype is repressed, it does not disappear. By definition, the rejected psychic content manifests in a destructive shadow form to haunt us. As Jung pointed out, we no longer have sacred realms of gods and goddesses to hold this archetypal energy; our collective unconscious projects it on and shapes the exterior world to match the inner one. Specifically, he warned that: “The psychic energy that appears to have been lost (by the repression of an archetype)... forms an ever-present and potentially destructive ‘shadow’ to our conscious mind. Even tendencies that might in some circumstances be able to exert a beneficial influence are transformed into demons when they are repressed.”

It should therefore come as little wonder that a long and systematic repression of an archetype—especially one as essential to humankind as that of the Great Mother—must have deeply etched her shadows into the collective unconscious of our society. Many of the most important challenges we face today can either trace their origins directly to, or are in large part influenced by the repression of this vital archetype; a repression that is continually reinforced by its key information replicator—our monetary system.

THE SHADOWS OF THE GREAT MOTHER

From their prehistoric origins onward, as illustrated before, money systems were attributed primarily to the Great Mother archetype. As Western societies were characterized by a systematic repression of that particular archetype, they developed money systems that embodied her shadows.

Greed and Fear of Scarcity

The shadows of the Great Mother archetype turn out to be the collective emotions of greed and fear of scarcity. These two key emotions are clearly related to each other by fear and fit like an iron gauntlet on the emotions that characterize our relationships with regard to money (Figure 4.1).

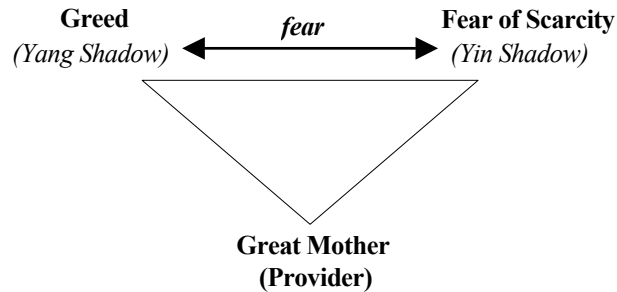


Figure 4.1 *The Great Mother Archetype and its Shadows*

As professional operators, brokers, fund managers, and financial experts know full well, our financial markets are primarily driven by these two collective emotions. So prevalent and long-standing are these two emotions, in fact, that not only are they considered as normal within society, but became the pillars upon which a whole new discipline was created several centuries ago—Economics.

Economics and “Economic Man”

It was during the same period in which the last witches were being burned in Europe that Adam Smith wrote his *Theory of Moral Sentiments* (1758) and *Wealth of Nations* (1776).

Smith observed that in all “modern” societies, the systematic desire for individuals to accumulate is almost universal. Though he did not approve of greed morally, he felt that one couldn’t oppose the “normal” behaviors of “civilized” people (Smith somehow failed to grasp the important distinction between “normal” and “habitual”).

It is on that basis that Smith would develop a theory—Economics—whose purpose would be to allocate scarce* resources through the means of individual private accumulation.

The psychological cornerstone of the economic theory is the “Economic Man,” defined as: “A hypothetical man supposed to be free from altruistic sentiments and motives interfering with a purely selfish pursuit of wealth and its enjoyment.”⁵⁷ This speculative model has long begged contention (see insert).

The Mythical “Economic Man”

The psychological assumptions behind the mythical “Economic Man” present substantial problems.

The definition itself implies that everyone is the same. Furthermore, the term assumes that group behavior is of the same nature as individual behavior; there is no room for any “group” psychology that is qualitatively different from individual ones. This entails the old “fallacy of composition,” which fails to take into account that the whole is different from the sum of its parts.

Gustave Le Bon, a pioneer of group psychology, made the point: “Individual members, however like or unlike their mode of life, occupations or intelligence, find themselves overruled by a collective mind set. This way of feeling, thinking and acting directs the individual to behave quite differently from what he would do alone.”⁵⁸ Le Bon’s way of defining group psychology is quite consistent with the findings by his contemporary, Jung, regarding the collective unconscious.

In all fairness, economists are long aware of the oversimplifications built into “Economic Man” and do not take its assumptions literally. Wesley Clair Mitchell, for example, pointed out that: “Economics without input from psychology is similar to doing mechanics while ignoring the laws of physics.”⁵⁹ Nevertheless, this hypothesis is still implicitly built-in to many of the equations used in econometric analysis.

As noted by economist Alexander Tsoucatos, for most of history, the GNP* is estimated to have remained fairly constant at approximately \$100 per capita. For all its inherent inequities, the modern economic system, fueled in turn, by the monetary system, has made possible a growth in productivity that is now estimated at 80 times higher.

RESONANCE & ARCHETYPAL REPRESSSION

To more fully appreciate the myriad ways and means by which the shadows of the Great Mother manifest in our world, we must return to collective psychology and introduce the concept of *resonance* while examining more fully the shadows of Archetypal Human, as illustrated in Figure 4.2.

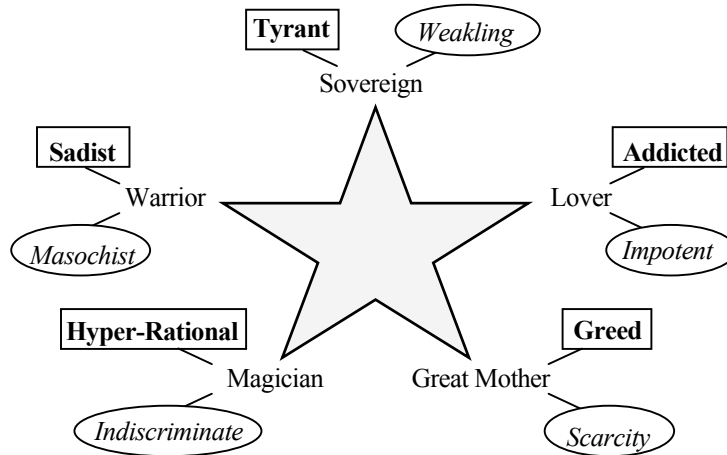


Figure 4.2 The Archetypal Human and its Ten Shadows

Shadow Resonance

All Yang shadows on the one hand, and all Yin shadows on the other, are connected. It mirrors a phenomenon in physics called "resonance." For instance, if on a piano one plays a note, all the strings at the octave of that note will start vibrating (resonating) as well, without any physical contact. A soprano shattering a crystal glass by singing the frequency of that glass reveals the power of that phenomenon.

Thus, a strong Yang shadow tends to activate all the other Yang shadows of our archetypal map. For instance, a tyrant will more likely also be sadistic rather than masochistic, addicted rather than impotent, hyper-rational rather than indiscriminate, greedy rather than scarcity-driven. Moreover, hyper-rationality can be described as an addiction to and tyranny of reason. In other words, there tends to be “Yang coherence” between all of the Yang shadows, as if they were contaminating and reinforcing one another.

Yang Shadow Resonance

Archetypal resonance explains why in a society where a key Yin archetype like the Great Mother is repressed, it is the Yang shadow—the excess—that becomes spontaneously more predominant in all archetypes. Therefore, the resonance phenomenon activates, by preference, all the Yang shadows (the “Yang Coherence”) of our archetypal human map. Thus, it is not by coincidence that these same Yang shadows—tyranny, sadism, addiction, hyper-rationality and greed—would reflect the same values and fears that tend to be activated by the dominant conventional money system.

OUR MONEY AND THE YANG CONSTRUCT

The Taoist concepts of Yin and Yang may also be applied in describing different types of money, based upon their formative underlying agreements and the behaviors and emotions they engender (including the shadow’s emotions).

Yang Currency

The shadow emotions most closely associated with our money are, once again, greed and fear of scarcity. From the Taoist perspective, greed—the need to relentlessly accumulate—is Yang-type energy, while scarcity is Yin-type energy. Our agreements around the current official money system require a strong central hierarchical control via banks and central banks to operate. It has also been shown to foster competition and it rewards the accumulation of money.⁶⁰ Finally, the interest feature was shown to create competition, concentration of wealth and the need for perpetual growth. It is on the basis of these characteristics and underlying agreements that our conventional national money can be described as

strong Yang currency. Some traits characterizing Yin and Yang coherences are summarized in Figure 4.3. This graph can be read from the bottom up to identify the internal coherences, or horizontally to focus on the polarities between them.



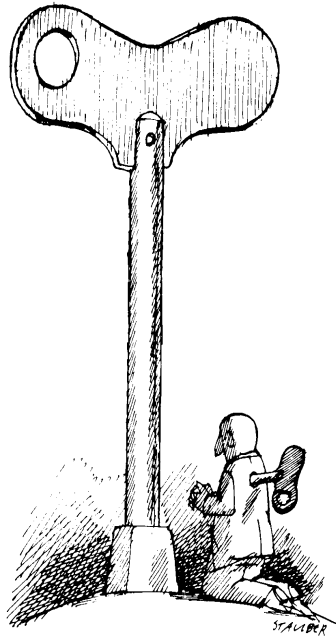
Figure 4.3 Yin-Yang Coherence and Contrasts

Money as an Information Replicator

Chilean biologists Humberto Maturana and Francisco Varela describe how systems form and maintain themselves through replication. They show how replicative information systems become part of the genetic code or DNA. “This process occurs at all levels: molecular, biological and social. For every system has its own characteristic replication that forms, expands, and holds systems together.”⁶¹

Such replicators of ideas and collective emotions are, therefore, instruments that maintain any particular social system. In social systems, these constructs are sometimes called “memes” by analogy with the “genes” in biological systems.

It is well known that money is our oldest system of information. Even writing seems to have been initially invented by the Sumerian civilization for the purpose of recording financial transactions, as confirmed by the earliest tablets found in Uruk.



Money is a key information replicator

We see our money system as a key information replicator for a Yang bias in our society. It is one of the vital linchpins that makes the “real world” behave in ways consistent with the Yang coherence. It is the mechanism that explains how with the best intentions, even with totally different personal values, regardless of whether we are male or female, most of us end up having to behave in a Yang way to obtain the money to survive. So, instead of being a passive or neutral agent of exchange as economic theory posits, a monopoly of a Yang currency deeply affects the collective psychology and the relationships between the people who use it.

Given that our official present-day monetary system is the very same system created back at the beginning of the Industrial Age, and that the collective imprint of this Yang money is now centuries old, what does that indicate for us today?

EFFECTS OF A MONOPOLY OF YANG CURRENCIES

The results that are described below cannot be claimed to be due to simple cause and effect relationships. For the sake of accuracy, “explanation” is a better term. It provides intelligibility without claiming determinism. Nor are these effects intended as a comprehensive accounting. They merely highlight the steep price of archetypal imbalance.

But once again, while our focus here is directed at the destructive consequences of our Yang-biased currencies, there have been substantial advancements brought about by this very same system, which must not be forgotten or taken lightly, especially in considering future courses of action (as will be discussed later).

Shadow Effects

In keeping with its role as a key information replicator for a Yang bias in our society (as explained by, and as a consequence of, the Yang shadow resonance) our money system has been activating collective shadows in our society. These shadows are even part of our stereotypes.

We all have heard about tyrannical and greedy Scrooges, who sadistically enjoy their power over others. A more recent stereotype is the workaholic executive, addicted to accumulating money, power, or glory. But after his third divorce, he may regret that he neglected his family. He ends up lonely in a meaningless world. At the other end of the spectrum, there are people living in the scarcity syndrome, those who tend to sabotage opportunities that might have led to improvement of their economic potential. Furthermore, many professionals have had to learn to not be in touch with their own and other people’s emotions when they do their job. In the domains of media, allopathic medicine, or finance for example, “professionalism” is equated with taking a hyper-rational distance within their domain, oftentimes expressing itself as cynicism, detachment, coldness, and other such forms of disengagement.



"I've decided to outsource my emotional needs."

All of us have suffered in one form or another from the consequences pertaining to neglect of the Yin coherence. For example, such disregard manifests respectively in the dissolution of community, the scapegoating of minorities and in rather important ways is related, directly or indirectly, to each of the five mega-trends.

Collective Financial Effects

On a global level, the current money system has created a world in which the vast majority of humanity has been repressed by money scarcity, often violently so. Under today's monetary rules, less-developed countries need to borrow "hard" currencies from the richest countries just to be able to trade with one another. The interest payments on these loans amount to about \$300 million per day, dwarfing the foreign aid from these same rich countries.

After the G8 summit in Okinawa in 2000, President Obasanjo of Nigeria made this comment on Nigeria's debt: "All that we had borrowed up to 1985 or 1986 was around \$5 billion. So far we have paid back about \$16 billion. Yet we are being told that we still owe about \$28 billion. That \$28 billion came about because of the foreign creditors' interest rates. If you ask me what is the worst thing in the world, I will say it is compound interest." When President Obasanjo spoke out, the developing world was spending \$13 on debt repayment for every U.S. dollar it received in foreign aid and grants.

As Peter C. Goldmark, Jr., President of the Rockefeller Foundation, remarked: “A poor slum in Ecuador, a poor country—distended stomachs leaning over water barrels—can you see the money of their country flowing into developed countries? Can you imagine that?”⁶²

It has been claimed that if the same monetary rules that the IMF* applied to the Third World during its “structural adjustment programs” of the 1980’s and 1990’s were applied to the U.S., this superpower would itself regress to Third World status in as little as one or two generations. Such adjustment programs include giving priority to pay back interest on foreign loans, while dismantling the education system and many other long-term social investment programs. Would not everybody, including the First World and its financial corporations, be better off in a world where all countries were able to truly develop?



We’re encouraging people to get involved in their own rescue.

The Millennium movement did successfully promote the idea to cancel at least part of the debt of the poorest countries. But the question remains: why do we create and maintain rules that made this debt necessary in the first place?

Some of the individual psychological effects of the priorities and fears unconsciously activated by the money system are just as dramatic.

Individual Psychological Effects

It is important to keep in mind that money is the main means of exchange with people outside of our immediate circle. Therefore, our relationship to money affects how we relate to the world about us.

Money is not an emotionally neutral tool—quite the contrary. To the extent that we live with a monopoly of the official national currencies to make all our exchanges, the values and fears that will be unconsciously activated in all our exchanges are those that are built into our current money system (highlighted in bold in Figure 4.2, page 70). This shapes our society in ways much deeper than is generally assumed or appreciated. These Yang shadows are the “hidden persuaders” for several of our most serious societal ailments. Again, this is not a simple cause and effect issue. We are dealing instead with what chemists would call a catalytic effect, an ingredient that does not appear to be involved in the reaction but, nevertheless, powerfully activates it.

Attitudes toward money shape the emotional space our relationships with others. For instance, generosity, or lack thereof, is much more an indicator of the way one relates to money rather than to the specific people involved.

The Sacred Wounds of Money. While it is far more common to consider the psychological effects brought about by a monopoly of Yang money upon the majority—those who must contend with a real or potential lack of money—the fact is that all economic classes are affected, the rich as well as the poor and middle classes. The profound burdens systematically experienced by individuals and families of financial wealth are referred to by Jungian psychologist Bernice Hill as the “Sacred Wounds of Money.” Four such wounds have been identified at successive levels of intimate interaction. They are:

- burdens of expectations.
- isolation.
- unhealthy family dynamics.
- crisis of identity.

A few words of explanation are warranted for each.

If, for example, an affluent individual who is known to be affluent makes a reservation at a restaurant, there is an almost automatic set of particular expectations set in motion by others casting their own

shadows and views of money on this wealthy individual. There are assumptions as to what kind of car will be driven, what he or she will be wearing, what class of wine will be ordered, what kind of tip should be expected, etc. If the service is terrible and someone of wealth should respond by not leaving a tip, he or she might easily be considered cold-hearted or selfish; whereas another customer of average means might simply be considered as having expressed his or her proper dissatisfaction. While the individual response of the two different customers was the same, there is a different expectation based upon nothing other than their different economic status. These societal burdens of expectations permeate many aspects of life, including, but not limited to, giving to charities, supporting worthy ventures, and generally doing the right thing, as defined by the rest of society, which usually translates into writing a check, and then another, and so on. When asked to attend an affair or participate in an event, social or otherwise, is it the individual or the checkbook that is being invited?

In similar fashion, those with money must question whether their personal relationships are based upon their money or status rather than genuine caring and true feelings of friendship for the person. As a consequence, those of means tend to socialize only with others with similar financial and social backgrounds, and ultimately come to experience a deep sense of “isolation.” The painful question lingers: “How many of my friends would still be my friends if I didn’t have any money, and how might I find out?”

This shadow that is centered upon money issues is often expressed in unhealthy family dynamics. How often do we hear of rich family feuds, the nagging fears and general angst regarding inheritances, wills, the pressures brought to bear on siblings regarding proper behaviors, the “right” mate in marriage, which often translates into marrying into another wealthy family. Even the most intimate relationships—choosing a companion for life—are subject to the all-important pre-nuptial agreements, becoming yet another business contract.

Most importantly perhaps, particularly for those who have inherited their wealth, are the questions accompanied by lingering doubts about one’s own person that arise from such so-called privileged positions, including concerns regarding one’s self-worth apart from or in relationship to this material status, a crisis of identity.

It may be difficult at first for people who must contend instead with a lack of money to appreciate or have empathy for the “poor rich kid.” An all too common response often echoed is: “I wish I had that problem,”—which is tantamount to not understanding the depth and pain involved. Such wounds often lead to destructive behavioral patterns manifested in the form of depression, drug dependence, attempted suicides and other deleterious behaviors. The cliché, of course, is that “money doesn’t buy you happiness,” but such a cliché does not address the profound trust wounds involved.

In short, both the haves and the have-nots each have their own specific set of money wounds in a society living with a monopoly of Yang money. We will revisit the connection of trust issues with regard to money systems and the alternatives available in Chapter 7.

Dominator Paradigm

Some of the well-known social pathologies of modern-day society include collective narcissism and consumerism, along with current expressions of fundamentalism and terrorism. These well-known pathologies may not appear related to our money system. Nonetheless, our current money feeds and activates these pathologies continuously in a catalytic manner by means of the “dominator paradigm.”

Dominance is the need to control or maintain authority over others in order to attain a sense of security or identity for oneself. Intrinsic within this dominance paradigm and historically connected to the patriarchal ideology is a favoring of total autonomy and independence from others, a sense of security in the world founded on power over other people, be it by political, economic or psychological means. “Directly, through personal coercion and indirectly, through intermittent social shows of force such as public inquisitions and executions, behaviors, attitudes and perceptions that did not conform to dominator norms were systematically discouraged. This fear conditioning became part of all aspects of daily life, permeating child rearing, laws and schools.”⁶³ Examples of processes that feed the dominator paradigm in our society today include the glamorization of violence, vicious forms of sport and play, and the fascination with war and aggressive technologies.

From an archetypal viewpoint, the dominator paradigm is the manifestation of the Yang bias connected to the constellation of fears built into the Yang shadows of Figure 4.2, page 70.

Someone who is stuck in Yang shadow coherence will tend to create a form of separate and superior identity to “others” and automatically cast as “others” those entities or people that he or she fears, cannot control, or does not understand—this includes women, nature, other cultures, other races and so-called “primitive” societies—those associated with Yin characteristics. This would explain the long history of the portrayal and dismissal by mainstream Western values (caught in Yang shadow resonance) of any such others as weak, impotent, irrational, masochistic, and deserving to live in scarcity.

Collective Narcissism and Consumerism

There is an appreciable cost associated with this dominator process, not only for those who are dominated, but also for the dominators themselves.⁶⁴ It is at the origin of what psychologists have called the narcissism of Western culture. The result: an empty self. “One of the most relevant and important diagnostic characteristics of narcissism is the lack of empathy for others. This is a key feature of the dominator paradigm. One cannot even imagine partnership or the capacity for mutual relationships if one is not able to experience some level of empathy for another’s experience.”⁶⁵ C. Lash points out that this narcissism does have some positive features. “The management of personal impressions comes naturally to him (the narcissist), and his mastery of its intricacies serves him well in political and business organizations.”⁶⁶ The narcissist, however, also demonstrates the same traits that are at the origin of many of our society’s difficulties, from the incapacity to establish long-term partner relationships, to attempts at filling the empty Self with “super materialistic and environmentally unsustainable consumerist lifestyles.”⁶⁷

In archetypal terminology, lack of empathy is again a direct manifestation of the lack of activation (or repression) of aspects of Yin coherence. Meaning arises invariably out of relationship—to loved one(s), God, Nature, one’s country, etc. Therefore, the incapacity to connect with others will predictably accentuate the feelings of meaninglessness; what has been referred to as an “empty Self.”

Finally, this empty self is the “hook” by which consumer advertising works. As B. Earl Puckett, President of Allied Stores Corp. quipped: “It is our job to make people unhappy with what they have.” The fundamental purpose of ads is to make people feel empty, incomplete, and dissatisfied. The ad’s message to our subconscious is: “If only you were to wear this brand of sneakers, drive this car, or use this perfume, you would finally be whole, not feel your emptiness.”

Fundamentalism and Terrorism

Another phenomenon linked to this collective emptiness generated by the prevailing paradigm is fundamentalism, which has less to do with what one believes in, but rather with how one holds it. If someone holds his beliefs as the final truth, the only legitimate possibility for all people who have different worldviews is that their beliefs are illegitimate because of that difference.

Fundamentalism turns out to be another way that some people deal with the fear of meaninglessness and the empty self. “Whenever archaic rage combines with the search for high ideals and the necessity to find meaning in one’s life, rage with all its consequences may flare up in the name of whatever the ideal. Any horror, rage and revengefulness can then be justified on the basis of the ‘ideal’ one is apparently serving.”⁶⁸ Contrary to prevailing wisdom, fundamentalism is predominantly a Modern phenomenon—it was one of the first counter-cultures to Modernism and is still a reaction to it.⁶⁹ Its most extreme manifestation is terrorism.

Monopoly of Yang Currencies

As mentioned, Yang shadow resonance and the dominator paradigm are born of the need to control and dominate others to attain a sense of security or identity for oneself. As patriarchal yang energy became triumphant so too did it gain dominance as the only legitimate interpretation of reality. Our traditional bank debt national money, like all of economic theory and most of Western thinking, has been designed from this same dominant Yang perspective.

It must be again emphasized that the social ailments described herein are not mechanical results of the money system alone, but rather the result of a coherence in which the money system is a vitally important component. Nevertheless, it should be evident by now that

living with a monopoly of a currency having a built-in Yang bias has major consequences for everybody in modern society. Furthermore, the subliminal way by which money operates only serves to multiply its already far-reaching power.

In summary, money systems, from their prehistoric origins onward, were attributed primarily to the Great Mother archetype. As Western societies became characterized by a systematic repression of that particular archetype, they developed money systems that embodied the Yang shadows of that archetype. Specifically, the “modern” money system provides rewards (earned interest) for people who accumulate money, while ruthlessly punishing (by means of bankruptcy, poverty, etc.) those who do not or cannot play the game. We are still playing that game today.

Yet our global monetary and financial crises, the need to rethink work in a post-Industrial economy, the growing awareness of our responsibilities toward one another, the plight of impoverished nations and escalating injury to our environment all converge to make this a game that we cannot afford to play any longer.

To more fully grasp the consequences of the predominance of Yang currencies, it is useful to examine societies that have managed to avoid such imbalance. Fortunately, there are at least three such examples, two notable civilizations from history about which we have sufficient documentation to offer a comparison, and one vibrant matrifocal* society that has managed to endure for well over a millennium and functions to this very day.

PART II

THREE AGES

*“He whose vision cannot cover
history’s three thousand years
Must in outer darkness hover
live within the day’s frontiers.”*

Goethe

We have examined the consequences incurred by the repression of the Great Mother archetype and found that many of our core emotional problems are enforced by the resulting archetypal imbalance. Our claim is that this imbalance influences, either directly or indirectly, major issues facing our world and humankind today: from global concerns such as pollution and third-world debt, to social issues such as women's rights and civil liberties; from cultural behaviors such as consumerism and violence to our relationships with others and the world at large; and finally, to our hopes for the future and our very own sense of self.

It is further claimed that our monetary system, being deeply associated with the Great Mother archetype, is profoundly shaped by its repression, and has therefore become a relentless enforcer of her shadows, greed and scarcity. With this archetype out of balance, a monopoly of Yang-dominated currencies is but one, albeit vital, consequence, and compounds this imbalance by encouraging the Yang coherence with each and every monetary transaction made by individuals, corporations, and nations.

It is therefore not only by curiosity but a matter of necessity that we explore societies that, in contrast to present-day Western cultures, have instead honored the feminine, or more precisely—Yin values. What is at stake is a lot more than obscure monetary issues in dead or indigenous civilizations. The implications and the relevance for Western society and our world is quite significant. For the first time in history, our short-term thinking is endangering the entire biosphere. Therefore, insights into what could switch the collective mindset toward longer-term thinking have vital importance to us all.

Historical evidence is the prime basis for our social, economic or monetary knowledge. Yet, most contemporary economic thinking considers only very recent data—mostly on the assumption that experience from the distant past cannot contribute any significant insights relevant for our contemporary economic structure. However, since the money paradigm has not appreciably changed since the Industrial Revolution, such an approach would simply have us looking into a mirror at our own monetary system. As a consequence, it may be a more “distant past” or non-western culture that might reveal some important insights for our not-so-distant future.

Fortunately, there are at least three societal examples (so far) in which we know enough about their money system and economic situation, and where the Great Mother archetype was honored, offering us sufficient data to attempt to verify our hypothesis.

Chapter 5, *The Central Middle Ages*, explores a unique episode of the medieval period that spanned nearly three centuries in Western Europe directly preceding the Plague. It was an age in which major cultural, societal, economic, and long-term strategies were commonplace, as evidenced by the many Western European cathedrals, still standing today, almost all of which were constructed during this remarkable time. Coinciding with these and other improvements were advancements for women, an emergent interest in esoteric teachings, the unique appearance and veneration of the Black Madonna, and a particular form of dual monetary system in play, whose relationship to the accomplishments and ultimate demise of this period will be explored, along with the relationship of this period to the Great Mother archetype.

Chapter 6, *Dynastic Egypt*, examines another civilization in which the Great Mother archetype was honored, in the form of the Goddess Isis, for a period that spans the course of more than three millennia, and extends back into pre-history (before the advent of the modern alphabet). The coherence that existed between the veneration of this archetype, the economy, the values and activities that were honored, the role and rights of women, and the particular type of money system that existed will be examined and compared to the medieval period in Western Europe.

Finally, in Chapter 7, *Indigenous Cultures & Bali*, we will review the fate of indigenous cultures and the historical influences that have led to their demise. We will also take a close look at one very unusual indigenous culture that has managed to not only endure down through the ages, but has maintained its formidable and ancient cultural heritage while simultaneously adapting to the demands and pressures of the modern world. Bali offers us a living model of what former matrifocal civilizations may have been like and what it means to honor both Yin and Yang values in society.

CHAPTER 5

THE CENTRAL MIDDLE AGES

***“The icons of old are the coding of tomorrow.
And tomorrow holds the promise of recovery
of forgotten wisdom.”***

Jean Houston

The “Middle Ages” were so named because this entire period was considered a “Dark Age” in between the “High Civilizations” of the Roman Empire (which came to an end in the 5th century, A.D.), and the 16th century European Renaissance. However, many of our perceptions and beliefs about this period emanate from 19th century scholarship, which, in light of more recent investigations and evidence, have proven to be incomplete, and in more than a few important instances, mistaken.

Popular belief, for example, maintains that this entire period was one of dismal poverty and primitive life styles, crowned by the Plague that would destroy more than a third of Europe’s population. The term “medieval” is still in use today as a derisory term to dismiss something as hopelessly primitive.

Yet, the European Middle Ages covered a considerable expanse of time—more than 1,000 years—and contemporary research has unveiled important distinctions regarding what took place during the course of that extensive period of history.

Certainly, a dismal view remains justified for the earlier portion of this period (5th to 7th centuries), and is more accurately descriptive still of the dramatic closing centuries of the Middle Ages. It is, in fact, the particularly appalling “Late Middle Ages” of the 14th and 15th centuries that provided much of the fuel for the “dark” image that future generations would project, inaccurately, onto the vast entirety of the medieval millennium.

But we now know that there were almost three centuries—the so-called “Central Middle Ages”—where something much different was taking place.

THE FIRST EUROPEAN RENAISSANCE

Recent scholarship has revealed that starting around the 10th century (though varying with the particular geographical location) there was a marked shift in consciousness and economic conditions in Western Europe. The particular period spanning from 1050 to 1290, has been referred to as “the First Modernization” (F. Braudel), the “European take-off” (G. Bois), as well as “the true European Renaissance” (A. Saporiti).

For instance, it was between 1180 and 1230 that the first wave of universities was founded in Europe.⁷⁰ Abstract sciences like mathematics, generally believed to have surfaced in the official Renaissance of the 16th century, emerged instead during this earlier period.

It was also an age of unusual prosperity. “This at the very least is now generally accepted: Europe experienced (during the Central Middle Ages) a period of economic growth of an exceptional scale and length.”⁷¹

Prosperity For All

The prosperity of this era, quite substantial and distinctive in quantitative terms, is made all the more unique by the fact that it significantly benefited the general populace. The working class seldom had fewer than four courses at lunch or dinner and enjoyed three to four meals a day. The number of work hours per day was limited. When the dukes of Saxony tried to extend the workday from six hours to eight, workers in that region revolted. While Sunday was the “Day of the

Lord” and the appointed day for public matters, Monday was designated as a free day, the so-called “Blue Monday,” set apart for the general public to attend to their private affairs. In addition, the number of official holidays per year was at least ninety. In some regions, there may have been as many as 170 holidays in a single year!

“The initiative came from below, from the popular masses. This is the most unusual characteristic of this entire central medieval emergence: from the so-called “Gregorian” reforms to the popular heresies, covering many other changes in between. In the agricultural sector, for the first time the small landowners as a group become much more productive than the Seigniorial holdings. In short, Europe becomes more and more a world of small producers with the family unit as its fundamental engine. This is true even in England, where the Seigniorial domains remained more vigorous than on the continent.”⁷²

A number of contemporary medievalist historians report that the quality of life of ordinary people in the 12th century may very well have been the highest in all of European history, including present-day. F. Icher writes: “Between the 11th and 13th century, the Western world experiences a high level of prosperity that is reflected concretely by a demographic expansion without precedent in history.”⁷³ Guy Bois, the French economic medievalist offers this observation: “One can only be impressed by the extraordinary vitality and power of the changes that occurred during those three centuries. Whether one considers the demography, the urbanization, the techniques, the relationships between labor and money, every one of these aspects of society was completely revolutionized... One will have to wait five hundred years to live another wave of transformation of that scale: the capitalist Industrial Revolution.”⁷⁴ Medievalist D. Damaschke concludes: “The time from 1050 to 1250 was a time of extraordinary developments, a period of economic prosperity such as we have difficulty imagining nowadays.”⁷⁵

This particular characteristic of the Central Middle Ages—the elevated quality of conditions and prosperity enjoyed by the general populace—holds vital and timely relevance for our civilization today. Its underlying dynamics will be examined later in this chapter and elsewhere in the book

Since nobody was gathering GNP* numbers at the time, the best we can do is piece together economic patterns from diversified sources (see the “Medieval Economic Kaleidoscope,” next page).

Medieval Economic Kaleidoscope

A small sampling of data points illustrating the economic impact of this period (with names of historians in parenthesis) includes:

“This was the period of the largest increase in cultivated agricultural land in our society in the entire span of the historical record.” (M. Bloch) ⁷⁶

“Not only did the land available expand, but also the average yields more than doubled in most cases {...} The consumption of cheese, butter, leather and wool grows substantially. By 1300 there are 8 million wool-producing sheep in England for a total human population of 5 million, and just as was the case in France with the vineyards, most of them belonged to small farmers.” (G. Fourquin) ⁷⁷

“Central medieval growth isn’t limited to a demographic explosion combined with a strong agricultural expansion. A flourishing commercial expansion was its third dimension.” (G. Bois) ⁷⁸

“From 950 on, there was... a growing manufacture of textiles, pottery, leather goods, and many other things. The list of articles manufactured gets longer and longer. (As we move into the 11th century) the products get better and better. Prices go down in terms of man hours because of more efficient management, improvement in tools and machinery, and better transport and distribution.” (R. Reynolds) ⁷⁹

“Ordinary life is being revolutionized: coal is used for heating, candles for lighting, eyeglasses for reading, glass is used more and more commonly, paper is manufactured on an industrial scale.” (Bayard) ⁸⁰

“The oldest surviving reference to an experimental greenhouse to acclimatize and select plants, dates from 1273 in Doberan, Austria... In Paris, a Carthusian monastery cultivated 88 varieties of pears...” (Moulin) ⁸¹

“Vineyards spread everywhere the climate allowed {...} Sophisticated beer brews appeared in Germany and the Low countries in the 12th century.” (Delort) ⁸²

In France alone, at the beginning of the 12th century, there was in operation no less than “20,000 water mills, which represented the energy of 600,000 workers. Such technologies liberated massive amounts of labor.” (R. Philippe) ⁸³

“In bridge construction... resurgence began in the 11th century. The London Bridge, for instance, dates from 1176, and stood intact until the 19th century...” (J. Gies) ⁸⁴



Medieval stone masons in action, using a variety of tools: a windlass with radiating spokes, a plumb line, a level, axes and an adze. Jean Gimpel estimates that in less than three centuries millions of tons of stone were extracted in France alone, more than in Egypt over its entire history of more than three thousand years (notwithstanding that the Great Pyramid of Gizeh represents 2.5 million cubic meter of stone by itself).

Heights

Confirmation of the unusual prosperity of this age for the ordinary people comes in an equally unusual form of physical evidence: the bodily remains of Londoners.

It is generally well known that today's generation is substantially taller than the previous one—better nutrition and care, particularly in youth, is credited with this process.

In a study of the skeletons of bodies in the same geographical area (the City of London), informative findings emerged.⁸⁵ The women of the 10-12th century were on average taller than in *any* other period in recorded history, at least in London. During that period, the average female Londoner was a whopping 7 centimeters taller than her counterpart in Victorian times and 1 centimeter taller than the average woman of London today!

Regarding males, it is only within the past fifty years that they have caught up to, and, by 1998, finally outgrown their 10-12th century counterparts, by a mere two centimeters (see Figure 5.1, next page).

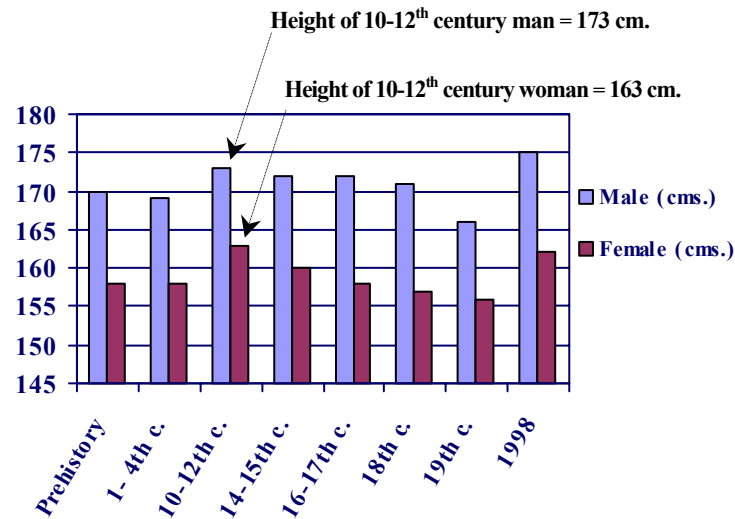


Figure 5.1 *Heights of Londoners (Prehistory to Present)*

The increased height of Londoners of the 10-12th centuries appears to reflect the greater quality of life of that period, particularly for women.

A HALF-RENAISSANCE FOR WOMEN

“In the twelfth century a window of freedom began to open for town-dwelling European women, only to close again before the end of the fifteenth century.”⁸⁶ While discrimination against women undoubtedly existed during the Central Middle Ages (especially in some areas such as Lombardy), it was nevertheless a period in which women were much freer than was the case either before or after that period. In contrast, the “official” Renaissance, which would not take place until three or four hundred years later, while so full of progress in the arts and many other arenas, was certainly not a period of equality or enlightenment regarding women.⁸⁷

In many respects it is only in the past fifty years that women have reclaimed to any significant degree that which was considered “normal” in the Central Middle Ages.

Work for women was broadly available. For instance, of the 312 professions formally registered as *métiers* in France at the end of the 13th century, women were officially active in 108. The tax registers of Paris in 1292 paint an even rosier picture, with women actively engaged in an extraordinary variety of 172 different occupations, including barrel-makers, soap boilers, candle makers, bookbinders, doll painters, and even, if rarely, butchers. “Women were involved even in mining, sword and scythes making.”⁸⁸ Furthermore, these records show that of all taxpayers considered as financially independent, 15% were women.

Women in this period enjoyed an unusually high level of freedom concerning property. In England, “only thirty wills survive today from the late Anglo-Saxon period (10-11th century), and ten of those are the wills of women, each of whom was a significant property owner, with the same rights of ownership {...} as any man.”⁸⁹ Women also had control over large endowments as founders of monasteries and as general benefactors, making them notable figures in their communities.

Women were typically the more literate among lay people. While boys and men of aristocratic lineage were trained primarily in the handling of weapons and war, women, in contrast, were routinely trained in reading, writing, singing, and painting. This training was not limited to aristocratic women alone, but also included daughters of servants and artisans.⁹⁰

The arts blossomed, with women figuring eminently among the most famous mystics and mystical authors of their time (e.g., Hildegard von Bingen, Herade von Landsberg, Margery Kempe, Julian of Norwich, Catherine of Siena, Catherine of Genoa, etc.).

Of the many artistic achievements realized during this rich cultural period, the most progressive, influential, and enduring expression came in the form of the “Courtly Love” literature.

Courtly Love. Also known as Chilvaric Love, this literature portrayed a glamorous and new romantic life, which customarily included secret, forbidden (often extramarital) affairs, practiced particularly among nobles and aristocrats in the milieu of royal courts and palatial settings (hence, “courtship” and “courtesy”), with the male typically vying for the prized affections of the exalted lady mistress.

Courtly Love (*L'Amour Courtois*) originated in the late 11th century with the so-called troubadours from the Languedoc region of Southern France. This literature emanated from a worldview referred to as *Gai Saber* (literally the “happy wisdom” or “happy science”) that effectively challenged and redefined many of the most fundamental traditional Christian ideals, including love, marriage, virtue, manhood, and femininity. Régine Pernoud proclaims that: “Love was invented in the 12th century.”⁹² Certainly what makes Western love different from that seen in the rest of the world was fashioned during this period. A 13th century troubadour, Uc de St. Cir, summarized this literature’s essence: “Courtly Love for a man is to reach heaven through a woman.”



A knight paying homage to his Lady. As this is the official Seal of Raymond de Mondragon, it shows the image he wants to project of himself. Contrast this with previous and later lords who would invariably emphasize their Warrior prowess.

(Bronze seal mold of Raymond de Mondragon, France, 12th century).

According to C.S. Lewis, the Courtly Love “effected a change that has left no corner of our ethics, our imagination, or our daily life untouched, and they erected impassable barriers between us and the classical past or the Oriental present. Compared with this revolution, the Renaissance is a mere ripple on the surface of literature.”⁹³

Courtly Love poetry carried deep social meaning, not just by its content, but by making itself comprehensible to a much broader public audience. It was the first literature written in popular language. Previous literature was written in scholastic Latin and was typically accessible only to church-trained scholars. First appearing in Langue d’Oc, the language of the southern half of France during that time, Courtly Love literature spurred the development of poetry in many other nascent vernacular languages in Europe: Catalan, Germanic (*Minnesänger*), English (Troubadour), Italian (*Trovatore*), etc.⁹⁴ “For the very first time, common folk actually had something to read!”⁹⁵

Furthermore, this medieval innovation has been considered “an essential stage in the emancipation of women.”⁹⁶ No less than twenty women troubadours have been identified among the original 12th century troubadours.⁹⁷ These *trobairitz*, (as these women poets were called in their native Langue d’Oc), most of whom stemmed from nobility and who owned property under their own names (as was customary under the inheritance laws of the time), spoke as women, not having to adopt male pseudonyms (as Amandine Aurore Lucie Dupin, otherwise known as George Sand, would have to endure hundreds of years later) in order to be taken seriously.

The Women Troubadours

Following are two extracts of this poetry; the first a love declaration for an unidentified woman by Bieiris de Romans, herself a *trobairitz*.

*“I pray you, please, by this which does you honor,
don’t grant your love to a deceitful suitor.
Lovely woman, whom joy and noble speech uplift and merit,
to you my stanzas go.
For in you are gaiety and happiness,
and all good things one could ask of a woman.”*

Bieiris de Romans (first half of 13th century)

*“Elias Cairel, I want to know the truth about the love we two once had;
So tell me, please, why you have given it to someone else?”⁹⁸*

Isabella (born approx. 1180)

The freedom and quality of expression of these women *trobairitz* would not be found again for a long time after the 13th century. The values embodied by Courtly Love would come to influence Europe yet again, but not until its rediscovery in the 18th century, when it was instrumental in spawning the Romantic Movement.⁹⁹

Women in Politics and Religion. Some independent women played prominent roles both in politics and in the intellectual life of the day (e.g., Queen Anne; Countess Mathilde, etc.). Among the most notable of the many prominent women of this time was Eleanor of Aquitaine, Queen Consort first of France, then of England, and the mother of two of England’s future kings. It was at her court and through her patronage that Courtly Love would find one of its most ardent champions (see insert, next page).

Eleanor of Aquitaine (1122?–1204)

Daughter and heiress of William X, Duke of Aquitaine, she first married Louis VII in 1137, shortly before his accession to the French throne. Eleanor bore Louis two daughters before their marriage was annulled in 1152. Soon afterward, Eleanor married Henry, Duke of Normandy and Count of Anjou, uniting her vast possessions with those of her husband who ascended to the English throne in 1154. Eleanor bore Henry three daughters and five sons, two of whom, Richard I and John, would, with her assistance, become kings of England. Her former husband Louis VII feared this powerful combination, setting the stage for a long struggle between the English and French kings.

As relations with Henry grew strained, Eleanor established a court of her own in 1170 at Poitiers, the scene of much artistic activity, noted for its cultivation of Courtly Love. She championed and was patroness to many famous literary figures of the time.

Inroads were made into other traditionally male-dominated arenas as well, including that of religion. Many monastic communities, for example, were “double houses,” having a monastery for nuns and another for monks, with both houses under the same jurisdiction. One study of 50 such double houses reports that they were each under the direction of a female. Everyone answered to an abbess, not an abbot!¹⁰⁰

Some historians have tried to explain the unusually active role of women during the Central Middle Ages as due to simple “labor scarcity” in the cities during that period. Yet, if labor were so scarce, why would there then be six-hour workdays, 90 or more holidays or Blue Mondays? Why would people invest so much of their time in chiseling ornate sculptures in the most remote (oftentimes invisible) corners of gigantic buildings, such as cathedrals? Even more puzzling, why would anybody start to build cathedrals that had the capacity to house three or four times the population of the entire town, and whose completion would never be seen by its originators during the course of their own lifetimes?

Something more profound was afoot, and the cathedrals offer us testimony.

AGE OF CATHEDRALS

This age, plentiful in descriptive titles, has also been referred to as the “Age of the Cathedrals,” as almost all the European cathedrals were built during this time. “It was the greatest period of building activity that there has ever been, and no mere catalogue of names and places can convey any idea of the strength and quality of its products,” concludes historian Sachaverell Sitwell.¹⁰¹ Medievalist Robert Delort estimates that by the year A.D. 1300 there were 350,000 churches in Western Europe, including almost 1,000 cathedrals and several thousand large abbey foundations. Yet, the total population of that area was estimated at only 70 million at the time. This averages out to one place of Christian worship for every 200 inhabitants! The ratio was even higher in parts of Hungary and Italy—one church for every 100 inhabitants.¹⁰²

The building phenomenon of this period becomes even more significant when considering that there was no central authority (Church or otherwise) in charge of construction or naming of these cathedrals.

Cathedrals of the People. Contrary to general perception, the vast majority of the medieval cathedrals did not belong to the Church or to nobility.¹⁰³ “God’s house was also the people’s house. The cathedral was the place where, in addition to religious activities, town meetings for the whole population would be held, as well as any other public activity that required a covered space. Everybody had access to it; to pray, of course; but also to simply ‘hang out,’ eat and even sleep. People went there with their dogs; there were loud discussions about all kinds of topics.”¹⁰⁴ Treatment of the infirm occurred here as well. The Medical Faculty of Paris, for example, was officially installed in a corner in the Notre Dame Cathedral until 1454.¹⁰⁵

The Church did enjoy its “privileged times” (e.g., every day at sunrise for Mass, and for the entire day on religious festivals) as well as its “privileged place” (e.g., the choir around the altar). But the clergy was only one of many other players. While local nobility and royalty customarily made contributions, these monuments were typically owned and financed by the citizens of each city where they were built.¹⁰⁶

These cathedrals embody some of the most beautiful gifts of Western history; they stand for a strong statement of faith, ingenuity, and generosity. From a narrower economic viewpoint, however, they also offered a viable long-term income strategy for the community (see insert, next page).

Cathedrals: An Investment Forever?

Besides the obvious symbolic and religious roles, the cathedrals had an important economic function as well. Attracting currency flow into a community has always held important economic advantages, as today's communities around Disneyland will confirm. During the Central Middle Ages, this was accomplished by attracting pilgrims, who played a similar economic role to that provided by current-day tourists. A time-proven way to attract pilgrims was to build the most accommodating cathedral in the area. Perhaps this helps to explain why communities built cathedrals that could house two to four times their own population.

Furthermore, these cathedrals were built to last forever, creating cash flow not only for the community at hand, but for future generations as well. In Chartres, for example, the bulk of the city's businesses today still thrive from tourists coming to visit its medieval cathedral, some 800 years after its construction had begun!

Faith or devotion alone cannot explain this building boom or its dramatic end. However, a shift in archetypal values, as revealed through the Black Madonna cult, in concert with a concomitant change in the money system, could well explain both the cathedral phenomenon and its sudden demise.

THE BLACK MADONNA

The Central Middle Ages, embracing as it did so many elements of the feminine, offered archetypal expression as well. For example, nearly all of the French cathedrals built during this time span were dedicated to Mary—and *not to Jesus*—whose religion this was supposed to be all about! More unusual still was the form in which Mary was represented—as the Black Madonna.

The Black Madonna Cult

It was during this unique age that the particular phenomenon of the Black Madonna manifested as the period's most important religious archetype. The most venerated statues, the most important pilgrimages (including that of the famed Santiago de Compostela), and many religious centers honored this unusual cult. In France alone, more than 80 cathedrals, in excess of 250 churches, and 302 sanctuaries were each built in Her honor.

The relevance becomes clearer when realizing that this particular figure represents the Feminine in her own power. She was the key esoteric component of a powerful resurgence honoring the Great Mother archetype taking place at this time. She was also a major theme in the poetry of Courtly Love.

While Black Madonnas certainly existed before the Courtly Love poetry, the explosive multiplication of such statues around much of Europe nevertheless coincides with the spreading of that literature. Courtly Love troubadours talked about *Notre Dame de la Nuit*, honoring Her as “the Madonna of Transformation,” as the “Queen” of their spiritual quest.¹⁰⁷ The German scholar Petra von Cronenburg concludes: “The literature of Courtly Love, the mystical love for the Black Madonna, {...} all had one common purpose: the internal experience of the *Hieros Gamos* (“sacred marriage”) with androgynous qualities, the integration of the masculine and feminine within, the merging of the human and the divine.”¹⁰⁸ In other words, the Black Madonna represents not only the Great Mother archetype, but integrated archetypal balance as well. References that parallel this are found in many other traditions.

In the *Gospel According to the Hebrews*, Jesus explicitly called the Holy Spirit his Mother. The Hebrew tradition talks about the *Shekinah*, “Indwelling of God.” The Buddhists and Hindus call it “primordial emptiness.” The mystical Christian traditions spoke of the “Motherhood of God.” In the Sufi traditions she was called *Laïla* (“the Night”), and was honored as the highest purpose of the mystical quest.¹⁰⁹ Jacques Bonvin, the French author, notes: “Only the Black Madonna was able to crystallize all the beliefs of Pagan traditions within the Christian faith, without falsifying any of these beliefs. In this, the Black Madonna is unique.”¹¹⁰

Esoterism vs. Exoterism

All major religions have had esoteric as well as exoteric traditions.¹¹¹ Exoterism refers to the official, publicly available teachings, while Esoterism denotes “hidden” knowledge, customarily available only to initiates. The esoteric traditions of principal religions include the *Kabbalah* in Judaism, *Sufism* in Islam, and *Tantra* in Hinduism and Buddhism. In Christianity, the transmitters of such esoteric traditions included the Augustinian, Benedictine, Cistercian, and Templar orders.

Among the most prominent figures in Christendom to promote esoteric Christian teachings was Saint Bernard (see insert).

Saint Bernard of Clairvaux, Lover of the Black Madonna

Bernard of Clairvaux is universally considered one of the most influential personalities of the 12th century. He was born in Fontaines, near Dijon, France, whose chapel had a Black Madonna. According to a 14th century legend, Bernard, while still a young boy, received his vocation from “three drops of the milk of the Black Madonna.” In esoteric tradition, “three drops of virgin milk” represents a traditional name for the mysterious *materia prima* (i.e., the “raw material”) of the alchemists.

St. Bernard is credited with having transformed the troubled order of Citeaux (by then reduced to a handful of monks) into “a vast multinational enterprise of civilization,”¹¹² involving hundreds of monasteries from Russia to the Iberian Peninsula, every single one of which were dedicated to the Virgin Mary. He also authored the charter for the Order of the Templars. This charter, as well as all other official documents of the Temple, placed the name of the Virgin ahead of the name of Christ, in stark contrast with contemporary Christian traditions.

The Cistercian order was deeply involved in esoteric research, with specialized scribes translating Hebraic and Islamic alchemical texts—certainly not considered “catholic” by Rome. St. Bernard himself wrote an astounding 200 sermons on Solomon’s “Song of Songs,” the very poem that Jewish Kabbalists considered one of their most important texts, which begins “I am black, but I am beautiful, O ye daughters of Jerusalem.”¹¹³ He also strongly encouraged the pilgrimage to Santiago de Compostela,¹¹⁴ which is studded with Cistercian and Templar sites, connecting, as it did, the majority of the Black Madonna sanctuaries.

St. Bernard was not the only one to have used the Black Madonna as his life’s inspiration. St. Ignatius of Loyola, for example, gave his sword to the Black Madonna of Montserrat when he founded the Jesuit Order. Joan of Arc prayed to the Black Madonna and her mother prayed for her imprisoned daughter to the Black Madonna at Le Puy. Goethe used the Black Madonna as the model for his “eternal feminine” in Faust.¹¹⁵

Invariably, political tension and occasional violence presented itself between the exoteric and esoteric traditions within a particular religion. An important reason for this was that esoteric knowledge did not confine itself to traditional customs and doctrine of its own faith, embracing instead, many esoteric beliefs held by, and practices carried out by, other religions as well. In point of fact, this particular age of the Black Madonna boom and the upsurge of rich Christian esoteric traditions in Europe also coincide with the blossoming of the esoteric Sufi traditions of Islam,¹¹⁶ the Kabbalah of Judaism,¹¹⁷ and a burgeoning interest in the esoteric practice of Alchemy.

Alchemy and the “Blackness” of the Madonna

What was the esoteric message of the Black Madonna and, in particular, her intentionally black color? In answer to this, several trails converge.



Black Madonna of Montserrat, Catalonia, the most famous Madonna of Spain. Notice she does not have African facial features. Rather, these facial features are similar to “white” Madonnas, except that her face and hands and those of the child are pointedly painted—pitch-black.

At the most literal level, the Black Madonna symbolizes Mother Earth. The child that she is holding in her arms represents humanity—each and every one of us. She therefore directly refers back to the age-old cults of the Great Mother and to her enduring and nurturing relationship to humanity.

At the more subtle level, the key clue is again linguistic, revealed in the etymology of the word *alchemy* and the origins of its esoteric practice. The word *alchemy* derives from two Arabic words: *Al*, the general Arab article; and *Khemit*, the “Black Earth,” the traditional name for Egypt. Thus, *alchemy*, reputed to have begun in Egypt, denoted “The Egyptian Art.”

For us today, alchemy has become associated with its literal symbolism of transmuting the vilest metal (lead), into the noblest one (gold). However, as is made repeatedly clear in the warnings of alchemists of all ages, this transmutation of metal is primarily a metaphor, a philosophic (i.e., symbolic) transmutation. Joseph Campbell described literalism as the “worst disease of our time,” and he compared it with someone reacting to the metaphor, “She is running like a gazelle,” with, “That cannot be, because she doesn’t eat grass.” True initiates of alchemy had only contempt for those who would misread alchemical textbooks literally as some sort of technology to get rich materially, entirely misinterpreting and confounding this intended deception with its true metaphorical essence as a guide for personal evolution. The riches that were sought after were not those of worldly goods or gold, but rather the wealth of spiritual knowledge and wisdom.

The reason for disguising its nature so elaborately was to protect the alchemist from being labeled a heretic or worse, branded a sorcerer, an offense punishable by death at the stake. Thus the metallic transmutation was merely a ruse, a symbolic guise employed by practitioners (many of whom were Benedictine monks) to allow them to continue their research and extensive writings about that sulfurous topic without inviting attention and disapproval by the Church.¹¹⁸

Alchemy was indeed one of the main traditional esoteric paths in the West for personal spiritual evolution. According to the writings of Sir Isaac Newton (who attached more importance and wrote more pages about his research on Alchemy than on Physics and Optics combined) and Jung, among others, the mysterious *materia prima*, the so-called “lead” that gets transformed into “gold,” is revealed to be none other than the alchemist himself, integrating Yin and Yang, evolving spiritually, becoming whole. Jung would similarly refer to “Individuation” as the result of the integration of the *animus* (the masculine, which is the conscious in a man and the unconscious in a woman) with the *anima* (the feminine, which is the unconscious in a man and the conscious in a woman). The individuated human thereby heals the ancient split between the body, the soul, and spirit.

The first step in the alchemical process was called the *Nigredo*, or “Work in Black,” which Jung described as the “Death of the Ego,” the “garment of darkness,” or the “Dark Night of the Soul.”¹¹⁹ It is what Medieval and Renaissance scholars exoterically called

Melancholy (literally, “Black Humors”). To Medieval alchemists and Renaissance artists, “Saturnine Melancholy”¹²⁰ was considered the difficult, unpleasant, but indispensable initial step required to attain true inspiration and wholeness (see insert).

Alchemy as a Symbolic Individuation Code ¹²¹

Three key elements are involved in the alchemical process: Sulfur, the Yang or masculine principle, symbolically associated with the sun, gold, and fire; Mercury, the Yin or feminine principle, associated with the moon, silver, and water; and Salt, symbol of the material body.

Alchemy aimed at creating the legendary Philosopher’s Stone (the integrated self, or Jung’s Individuated Human) by a “mystical marriage,” the fixation in the body of integration between the masculine and the feminine dimension of the alchemist herself. For instance, the alchemical handbook *Aurofontina Chymica* in its chapter on the “Colours to be observed in the Operation of the Great Work” states: “This blackness doth manifest a Conjunction of the Male and Female.”¹²²

To the alchemist, the symbol of the Black Madonna stood as the prerequisite toward consciously integrating the soul back into matter, back into the body. In a broader sense, the Black Madonna represents healing the split at the core of the Western patriarchal worldview—the split between matter and soul, body and mind, feminine and masculine, sexuality and spirituality, nature and humanity, cosmos and individuality. In his book *Mammon and the Black Goddess*, Robert Graves writes: “The Black Goddess is so far hardly more than a word of hope... She promises a new pacific bond between man and woman... She will lead man back to that sure instinct of love which he long ago forfeited by intellectual pride.”¹²³

From a monetary standpoint, even in this disguised form of the Black Madonna, the symbolism of the Great Mother curiously connects back to money systems. The metaphor of the final successful integration, the “elixir of the philosopher” was symbolically represented as the transmutation of lead (“Saturnine depression”) into gold (“Solar consciousness”). To the medieval collective unconscious, gold was money, the highest valued monetary metal at the time. As Jungians like to point out, archetypes tell their own story independently of time and space. Moreover, this monetary-archetypal relationship was not merely symbolic.

A very particular form of money would accompany this period of time, which gave honor to the Great Mother archetype—in the form of a demurrage-charged* local currency.

DEMURRAGE: THE INVISIBLE ENGINE

While few of today's medievalists any longer doubt the extraordinary economic boom of the Central Middle Ages, fundamental questions remain: "For such a considerable historical event, no satisfactory reason has yet been presented... The medieval blossoming has been described many times (in its manifestations, its chronology, and its many facets) but never explained. Its mechanism remains an enigma."¹²⁴

One particular feature of that period, however, has gone mostly overlooked, and may well provide answers to this economic mystery. It is during this uncommon age when honoring of both feminine and masculine values occurred in concert that we have the equally uncommon appearance of a dual Yin and Yang currency system—co-existing together, complementing one another.

Yin Currency

During the Central Middle Ages a particular type of currency was in play, issued and used primarily for local exchanges and commerce. This currency had a most unusual feature, which actively discouraged saving or hoarding in the form of that currency—a demurrage charge—that would be levied for holding onto the currency for more than a specified period of time without spending it.

The demurrage feature was realized by a particular process—*Renovatio Monetae*—a re-coinage after a fixed period of time, customarily every five or six years.¹²⁵ Coins in circulation would be recalled by the local authority and reissued with a re-coinage tax (typically 4 old coins were handed in and exchanged for 3 new ones). Whoever was stuck in possession of that dated coin would have to pay that tax at the time of recall. It was thus far better to spend or invest with that coin rather than to accumulate it.

This currency operated entirely as a means of payment and exchange; it was by and large not used as a store of value. In other words, accumulation of this money was intrinsically discouraged. As a result, this medium of exchange would continue to circulate freely and at all

levels in society, making it readily available, even to the lowest economic classes. This, in turn, enabled these less-privileged classes to engage in transactions that significantly improved their standard of living.



This sequence of four issues was struck around 1225 by the Archbishop of Bremen Gerhard von der Lippe (1219-1258). They show Saint Peter holding his characteristic double keys in his right hand. Each issue year would be marked by a small difference visible around the book he holds in hand. The process of “Renovatio Monetæ” was perfected by making small changes in successive coins. The first coin has a cross above the book, the second a star, the third has the cross below the book, and the last has no markings at all around the book. Such small differences would enable the tax collectors to identify the year when the currency had been issued.

(Photo: Helmut Reitz of four bracteaten from the Bokel Fund, currently at the Kestner Museum, Hannover).

Demurrage-currency motivates people in two predictable ways:

- Saving in the form of accumulating currency was discouraged. The local currency would be used exclusively for exchanges; anybody who had any of this type of money would automatically be motivated to either spend it or invest it. (In technical terms, the functions of “medium of exchange”* and “store of value” are separated from one another).

- Saving in the form of investments in productive assets was encouraged. The ideal investment vehicle became land improvements or high quality maintenance of equipment, such as water wheels or windmills, or long-term investments for the community, such as the cathedrals.

The accounts of the Royal Monastery of Saint-Denis suggest what these two effects mean in practice. A significant part of the mills, ovens, wine presses, and other heavy equipment were improved upon or even completely rebuilt every year. “They did not wait until anything was breaking down... On average, at least 10% of all gross revenue was immediately reinvested in equipment maintenance.”¹²⁶ In effect, a pattern of long-term vision in investments became the norm rather than the exception. Demurrage-charged money gave everyone a built-in incentive to do this. No other period since the 13th century has encouraged preventive maintenance to such levels.

This demurrage-charged local currency, in its promotion of typical Yin-related values such as cooperation, community building, long-term thinking, and sustainability, may be thought of as a Yin currency.

Yang Currency

Operating in parallel to these local-based Yin currencies was another type of currency, used primarily for long-distance trading of luxury goods (e.g., the famous “foires de Champagne”). This currency, in contrast to the local Yin currencies, did not have demurrage charges and could therefore be accumulated indefinitely without any penalty. More similar to that of our present-day national currencies, these long-distance currencies combined the functions of medium of exchange and store of value. They also shared other characteristics with present-day conventional national currencies: concentration, competition, and scarcity; in other words, typical Yang traits. Among the best-known examples of these Yang currencies was the *bezant*, a Byzantine gold coin that holds the world record for longevity of any currency.¹²⁷ Royal silver coinage would play a similar role. Another Yang currency, silver bullion in various forms, was in use as well, for example, to pay off ransoms to Viking invaders in England.¹²⁸

Complementary circulation of both Yin- and Yang-type currencies may well explain the mystery pointed out by present-day findings regarding the medieval economic phenomenon. “The medieval wealth

expansion can obviously not be explained by specific individual factors (such as population or climate)... One cannot understand the medieval economic blossoming without taking into account the new and decisive role played by the mechanisms of the market and of money. It is not that the medieval society has invented the market or money, a claim that would be absurd. It has simply put them at the disposal of all producers and consumers, including the most modest ones.”¹²⁹

HOW THE MUSIC STOPPED

This Golden Age came to a brutal end during the 13th century. The parting shot of the repression of feminine values took the form of the terrifying Albigensian Crusade in Southern France along with the start of the Inquisition unleashed by the Church (see insert, next page).

After the Albigensian massacre, the Church then condemned all Courtly Love literature as being inspired by the devil. In parallel, at the social and legal level, the rights of women were gradually eroded. “The leadership role of women abbots in double monasteries was curtailed. Sacraments became deliverable exclusively by male priests... Women, who earlier were relatively free and could become poets, medical doctors or heads of guilds, became gradually constrained to the role of object of exchange in marriage, despised as demonic tempters, and appreciated only for their capacity to produce heirs.”¹³⁰

There was initially a strong resistance to such changes, even among the clergy. “When education for women was cut back, and when finally even nuns were restrained from teaching, the movement of the ‘Beguienes’ took form, which refused to take religious vows so as to permit them to continue educating women and girls. But in 1312, their properties were confiscated and their rights curtailed, as the Inquisition moved against them as well.”¹³¹

By the end of the 13th century, the expression of feminine values that had flourished during the Central Middle Ages was now nearly eradicated. For reasons that we will discover below, it was followed almost immediately by economic ruin and famine and two generations later, by the Plague. Though it has long been generally assumed that the Plague was the cause of the ensuing misery in Europe, recent findings suggest otherwise; pointing instead to a complete reversal in order and origin. The Plague was actually a cumulative result of a pre-existing economic collapse.

The Cathars & Albigensian Crusade

Conventional recounting tells of a specific Christian sect, the *Cathars*, centered in and around the southern French province of Languedoc (or ancient district of Albige, hence *Albigensians*), whose heretical practices and teachings had provoked Rome's reaction against it during the 13th century.

Recent findings suggest a more complex account. The Cathars were but one of many sects of the time (e.g., the Vaudois, Béguins, Bogomiles, etc.), whose particular teachings aside, shared concerns regarding the perceived mounting authoritarianism and materialism of Rome. Until this period, the Pope was considered, as the Bishop of Rome, the first among bishops, but ultimately only one of the important voices in the Christian community.¹³² However, Papal authority was being affirmed more and more between the 12th and 14th centuries in the context of new doctrinal issues (e.g., clerical celibacy, the creation of purgatory, the number of sacraments, details of liturgy, etc.).¹³³ This growing centralization of power within the Church, combined with the lavish lifestyles of the upper clergy, provided the ferment against Roman ascendancy, both within the Church and among ordinary Christians.

Some of these dissidents would come to be collectively referred to as "Cathars," a term first used in 1163 by Eckbert of Schönau, a German monk, as a derogatory play on two words: the Greek *katharos* ("the pure") and the more popular *catier* ("sorcerers who adore cats," from the Latin *catus*, "cat").¹³⁴ Members of the Cathar sect would refer to themselves as *bonhomme* ("good people").

In 1209, Pope Innocent III ordered the Albigensian Crusade, a savage campaign to counteract the rejection of Rome's authority. An agreement with King Louis IX, (later sanctified as *Saint Louis*), ruler of northern France, would recognize his authority over lands previously held by southern Languedoc nobility¹³⁵ in return for the king's support of Roman Papal control.¹³⁶ The once brilliant Languedoc civilization was destroyed. Yet, in spite of wholesale massacres, opposition persisted, prompting Pope Gregory IX to institute the first dreaded Inquisition in 1231 for the apprehension and trial of heretics.

One infamous episode of the Albigensian Crusade reveals its particular brutality. In the town of Béziers, only part of the population was heretic. Arnaud Amaury, the official papal emissary sent to oversee the attack, when asked how soldiers could distinguish the Cathars from the others, replied: "*Tuez les tous. Dieu reconnaitra les siens*" ("Kill them all. God will recognize his own").¹³⁷

Economic Collapse & The Plague

The expansion of Europe's population during this period was quite spectacular, estimated to have increased some two¹³⁸ to three-fold.¹³⁹ The reversal that would follow was more dramatic still. From 1300 to 1350, more than a third of the population would perish. In England for example, it would take four centuries (until the 1700's) for its population to recover to the level it had reached by 1300! The very first outbreak of the Plague in England however, was not until 1347. Yet, the population had already started plummeting there two generations prior to that outbreak!

Chronologically, the Plague was pre-dated by epidemics and famines that were caused by an economic collapse which had already occurred many decades prior to the Plague.

Medievalist Guy Bois observed: "A majority of the populations, urban as well as rural, ends up in the last decade of the 1200's in conditions close to subsistence level. The best indicator of this phenomenon is the sudden high frequency and seriousness of the famines around the year 1300. Another symptom is the migration of farmers toward the cities who had lost their land because of indebtedness... Undernourished and living in urban squalor, [they] are now more vulnerable than ever to diseases. One needs, I believe, a lot of blindness to describe the outbreak of the Black Death as an accidental and exogenous event. Isn't it most surprising that this disaster happened only after 60 or 70 years of total misery?"¹⁴⁰

Historian H.S. Lucas similarly dates the first generalized European famine to 1315 and 1316, again, some thirty years prior to the outbreak of the Plague, and he estimates that the famines killed 10% of Europe's population. "There were widespread scenes of people eating cats, rats, reptiles, animal droppings, and even cannibalism."¹⁴¹ In the city of London, the prices of grain suddenly rose in 1308-9. A London chronicle in 1316 reported: "This year was a great dearth of corn and other victuals, for a bushel of wheat was worth five shillings. And the poor people ate for hunger cats and horses and dogs... Some stole children and ate them."¹⁴²

It must be emphasized that such events, in stark contrast to the Plague, are instead appalling social disorders triggered by devastating economic conditions.

Numerous other findings concur that a massive economic contraction occurred from 1300 onward. The economic breakdown was so substantial that repeated famines, particularly during the 1310's and 1340's, physically weakened the population at large. After two such generations, the environment was sufficiently prepared for the outbreak of the deadly disease that would put a final death sentence to the good Middle Age centuries. "This depression would be a long one—it would last one and a half centuries; it would be painful to a degree that we still have difficulty imagining. No aspect of social life would be protected from this collapse."¹⁴³

Predictably, debate among medievalists continues regarding the causes of this pre-Plague economic collapse. Among the candidates discussed: climate changes, land exhaustion, and overpopulation. While each of these factors might have contributed in some manner, there was, yet again, another event that has gone overlooked.

The economic collapse of the 1300's was itself preceded and accompanied by a most significant shift in the monetary system.

Demise of Demurrage Currencies

During the 13th century, a momentous power shift occurred. In short, the doctrine of "King by Divine Right" had taken hold, accompanied by replacement of local systems with a strong, rapidly-growing central authority. This was accompanied by a systematic roll-back of feminine values honored during the previous centuries. Exactly the same pattern occurred in Sumer when patriarchal values were originally established. Gerda Lerner writes: "The formation of a centralized imperialistic kingship coincides with a strong repression of women in society. The logic of such a connection could be that it is easier for men to accept submission to an authoritarian king, if they themselves can be 'king in their own house.'"¹⁴⁴

The significance of the effects of this power shift can be appreciated from two separate perspectives, one monetary, the other archetypal.

Monetary Perspective. According to this point of view, the establishment of a strong centralized authority led to more powerful and larger kingdoms, a monopoly of Royal coinage and the demise of the local demurrage currencies. As kingdoms grew in size, it became increasingly impractical to continue to recall and re-coin the demurrage currencies. The local Yin currencies simply disappeared in this process.

Gradually a monopoly was imposed for currencies that one could accumulate indefinitely—Yang currencies.

The kings of France were the first to systematically reassert currency re-centralization as exemplified in the “*ordonnances*” of 1265-66 by Louis IX, which specified that only royal mints had the right to issue coins circulating in the realm “except in the areas where barons had their own emission right.” The success of this centralization wasn’t immediate, however; it took several decades before the elimination of the local currencies was significant enough to have an overall economic impact.

The kiss of death to the “good” monetary period came in France with King Philip IV, who, in preparation for war, resorted to the “debasement” of money as a replacement for demurrage in order to meet his urgent income requirements. Debasement is a process in which the precious metal content of a coin is significantly reduced. Because debasement is a less visible tax than demurrage, it was harder to organize resistance to it (see insert). By taking this easier debasement road, and by doing so on a huge scale, Philip IV set into motion the seeds of uncontrollable inflation* and economic disaster.

Debasement versus Demurrage

Debasement enables the issuer to make more coins from the same amount of precious metal (by including less precious metal in each coin). Its main advantage to the ruler, though short-lived, is that the debasement is not visible. The resulting inflation is really a tax, but a “stealth tax,” one that is not readily apparent.

While first seeming profitable to hand in, say, nine old penny coins to the mint for ten new ones (each coin having less precious metal content) this illusion, would, of course, not last. Inflation would soon set in. Such debasements are catastrophic for anyone living on fixed incomes, such as landowners with long-term money-rents.

In contrast, well-managed demurrage does not create a change in the value of the currency unit, but it has the significant marketing disadvantage of being more easily identified and understood as a tax.

This change to the monetary system—centralization, followed by debasement—combined with the other factors mentioned above, created an economic collapse that in turn provided the breeding ground for the Plague to grow into the horror it did. An estimated one third to one half of Europe’s population perished from this disease.

Archetypal Perspective. This perspective interprets events in terms of the underlying shift in consciousness, from a period of more balanced masculine and feminine archetypal energies to the predominance of masculine values (formation of an imperialistic patriarchal kingship), and strong repression of the Great Mother archetype and feminine roles in general.

The concept of an unquestionable central authority, embodied by a king or emperor, was directly reinforced by a monotheistic male god, as exemplified in the mosaic below, in which the king of Sicily is crowned by the archetypal King, Christ himself.



Mosaic representing the royal coronation of King William II of Sicily, in the Cathedral of Monreale, Italy.

The text on the open book says: *"I am the light of the world. Follow me."*

In practice, archetypal repression of the feminine would translate into increased subjugation of women in society, with the stunning reversal of women's role in the workplace and the loss of their standing in society. Furthermore, this archetypal perspective would also explain the simultaneous end of Courtly Love literature, the official de-emphasis of the Black Madonna cults (replaced from the 14th century onwards with the conventional "white Madonnas"), the Albigensian Crusade, and the suppression of the local Yin currencies.

The Plague, in this archetypal interpretation, turns out to be the result of an economic collapse that coincides with the concentration of patriarchal, hierarchical power and repression of the Yin coherence.

The patriarchal backlash, which had started during the 13th century, would only intensify over the next six centuries. This repression's most violent expression was the witch burnings of the Inquisition, which lasted more than 300 years (1468-1784), in which an estimated six million people were brutally murdered, the vast majority of whom were women.

Paralleling this backlash, the possibilities for gainful work by women would rapidly shrink, to such a point, in fact, that by 1776 the French legislator Turgot would complain that women were being excluded from virtually all commercial activities, "even those that are most appropriate for their sex, such as embroidery."¹⁴⁵ Until the middle of the 20th century, most women in the West would not even be entitled to open their own bank account "without marital consent," a situation that the likes of Eleanor of Aquitaine would have deemed as absurdly unthinkable.

The whole episode of the demurrage-charged currencies of the Central Middle Ages came and went without any awareness of its role in inducing the investment patterns that had created a Golden Age. The experiment was not going to be repeated, at least not in an increasingly male-dominated modern world. Archetypically, the abundant but unglamorous local Yin currencies had simply been abandoned and a monopoly of scarce Yang-type currencies and Yang characteristics were permanently established.

As this Yang-type money could be accumulated indefinitely, the concentration of wealth in the capital cities started, with, as a direct consequence from that time on, a concomitant migration in population, jobs, centers of commerce, and power to urban areas. "By and large, the countryside was denuded of all but the smallest of small change from one harvest to the next."¹⁴⁶ This process continues to this very day, whereby the "cities" have become the financial centers of nations and the world while the "country" continues its economic and social decline.

It is important to reiterate that a linear causality between feminine values, Black Madonna cults and complementary Yin-Yang currency systems is not being claimed here. Rather, we are dealing with a non-linear coherence among these phenomena. It can be seen as a probability wave bringing all these variables to grow at the same time,

and then to collapse together as well. The Germans call it a *Zeitgeist*, a “spirit of the time,” a particular course of events that pervades and links many aspects of a culture simultaneously—the honoring of the feminine, the appearance of complementary demurrage-charged Yin currencies and a remarkable prosperity that included ordinary people.

If this confluence of events seems somehow like mere coincidence or contrivance, it is of merit to examine yet another extraordinary age with implications for our world today, Dynastic Egypt.

CHAPTER 6

DYNASTIC EGYPT

“Think forward, but understand backwards”

Kierkegaard

Another advanced civilization in which the Great Mother archetype was honored to a significant degree and about which **we have sufficient data** to reconstruct money and investment patterns, occurred in Dynastic Egypt. As in the case of the Central Middle Ages, the very same convergence occurs here. The Great Mother was honored (in this case as the Goddess Isis), a demurrage-charged Yin currency was in local use alongside Yang currencies, and remarkable economic prosperity, which included the general populace, followed.

The major distinction regarding these two particular ages is that the “good centuries” lasted markedly longer in Dynastic Egypt—for several thousand years, in fact (see insert, next page). To give some idea of the sheer expanse of time under consideration, when Alexander the Great came into power in Egypt in 332 B.C., the pyramids were already as ancient to him as he is now considered ancient to us—some 2300 years later.

THE ISIS CULT

Egyptian culture, though often perceived as inherently patriarchal, with an all-powerful male Pharaoh at the top, had at its core a religious, legislative and social tradition that was predominantly and clearly matrifocal. At the center of this tradition was “the great Isis,” the greatest Goddess in Egypt, the almighty Great Mother, worshipped uninterruptedly for more than three millennia.

Three Millennia of Isis Worship

The worship of Isis in Egypt extends from pre-dynastic times (well before 3100 B.C.) to at least A.D. 200. The chronological periods of the Isis cult include:

Pre-Dynastic Period: (approx. 5000-3100 B.C.). This period predates the unification of northern and southern Egypt. Isis makes her appearance (as do Hieroglyphs) toward the end of this period.

Dynastic Egypt: This period begins with the unification of Upper and Lower Egypt (approximately 3100 B.C.), and spans nearly three millennia. It is so named to denote the 31 hereditary lines (dynasties) of Egyptian-born kings that ruled Egypt. Demurrage currencies appear sometime in the middle of this era, probably between 1900-1600 B.C.

The Macedonian/Ptolemaic Period: This period is of much briefer duration, covering three centuries that date from the arrival of Alexander the Great in Egypt in 332 B.C., with rule over Egypt by Alexander and his descendants (which included Ptolemy I-XII). It ends in dramatic fashion with the famed suicide of Cleopatra VII (herself a Greek-Macedonian and a direct descendant of Alexander).

The Roman Period: With the defeat of Antony and Cleopatra by Octavian, Egypt came under Roman control in 30 B.C. In A.D. 384, compulsory adherence to Christianity and the closing of Egypt's pagan temples was ordered (though the temple dedicated to Isis at Philae would continue to function until A.D. 536). In A.D. 395, Egypt became part of the Byzantine Empire and remained under Christian influence until the arrival of Islam in A.D. 641.

Isis and Politics. The relationship between Isis and the temporal power of the Pharaoh is illustrated by the many representations of a Pharaoh suckling the breast of Isis. She was the Seat of Wisdom, identified by her hieroglyph in the form of a high-backed throne that rested on her head, often her only distinguishing feature.¹⁴⁷

The lap of the Goddess Isis became the royal throne of Egypt, and the pharaoh suckling her breast was the way to receive the divine nourishment of wisdom that vouched for his right to rule. "The throne makes the king" as many texts say all the way back to the first dynasty.¹⁴⁸

Seti I from the 19th dynasty is shown suckling the breast of Isis. The milk of Isis is the source of the Pharaoh's wisdom and authority to rule.

(Wall-painting, Temple of Seti I, Abydos, approx. 1300 B.C.).

Isis and Dying. Isis was the indispensable “bridge” between the dominions of Horus (the land of the living) and rebirth in the land of Osiris (the realm of the departed). Isis, along with her faithful assistant Anubis, was the inventor of mummification, along with all the magical rituals necessary for this transition to be successful.



The apparent Egyptian fixation with death centered on the belief that death was inevitable, but not necessarily final. By taking all the precise and correct precautions, it was possible to enjoy an afterlife in the “Field of Reeds,” a land of pleasure and plenty.¹⁴⁹ The elaborate mummifications and burial arrangements were considered pragmatic technologies necessary to ensure the continuation of the “good life,” even after death. Initially reserved for the Pharaoh's family in the Old Empire, such arrangements became accessible to anybody who could afford it from the Middle Empire onward.

What these customs reveal is an acceptance and preparation of death as a fact of life. This peace with death is quite consistent with a society that honors an archetype embracing the key attributes of sex, death, and money—namely, the Great Mother/Provider.

The symbolic contents of the Isis myth provide abundant clues of the archetypal framework in place. In contrast with Greek and other Indo-European mythologies, the feminine principle was not only honored, but was systematically empowered. Osiris, the male God of the Afterlife and the God of the Nile floodwaters and vegetation, is, comparatively speaking, almost a sidekick. He is the helpless one whom Isis is saving again and again out of love (see insert, next page).

Isis: The Feminine Savior

Isis was the first daughter of Nut, the overarching night sky “who bore all the gods” and the little earth-God Geb. Her Egyptian name was Au Set (“Exceedingly Queen”), which the colonizing Greeks later modified to the now familiar Isis.

According to popular legend, Isis lived with her brother, Osiris, God of the Nile floodwaters and its vegetation, and they loved one another, even when still in their mother’s womb. However, their brother Seth, jealous and evil, killed Osiris, dismembering him into thirteen parts. Thus starts the long saga whereby Isis desperately sails out in search of, and manages to recover, one by one, the pieces of Osiris’s body, marking each location with a Temple and sacred city. All parts are found but one, his penis, which Isis replaces with a golden phallus. She then invents the art of embalming, applying magical words to the body of Osiris, who is returned to life. Impregnated by this golden phallus, Isis conceives a child, the sun God Horus.

In stark contrast to subsequent religions, it is the feminine principle which encompasses within it the heavenly, solar, male god. “The daytime sky is the realm where the sun is born and dies, not, as later, the realm over which it rules.”¹⁵⁰

Initially the Goddess of the hearth and home, her powers became universal, thus becoming “the Lady of the innumerable Names” (*myrionymos*),¹⁵¹ or Isis Panthea (i.e., “Isis the All-Goddess”). “I am the Mother of All that is, Mistress of all elements, origin of all time, first among all gods and goddesses... I govern everything.”¹⁵² She was the Queen of Heaven, the Mother of the Sun, the Maker of Sunrise and Maker of Kings. She was the mourning wife, tender sister, the originator of all the arts and of all that makes life civilized, comfortable, and worthwhile. She was the Lady of Joy and Abundance, Sochit (the grainfield), and Hathor (the generous source of food), giving humans their daily bread. She was Sothis (opener of the New Year) and Meri (the Goddess of the Sea), and controlled the weather, the waves and the wind (hence her claim: “I invented seafaring”).¹⁵³ With her helper Thot, she invented hieroglyphs and gave them their esoteric value. As Destiny, she overcame Fate, and caused righteousness to prevail. As Isis Medica she was the healer of all ills. Finally, “she was in the fullest sense Love.”¹⁵⁴ She was indeed Almighty.

From the beginning, Isis turned a kind eye to humans, teaching women to grind corn, spin flax, weave cloth, and to calm men sufficiently to live with them. Each living being was considered to be a drop of her blood.

Ancient Egypt, exhibiting as it did a profound relationship with the Great Mother archetype was unique with respect to other advanced cultures of its time. It also enjoyed a monetary currency that was quite unique as well.

EGYPTIAN DEMURRAGE

In Egypt, as in Medieval Europe, two types of currency were operational in tandem with each other. Traditional Yang currencies were used for long-distance trade and as international gifts and tributes with nations such as Mesopotamia and Nubia, and later with Greece and Rome. Among the tangible evidence of such long-distance trade is the use of standardized gold rings and silver bars for trade with Mesopotamia, and later the many early Greek coins found in Egypt, the Near East or in the region of the Black Sea.

In addition, another demurrage-charged Yin currency functioned as a de facto common medium of exchange among ordinary Egyptians. However, in contrast to its future medieval counterpart, this demurrage was not time-based but was instead related to the storage of food.¹⁵⁵

Food Storage and Demurrage

Food storage was not a unique feature of Egyptian society. After all, storing for the bad season and for next year's seedlings was then and remains still an essential practice common to all agricultural societies and dates back to the beginnings of the agricultural revolution (10,000 B.C.). The Egyptians, however, managed to re-invent storage in a manner that greatly benefited not just the privileged classes, but rather, the whole of society, thus setting Egypt apart from all other nations of its time.

The Egyptian food storage currency worked in the following manner. Imagine yourself a farmer in ancient Egypt who, after the harvest, has a surplus of, say, ten bags of wheat. You bring them to your local storage site and the scribe gives you a receipt saying: "Received ten bags of wheat," followed by an official's seal and the date of this transaction. Such receipts were usually written on *ostraca*, a technical term for a type of "pottery shard," many thousands of which have been found throughout Egypt¹⁵⁶ (see photo, next page).



This is a wheat receipt written on an *ostrakon*, the most common currency used among ordinary Egyptians. This particular receipt is relatively “small change.” Its translation reads: “Second year of the reign of Ramses II, second day of third month of Shamu. On this day three *bin* (a quantity of about 1.5 quarts) of wheat were received by the undersigned officer of the West.” The value of such receipts would slowly diminish over time to reflect storage costs. Such costs, therefore, represented a modest demurrage fee.

(Kestner Museum inventory # 4633, Hannover).

The key to this system is discovered whenever you return, say a year later, to cash in your 10-bag ostraca. The scribe looks at your receipt and orders only 9 bags returned to you. The conversation could go as follows:

“I brought you ten bags, why do you return to me only nine now?”

Somewhat irritated, the scribe replies, “Don’t you understand that was a year ago?”

“So?”

“Do you see that guard standing in front of the storage building? He eats, you know! So do I, for that matter. Notwithstanding all our precautions, we also lose some wheat to rats and mice.”

“Yes, but what has that to do with my tenth bag?”

This 10th bag is a demurrage charge for one year. The redemption value of these Egyptian ostraca receipts would “age.” For instance, had you returned six months instead of one year later to recover your bags, you would have received 9.5 bags in return, in effect, half the demurrage charge for that of one year.

In essence, the longer the food was to be held in storage, the greater the cost that would be incurred, similar to the practice of a parking fee. For this reason, people would not tend to hoard such currencies, but would use them instead as a pure medium of exchange, in as timely a manner as was practical and possible.

The particulars of how or when this food-storage demurrage-charged money was first implemented in Egypt are not precisely known, though the biblical story of Joseph offers an intriguing possibility. What the bible infers but fails to mention overtly is that Joseph appears as the most likely candidate to have invented the ingenious demurrage monetary system utilizing food storage. Indeed, the Egyptians, like all agricultural societies, must have known about food storage for millennia before Joseph's arrival. So why would they have given him the high-ranking title of General Superintendent for "inventing food storage?" If instead, he was responsible for inventing or perfecting the Egyptian demurrage-charged grain standard, such an achievement would be something quite impressive indeed, worthy of his high position (see insert).

Joseph and Demurrage

The story of the origin of Egyptian demurrage currency may be implied by the biblical story of Joseph (approx. 1900-1600 B.C.), who, having been betrayed by his jealous brothers, was "sold to the Ishmaelites for twenty pieces of silver, and they brought him to Egypt." (Genesis 37:28).

Once there, Joseph managed to interpret the Pharaoh's premonitory dream of seven fat and seven lean cows. His recommendation was to store food reserves during the seven fat years, so that they would be available during the lean ones. Everyone was so impressed that Joseph was named General Superintendent for all of Egypt. In short, a great story about a poor Jewish boy who did well in a big foreign country.

The demurrage charge was systematically built in to all transactions using the "wheat-standard" and other similar such currencies (such as receipts for barley, wine, other grains or storable food) and was the common currency for most ordinary Egyptian exchanges for at least 16 centuries.

Egyptian versus Medieval Demurrage

Though comparatively much older, the Egyptian demurrage was patently more sophisticated than its subsequent medieval counterpart. Not only was it fine-tuned to the month and even the day, Egyptian demurrage was also tied to the “real world” of spoilage and costs of storage. In contrast, the medieval *Renovatio Monetæ* was a stop-and-go process every five or six years, and the arbitrariness of both the frequency and the level of taxation ended in abuses which ultimately discredited the entire practice.

Egyptians were understandably quite content with a money system that permitted even the most modest farmer’s production to become money at the farmer’s choice. Often teased by the Greeks for their mundane-looking ostraca, Egyptians in their turn considered the Greek passion for gold and silver coins a rather strange fixation, viewing such precious-metal coins as “a piece of local vanity, patriotism or advertisement with no far-reaching importance.”¹⁵⁷ The Egyptians would accept these foreign coins only for their bullion content—as a simple raw material—as confirmed by Greek coins found in Egypt that had been cut open just to verify their metal content.

Silver Stater from Acanthus (Northern Greece, 500 B.C.) found in a hoard of Greek coins in the Nile Delta. This coin has been cut open to check the purity and quality of the metal. Its intricate design represents a lion attacking a bull, but the Egyptians considered the coin only as silver commodity.



No doubt, the popularity of this dual currency system was bolstered by the healthy state of the Egyptian economy that, like its medieval counterpart, benefited the ordinary people.

Egyptian Economy

As in the case of medieval Europe, there were no firm statistical analyses performed during these ancient times. Even more so than in the case of the Central Middle Ages, we cannot expect to find a lot of “hard data,” if for no other reason than that the Egyptian evidence is several millennia older. The economic landscape must therefore be inferred from indirect indicators and testimonies.

Food. Egypt was long considered by all “the breadbasket of the ancient world.” The 15 different words commonly used during the period of the Old Kingdom to differentiate between different types of bread, and the over 40 words for bread and cakes in the New Kingdom bespeak of a prosperous, abundant society.¹⁵⁸

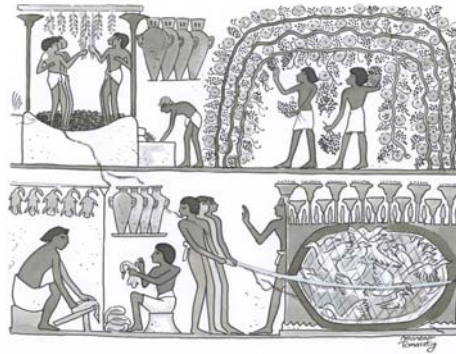
The advice offered by the Scribe Any to his disciples provides an insight into a gentle and affluent society: “Do not eat bread while another stands by, without offering your portion to him. Food is always there. It is man who does not last.”¹⁵⁹

The yields obtained in grain production were the highest in the ancient world; average estimates go as high as tenfold! Though the high quality of the black soil of Egypt was undoubtedly exceptional, this “gift of the Nile” would account for only part of such abundance, no doubt contributed to as well by significant human industriousness and unique economic incentives. For example, as was the case in the Central Middle Ages, productive assets such as the irrigation system were maintained at a quality level that was envied in the rest of the world. Besides bread, cheese, butter, onions, garlic, leek, beans, chickpeas, lentils, melons, pulses, cucumbers and other vegetables, there was also plentiful supply of meat (particularly goats, sheep, wild fowl, domesticated geese and pigeons, and more rarely pigs and cows), and an exceptionally ample supply of fish. Diodorus Siculus, the famed Greek historian, reports: “The Nile contains every variety of fish and in numbers beyond belief; for it supplies all the natives not only with abundant subsistence from the fish freshly caught but it also yields an unfailing multitude of fish for salting.”¹⁶⁰

Another sign of something special taking place in food production is the fact that Dynastic Egypt initiated the first documented “foreign aid” program. Written records denote that Egypt gave grains, free of charge, to the Athenian citizens when they suffered a famine in 445 B.C.¹⁶¹

Drink. Both beer and wine were abundant and commonly consumed at all levels in society. The Greek-Egyptian Athenaeus, one of the earliest known wine critics, described Egyptian wines with a sophistication that would rival today’s connoisseurs: “Wine of the Mareotic region is excellent, white, pleasant, fragrant, easily assimilated, thin, not likely to go to the head, and diuretic. The Taeniotic wine is better than the Mareotic, somewhat paler; it has an oily quality, pleasant, aromatic, mildly astringent. And the wine of the

Antylla province surpasses all others.”¹⁶² The substantial quantity of consumption justified a Middle Kingdom Wisdom Text to advise: “Lend a hand to an elder drunk on beer, respect him as his children should.”



Egyptian estate dating to 18th dynasty with grape harvesting and wine making in the upper register; and fowl trapping and preparation in the lower register. Notice the emphasis on storage vases repeated in both registers.

(IT 52 Nakht. Metropolitan Museum of Art 15,19c).

Education. Education was not uncommon, particularly from the Middle Kingdom onwards, during which formal day schools, known as “Houses of Instruction,” were established in association with the various royal residences and the many temples. “Quite simply, anyone who was anyone in ancient Egypt could read and write.”¹⁶³ Not everybody knew the hieroglyphic form of writing, reserved as it was for monumental or sacred texts. However, laundry lists, dressmaking advice, and other household trivia indicate that even ordinary housewives and servants were able to read and write in the common demotic script.

Workdays. The working day was 8 hours and included a midday meal break, and there were many holidays. Ostraca show that out of 50 consecutive days, only 18 were working days for the entire crew.¹⁶⁴

Long-term Thinking. Whenever the Egyptians built something they considered important, it was built to last forever. Their temples and pyramids, still standing today, are enduring material testimony to such commitment to future generations.

These various observations are indicative of the same kind of effects seen during the Central Medieval period. One of our core theses is that a connection exists between honoring the feminine archetype and the appearance of money systems that promote sustainable abundance. Though we should be careful in automatically assuming causality between these factors, the Egyptians themselves did not hesitate to make just such a linkage. They attributed all material abundance and quality in life directly, and unequivocally, to Isis.

THE STATUS OF WOMEN IN EGYPTIAN SOCIETY

Egyptology confirms that women were remarkably privileged in Egyptian society, in comparison with all other contemporary civilizations. And it was Isis who was officially credited with having made “the power of women equal to that of men.”¹⁶⁵ Egyptologist Joyce Tyldesley concludes: “Egypt was undoubtedly the best place to have been born a woman in the whole of the Ancient World. During the dynastic period, as the Greek historian Herodotus observed, Egyptian women enjoyed a legal, social and sexual independence unrivaled by their Greek or Roman sisters; indeed, by women in Europe until the late nineteenth century. They could own and trade in property, work outside the home, marry foreigners and even live alone without the protection of a male guardian”¹⁶⁶ (see insert, next page).

Women’s Legal Status

The legal status of women in Egypt is striking when compared to other contemporary civilizations, and even compares favorably to many societies today. The historian Max Mueller claimed: “No people ancient or modern has given women so high a legal status as did the inhabitants of the Nile Valley.”¹⁶⁷ “From our earliest preserved records (Old Kingdom), the formal legal status of women (no matter if they were unmarried, married, divorced, or widowed) was identical to that of Egyptian men. Egyptian women, like Egyptian men, were legally responsible for their own actions and personally accountable to both civil and criminal law. They were able to acquire, own and dispose of both real estate and other personal property. They could enter into contracts in their own names; they could initiate court cases and likewise be sued; they could serve as witnesses in court cases, they could sit on juries; and they could witness legal documents... Women had legal rights and were willing to fight for them.”¹⁶⁸

The Status of Women in Mesopotamia and Classical Greece

A basis of comparison for women's status is offered by two civilizations that Egypt had extensive commercial and cultural contact with: Mesopotamia and Greece. A small sampling of their characteristic laws and customs are synthesized here:

Hammurabic law (approx. 1750 B.C.) considered it normal practice for a man who could not repay his debts to give away his wife or children as slaves in compensation. The father, without the involvement of the mother or daughter herself, customarily arranged Mesopotamian marriages.¹⁶⁹ In general, in the ancient Middle East "Adultery is possible only on the side of the wife, because she is the property of the husband."¹⁷⁰ "Divorce was easily obtained for men, who merely had to make a public declaration of intent. It was difficult for a wife to obtain divorce and only those without blemish might attempt it because the law states that: 'If [the woman] has not kept herself chaste but is given to going about out [of the house], and so belittle her husband, they shall cast that woman into the water.'"¹⁷¹

The laws of city-states such as Athens in classical Greece gave no independent existence to women at all. They had no political rights and did not participate in any decision-making. Fathers or male relatives arranged a woman's marriage. Women could not own or inherit any property, nor enter into any transaction involving more than the value of one bushel of grain.¹⁷² Women were kept in seclusion in the *gynaeceum*, an isolated part in the back of the house, where no man could penetrate except close relatives. Xenophon (428-354 B.C.) offered the general rule that "It is better for a woman to stay inside the house, and not show herself at the door." A century later, Menander (342-292 B.C.) confirmed that "a decent woman must stay at home; the streets are for low women." The only women who were educated into literacy and the finer social arts or allowed in public were the prostitutes.

Marriage

Here, too, women enjoyed advantages to other contemporary cultures. And it was Isis who played a pivotal role, in this case as the "upholder of the marriage covenant." During a wedding, it was in Isis' name that the husband made a "solemn contract to be obedient to his wife."¹⁷³ Marriage contracts, which acted like "annuity contracts" since they were concerned exclusively with financial matters, were "extremely advantageous to the wife... Either party could divorce the

other on any grounds, but the economic consequences of the annuity contract made this a serious step for the husband. Both sons and daughters could inherit property from either parent; both mothers and fathers retained the right to disinherit any child.”¹⁷⁴ In the event of divorce, women tended to have custody rights for children, in stark contrast with “patriarchal Rome, where a pregnant widow was obliged by law to offer her newborn baby to her dead husband’s family; only if they had no use for the child was she given the chance to raise her baby herself.”¹⁷⁵ Even more surprising, Egyptian women could choose whom they wanted to marry independently of social class—even with slaves or foreigners. This, too, differed significantly with customary practices of other societies of the time. During their rule over Egypt, the Romans would introduce complex inheritance regulations to pressure Egyptians to marry only within their own caste.¹⁷⁶

Women’s Work

Egypt was still primarily a man’s world in several official administrative aspects, with women being excluded from a number of different positions (e.g., city mayors, royal scribes, etc.) and certain crafts (i.e., sculptors, carpenters, public gardeners, clothes washers, etc.).¹⁷⁷ Then again, men were similarly excluded from certain activities as well. For example, women were the key producers in the two most important industries in Egypt: food and textiles.¹⁷⁸ Certain aspects of food production, such as grinding the grain, were specifically assigned to women, while planting was reserved for men. Still other functions, such as brewing beer or pottery making, employed both sexes.

The most important industrial craft in Egypt was the manufacture of linen textiles. It was critical for both the living and the dead (a single mummification could require as much as 1,000 square yards of linen cloth).¹⁷⁹ Just as in Central Medieval Europe, women were involved in all aspects of linen manufacturing: harvesting the flax, hackling, roving and spinning the flax fibers into threads, and finally the weaving itself. Even the hieroglyph for the word “weaver” is a seated woman holding what is probably a shuttle or a weaver’s sword. Weaving frequently included mass-production “factories,” with numerous workers supervised by an overseer, who was usually a woman. Women are also reported as accepting payment for finished cloth and bearing the title “Overseer of the House of Weavers.” It is only in the later part of the New Kingdom that some men got involved in the weaving industry.

The largest number of women with official titles is documented in the Old Kingdom (2649-2134 B.C.), associating them with high positions in public administration or courtly functions. This included female stewards for kings, queens, and princesses, “seal bearers” (i.e., treasurers), and chiefs of funerary priesthood.¹⁸⁰ However, over time, foreign influences (Mesopotamian, Hittite, Persian, Hyksos, and finally, Greek and Roman) gradually eroded parts of the public visibility of women.

Women Rulers

While women appeared equal or may even have been favored in some legal and private matters, the most powerful position of all—the Pharaoh—was almost always, but not exclusively, held by men.

However, between 3,000 and 1,000 B.C., four women did officially assume the throne,¹⁸¹ though more common were the occasions of female regents, whereby a pharaoh’s mother ruled in her son’s behalf until he matured sufficiently. It was during the regency of Ny-netjer of the Second Dynasty (2770-2649 B.C.) that: “It was decided that women might hold the kingly office.”¹⁸²

While rarely actualized, the mere fact that there was no ideological and certainly no theological impossibility for women to rule in Egypt was a remarkable situation indeed, especially when considering the prevailing traditions in other societies of the time. Bear in mind that even today, many nations, including such world leaders as the United States, China, Russia, France, Germany, and Japan have yet to elect their first woman president or prime minister.

Hatshepsut, the best known female pharaoh of Egypt, and the greatest builder of her dynasty. This statue captures her self-confidence and pride of her femininity.

(Granite statue at the National Museum of Antiquities in Leiden, Netherland, including a cast of the original head located at the Metropolitan Museum of New York).



Women & Poetry

Intriguingly, another extraordinary parallel with regard to the Central Middle Ages is the unusual appearance of love poetry in Egypt, comparable in importance to the Courtly Love literature. In fact, Egyptians are the first people known to write love poetry.¹⁸³ Much to the amazement of the contemporary Greeks, Egyptian women often took the initiative in courtship; the woman addressed the man or proposed marriage in the majority of the love poems and letters,¹⁸⁴

Women and the After-Life

Yet another important indicator of the status of women in Egyptian custom is observed by treatment in the after-life, an all-important dimension in Egyptian culture. Discrimination in this domain did exist, but the bias seemed isolated instead to social status and not to sex—only the very rich and powerful could afford the extraordinary expense of the mummification and its complete paraphernalia. “From at least the Old Kingdom, the body of a deceased woman received the same treatment as that of a man, and was buried with similar types of funerary equipment. Once the technique of mummification had been developed, women too were mummified to preserve their bodies for eternity... Other items such as jewelry, clothes, wigs and furniture are also found with both male and female burials.”¹⁸⁵

A GRECO-ROMAN ENDING

An indication that the monetary system had something to do with all this prosperity and general well-being is offered by the fact that just as soon as the Romans replaced the Egyptian “grain standard” currency with their own money system, the “good” centuries ended. But unlike the abrupt demise of the Central Middle ages, the “Egyptian exception” expired gradually over time, starting with cultural erosion by a steadily growing Greek influence from the 4th century B.C. onwards.

Roman occupation in 30 B.C., followed by Christianization, would seal the end of both the demurrage-charged currency and the Isis cult. In parallel, the privileged role of women in Egypt similarly deteriorated and eventually died out. With Roman control over the financial system, the Egyptian “archaic wheat money” was replaced by “modern” Roman currency, characterized by “normal” positive interest* rates, with the interest tending to accrue to Rome. The net results were significant and

enduring. The Egyptian economy, once the envy of the ancient world, eroded to the humiliating status of a developing country, a condition that it has retained to this very day.

The demise of demurrage and installation of the Roman monetary system is also accompanied by an acceleration of concentration of wealth, typical of the Roman Empire, especially during its decline. In Kerkereosiris, a typical Fayum village of the Roman period, an estimated population of 1,500 families farmed some 3,000 acres, which averaged out to a mere 2 acres per family. In stark contrast, one privileged family, the Apions, who had twice achieved the position of praetorian prefect in public administration during the 6th century A.D., controlled a whopping 75,000-acre estate.¹⁸⁶

Generally held opinion, dating all the way back to Plutarch, claims that ancient Egyptian abundance was merely a gift of the Nile. However, an economy that functioned quite successfully under the demurrage grain-standard currency system for millennia came to an end at the same time as the demise of the dual currency system. The Nile, ever-present, ever-flowing, was there when the economy flourished and was still there after the economy had declined. At least some of the credit for the proverbial “breadbasket of the ancient world” might reasonably be attributed to those funny-looking ostraca.

MERE COINCIDENCE?

A “magical” direct causal effect between Great Mother veneration and the choice of money systems is not claimed. However, it is now certain that in both civilizations where the Great Mother was honored, a Yin demurrage-charged currency appeared as a significant agent for exchange among ordinary people (in complement with the traditional precious metallic Yang currencies), and an *unusual abundance for the ordinary people* reflected and (no doubt) contributed to the exceptional economic conditions for each of these two particular civilizations.

Moreover, each age had in common an archetypal constellation that was significantly different from the rest of the world. Not only was the Great Mother honored by each culture, but in many of its most important regards, the medieval Black Madonna was none other than the very Isis herself—to the point where the exact Isiac titles and her emblematic chair were merely transferred. Some original pagan Isis statues even ended up being venerated as Black Madonnas (see insert).

The Black Madonna—Egyptian Connection

There are numerous associations between the medieval Black Madonna and the Egyptian Isis, including: the “oriental” anecdotes in the Black Madonna legends, the importance and symbol of Her cathedra chair (origin of the word “cathedral”), the esoteric Egyptian “alchemical” link, along with the particular kinds of miracles performed, each and every one of them direct attributes of Isis. A few of the many associations are listed below.

Several Black Madonnas (e.g., the Black Virgin of Boulogne and Sablon), are reported to have arrived miraculously standing on a boat with no sails or crew, with a copy of the Gospels in an oriental script.¹⁸⁷ This arrival by boat is an exact transposition of the ritual along the Nile in which Isis was invoked as “Star of the Sea,” “Seat of Wisdom,” and “Queen of Heaven,” three titles that St. Bernard would use to refer to the Black Madonna a millennium later.

Like the blackness of the Madonna, Isis has deep associations with blackness as well. Plutarch describes the famed “Veil of Isis” as black. One of her main priestly groups was known as the “wearers of black” because they specialized in the mourning side of Isis.¹⁸⁸ Isis’ brother and lover Osiris was also called “the Black One.” The spells invoking Isis begin with: “Thy kingdom resides in that which is utterly black.”¹⁸⁹

The famed medieval pilgrimage to Santiago de Compostella,¹⁹⁰ associated with the Black Madonna sanctuaries, was also called the “Path of the Milky Way,” the “overflowing udder of plenty,” both direct corollary references to Isis (in her Hathor form). The popular name of the Black Madonna of Chartres was that of “l’Égyptienne,” as is still the case with the Black Madonna of Meymac.

In a number of cases, the connections are more explicit, for example, the similar measurements of the bodies of the Black Madonna and Isis statues. Furthermore, several medieval statues revered as the Black Madonna were actually antique statues of Isis herself. When Louis IX returned from the Crusades, a 1255 chronicle mentions: “he left in the country of Forez an image of Our Lady carved in black color that he had brought back from the Levant.” This Black Madonna turns out to have been an original Egyptian statue of Isis with Horus on her lap. Another statue of Mary, long preserved and honored in St. Germain des Prés was an original Egyptian statue of Isis as well. It was removed and destroyed in the 16th century on orders of Bishop Bretonneau who did not appreciate its “pagan origins.”¹⁹¹ Another example is the famous Black Madonna from Le Puy that, like so many others, was destroyed by the French Revolutionaries in 1793. Fortunately, in 1777, a scientist, Faujas de Saint-Fons, made three very detailed analyses of that statue and published a report on his findings describing it as “a statue of Isis with Osiris (sic), which had been modified into a Madonna.”¹⁹² He even mentions hieroglyphic inscriptions identical to those that he had found on the archeological “Table of Isis.”¹⁹³

In both Dynastic Egypt and the Central Middle Ages, the end came when a centralizing military power took over: the Romans in the case of Egypt, the power of kings by divine right in Europe. After such a take-over, Yang coherence became increasingly dominant, patriarchy was affirmed, a monopoly of Yang-type currencies became compulsory, and the simultaneous repression of the Great Mother archetype ensued. By archetypal definition, the shadows of the Great Mother would thereby increasingly manifest and the collective emotions of greed and scarcity would then become frozen into experiential reality for everybody via the money system.

Honoring the Great Mother archetype, demurrage-charged currencies, and abundance for the masses are each footprints of the same archetypal coherence. What made the “good” periods in both these civilizations historically so exceptional was that in both cases, in addition to Yang characteristics and values, Yin coherence was honored as well.

Both the Central Middle Ages and Ancient Egypt offer testimony to the effects wielded by the kind of money used in a society, and the relationship that money has to the hidden engine driving our collective psyches.

In the coming years, other matrifocal societies of the past will almost certainly be uncovered. It is quite likely as well that more and more cases of dual, Yin-Yang currency systems will be revealed as one of the important mechanisms by which such societies managed to support activities and pursuits that more fully and accurately reflect the needs and aspirations of its people.

Research is now being conducted on the monetary tools used by one matrifocal society on the island of Crete in Greece, the ancient Minoan civilization. As a means of both testing and verifying our hypothesis that such matrifocal civilizations would naturally have dual currency systems as a vital component, we believe that both Yin and Yang currencies will be discovered among the archeological artifacts left by the Minoans.

CHAPTER 7

INDIGENOUS CULTURES & BALI

*“Life and livelihood ought not to be separated
but to flow from the same source, which is spirit.
Spirit means life,
and both life and livelihood are about living in depth,
living with a meaning, purpose, joy,
and a sense of contributing to the greater community.”*

Matthew Fox

Identifying matrifocal cultures with coherences similar to that of the Central Middle Ages and Dynastic Egypt is not a straightforward undertaking but more in the vein of an elaborate detective story. Much of the evidence (along with its people and cultures) has been destroyed and what remains is readily overlooked and oftentimes misunderstood.

THE FATE OF INDIGENOUS CULTURES

During the course of the last five millennia, indigenous peoples have been subjected to an onslaught of invasions and assorted influences, particularly by Western civilization. Only a small number of such peoples remains in existence today, and of those that have endured, fewer still have managed to keep their cultures intact or unaffected by the pressures brought to bear upon them, as reviewed next.

Prehistoric Invasions

During the final several thousand years of prehistory (i.e., before the advent of writing), peaceful, agricultural societies, many of which were likely matrifocal, were beset by an ongoing series of invasions by nomadic warrior cultures.

Many of the customs, beliefs, and mythologies of these peoples, which had been handed down by oral tradition and dance from one generation to the next, were either destroyed or assimilated beyond recognition in order to fit into the prevailing worldview and mindset of their conquerors. Prominent roles and functions first associated with the Great Mother or related goddesses were now reassigned to male deities. Some matrifocal cultures adopted predominant Yang values themselves as survival mechanisms, ultimately making them indistinguishable from their assailants. In any case, most matrifocal traditions perished, leaving few traces by which to decipher their cultures, their means of exchange or in many cases, their very existence.

Monotheism

With the advent of monotheistic religions, concerted efforts were made to convert and absorb the deities of conquered peoples into a single omnipotent male god, invisible in the heavens, separated from nature and earth. Any lingering pagan beliefs (along with their believers), which could not be incorporated into this worldview, would be condemned by the Church as heretic and dealt with, oftentimes severely, as befell the Cathars of Languedoc and the millions affected by the centuries-long Inquisition. Artifacts were either given new connotations or were simply overlooked (e.g., the Egyptian ostraca pottery chard currency). Pre-monotheistic pagan centers of worship were practically all destroyed and upon their very ruins would be erected many of the churches, cathedrals, and abbeys of Christendom that stand to this very day.

Age of Exploration

Beginning in the 1400's, the indigenous cultures that had managed to survive the prehistoric and earlier medieval patriarchal onslaught were now beset by Western maritime nations in search of new territories and riches. The treatment of the Taino "Indians" of the island of Hispaniola (now Haiti) by Christopher Columbus gives us some idea of what awaited many "primitive" societies in the coming centuries (see insert).

Columbus and the Taino

According to reports made by literate members of Columbus' crew, the Taino of the island of Hispaniola (the name first given to Haiti by the invading Spaniards) had an apparently idyllic life prior to the arrival of Columbus, but that would soon change. One crew member reports upon the second visit of Columbus to the island: "When our ships... were to leave for Spain, we gathered... one thousand six hundred male and female persons of these Indians, and of these we embarked in our ships on February 17, 1495... For those who remained, we let it be known (to the Spaniards who manned the island's fort) in the vicinity that anyone who wanted to take some of them (i.e., Taino) could do so, to the amount desired, which was done."¹⁹⁴

In his book, *The Last Hours of Ancient Sunlight*, author Thom Hartmann goes on to report that "Columbus and his men used the Taino as sex slaves... the sex-slave trade became an important part for their business."¹⁹⁵ As Columbus wrote to a friend in 1500: "A hundred *castelanoes* (a Spanish coin) are as easily obtained for a woman as for a farm, and it is very general and there are plenty of dealers who go about looking for girls; from nine to ten (years old) are now in demand."¹⁹⁶

To maintain discipline, an Indian's nose or ear was cut off, even for a minor offense. "Columbus attacked them with dogs, skewered them on poles from anus to mouth, and shot them."¹⁹⁷ Eventually, life for the Taino became so unbearable that, as Pedro de Cordoba wrote to King Ferdinand of Spain in a 1517 letter: "As a result of the sufferings and hard labor they endured, the Indians choose and have chosen suicide. Occasionally a hundred have committed mass suicide. The women, exhausted by labor, have shunned conception and childbirth... Many, when pregnant, have taken something to abort and have aborted. Others after delivery have killed their children with their own hands, so as not to leave them in such oppressive slavery."

"Eventually, Columbus, and later his brother Bartholomew Columbus who he left in charge of the island, simply resorted to wiping out the Taino altogether. Prior to Columbus' arrival, most scholars place the population of Haiti/Hispaniola at around 3 million people... By 1516, the indigenous population was 12,000 and, according to Las Casa (who was there), by 1542 fewer than 200 natives were alive."¹⁹⁸

Imperialism

Those cultures that had survived early exploration were next treated to industrialization and imperialism. Cecil Rhodes, British politician, colonialist, industrialist, founder of the DeBeers Mining Company in South Africa, and after whom Rhodesia (now Zimbabwe) was originally named, offers us this glimpse of the 19th century imperialist mindset: “The idea I am thinking about is how to solve the social problem in order to spare the 40 million residents of the United Kingdom a bloody civil war. We, colonial statesmen, must obtain new lands where to settle the excess of population, where to find new markets for the production of our factories and mines. Empire, I have always said, is a matter of stomach. If you want to avoid a civil war, you must become imperialist.”

Finally, those cultures that somehow managed to survive the continual patriarchal onslaught of military invasions, dogmatic religious influences, conquest, industrialization, and imperialism are today facing increasing pressures from our monetary system, which, as stated earlier, is the key information replicator for a Yang bias in society. One developing nation after another is burdened by ever-mounting debt and interest payments to international lenders such as the World Bank* and the IMF, as noted in the case of Nigeria. But this process started long before, as illustrated in the case of Ghana.

The Hut Tax

When Britain obtained Ghana as a colony in the 19th century, they were facing an interesting problem. Ghana consisted at the time of several hundred perfectly sustainable communities, each in their own traditional region. They did trade among each other, but such trade was in closed circuits established by tradition among the different tribes. But what is the point of having a colony if the people there don’t need any of your goods? The question was how to break up those century-old self-contained and functional regional patterns so that there would be a demand for the goods that Britain was eager to export to their colony.

The solution was not to start a big advertising or marketing campaign for English goods. It wasn’t even to try to prohibit the old exchange patterns or use coercion to create new ones. It was a lot cheaper, simpler, and more elegant than all that. It simply consisted in

creating for the first time a national Ghana currency and imposing a very modest “hut tax” that would be payable only in that currency. And presto: within a few years, all the traditional sustainable systems collapsed. Why?

Every “hut”—i.e., every extended family unit in the country—needed to find a way to earn some of this new currency to pay their hut tax. That could only be done by trading outside of the traditional framework in a new national system. That alone was sufficient to break up the regional sustainability patterns.

The lesson should be clear: trying to encourage local or regional development while simultaneously keeping a monopoly of a national or supra-national currency is like treating an alcoholic with alcohol prescriptions. The virtual monopoly of Yang national currencies today coerces virtually all those who come into contact with them—which, in our current global marketplace, translates into nearly every society on earth—to behave in ways that are consistent with the Yang coherence.

Given the history of these last five millennia, one can begin to appreciate why indigenous societies have had a difficult time surviving. Not only were such peoples confronted by deliberate actions and events as partially depicted above, they were subjected as well to less intentional, less apparent, but nevertheless compelling “civilizing” forces. Written language, for example, most especially our modern alphabet, may have itself contributed to the demise of such cultures (see insert).

The Alphabet and the Goddess

In his book, *The Alphabet and the Goddess*, Leonard Shlain asserts that “the process of learning alphabetic literacy rewired the human brain with profound consequences for culture, making remarkable connections across a wide range of subjects including brain function, anthropology, history, and religion.” Literacy, Shlain argues, reinforced the brain’s linear, abstract, predominantly masculine left hemisphere at the expense of the holistic, iconic feminine right one. This shift upset the balance between men and women, which coincided, it so happens, with the disappearance of goddesses, the abhorrence of images, and, in literacy’s early stages, the decline of women’s political status. Patriarchy and misogyny followed.

The continuous repression of the Great Mother archetype has, by now, cast its shadow upon much of our world and precious little is left of the once vibrant cultures in which everything was considered to be alive, animated, sacred, with soul and purpose... beliefs common to the so-called “primitive” societies; it is the very reason why they are referred to as primitive. More than five thousand years of patriarchal supremacy have shaped the Modern view that pushes to its extreme the split between spirit and nature, mind and matter, soul and body.

However, we know of at least one remarkable society that has managed to preserve key elements of its original cultural heritage,¹⁹⁹ whose existence predates the onset of the Central Middle Ages by centuries and may well extend as far back in time as Dynastic Egypt. This culture endures to this very day and, in fact, flourishes, despite more than 17 centuries’ of invasions, religious influence, most especially Hinduism and Buddhism, Western European colonization, a Yang-based national currency, the pressures of international trade, globalization* and most recently, the impact of tourism. This cultural resiliency forms part of a coherence of particular characteristics that will be referred to as the “Balinese Exception.”

THE BALINESE EXCEPTION

Fertile lands intricately organized into quilted, tender-green rice paddies placed elegantly down hillsides like giant steps, volcanoes soaring up through the clouds, dense rain forests, long sandy beaches, warm blue-green seas, an almost endless array of colorful festivals, a profusion of musical and dance activities, the never-ending offerings; these are some of the images that greet the millions of tourists visiting the island paradise of Bali each year.

Balinese Cultural Resiliency

In 2001, about 4 million tourists visited this small island of 3 million inhabitants.²⁰⁰ Yet, unlike so many other exotic places that now depend on tourism to support their economies and whose indigenous cultures have become eroded and westernized, Balinese activities, the offerings, the vibrant pageantry of the thousands of religious festivals and other cultural events organized every year are almost exclusively for the entertainment of the many Balinese gods and for the Balinese people themselves. Indeed, it still is true today that “At their temple feasts they

combine two good purposes, namely to please their gods and amuse themselves... these two things are identical with the Balinese.”²⁰¹ Out of the 5,000 dance groups listed with the provincial authorities as performing in Bali, less than 200 are maintained for tourist performances, and the other 4,800 are maintained for temple time.²⁰²

In 1936, famed anthropologist Margaret Mead in her first letter from Bali noted: “Bali seems to have learned through a couple of thousand years of foreign influences just how to use and how to ignore those influences. Accustomed to an alien aristocracy, accustomed to successive waves of Hinduism, Buddhism, and so on, they let what is alien flow over their heads.”²⁰³ Fifty years later, this point is still valid. “Beset by invaders for millenniums, the Balinese are responding to the latest incursions as they have to past incursions, by becoming more like themselves. The fabric of Balinese society is too strong and too flexible to be rent by easy money.”²⁰⁴

Another observer regarding the Bali difference concludes: “The newly available consumer goods have not dethroned ceremonial expenses as a source of prestige and sign of status: the money earned from tourism feeds a competition for status that is expressed in the staging of ever more sumptuous and spectacular ceremonies—much to the delight of the tourists.”²⁰⁵ In short: “Bali will always be Bali. In the past, a hundred years ago, today, and even a hundred years from now... Tourism is for Bali, not Bali for tourism.”²⁰⁶

Questions

The Balinese Exception raises some very interesting questions. What is the secret of their resiliency? Why has this indigenous culture survived when so many others have not? How can a people whose GNP per capita is about one-tenth that of the United States afford such extravaganzas? Where do they find the money and the resources for all those activities? In order to answer these questions and better understand this culture, we must briefly examine its key features.

Offerings

The tropical island of Bali is part of the archipelago of Indonesia, a mostly Islamic nation in which the Balinese people are proud of having preserved their unique Hindu culture. Bali derives its name from the Sanskrit word *bali*, meaning “offering” or “gift.”

It is a fitting name for a culture in which, with the exception of but one day during the entire year, no other day passes without legendary offerings. “They are found everywhere. Each day the lady of the house places little palm leaf containers with beautiful flowers on a family shrine. A driver places a similar offering on the dashboard of his car or truck. A family member graciously carries towers of fruits and cookies to a temple on its festival day.

Whole villages sometimes create enormous offerings several meters high. And within offerings, such wondrous details as little rice dough figurines and delicate palm leaf creations are almost hidden from view. The immense variety of form and color of the Balinese offering is truly amazing.”²⁰⁷



Balinese woman carrying a large offering
(Photo by Gregor Krause, 1912,
for the first photographic book on Bali).

Each of the offerings is made just once, by the very nature of its ingredients—often fresh fruits and other perishable items. Beyond the ephemeral nature of the materials themselves, the gift is transitory by intention: once offered it may not be offered again. Made one day, gone the next, only to be recreated again and again, it symbolizes the hope that nature itself will continue to renew its fruitfulness.

Such offerings, though particularly Balinese in their design and presentation, reflect the mindset of other indigenous cultures as well, as noted by this quote which could just as easily been uttered by a Balinese as by a Kalahari bushman from... : “The worse thing is not giving presents. We give what we have. That is the way we live together.”²⁰⁸

The Festivals

Each of the many thousands of temples in Bali has its own odalan festival. An odalan celebrates the gods coming to the annual commemoration of the founding of their temple. "The people renew their ties with the gods and also reinforce their bonds with each other during the elaborate preparations and ceremonies..."²⁰⁹ Such festivals are filled with dances to greet the gods, some masculine and warlike, others feminine and graceful. There are procession rituals in which each family presents its offerings to its deities and ancestors, prayers with the sprinkling of holy water and blessed rice on the foreheads of participants, carnivals, night-long drama dances and trance dances in which the women receive visitations from spirits. Festivals can go on for days and even weeks.

In Bali spirits come out to play in the moonlight, every night is a festival, and even a funeral is an opportunity to have a good time.

Death

"Strange as it seems, it is in their cremation ceremonies that the Balinese have their greatest fun. A cremation is an occasion for gaiety and not for mourning, since it represents the accomplishment of their most sacred duty: the ceremonial burning of the corpses of the dead to liberate their souls so that they can thus attain the higher worlds and be free for reincarnation into better beings."²¹⁰ To the Balinese, the material body is the container of the soul. And death is but a passing, another chapter, and is a normal part of life's cycle. A man's life on this earth is considered by the Balinese as but an incident in the long process of the soul's evolution. "The grand send-off of the soul into heaven, in the form of a rich and complete cremation, is the life-ambition of every Balinese."²¹¹ In short, death is most certainly not a taboo in Balinese culture.

Cremations, religious ceremonies and artistic activities permeate life and hold great significance to the Balinese who participate with great pride, intention, and craftsmanship. Many hours or even days of preparations are required along with the combined efforts of family members, or frequently, the help and cooperation of an entire community or multiple communities.

Community—The Banjar

Community is an essential element of Balinese life and culture. Their festivals, religious ceremonies, their well-organized irrigation facilities for growing rice, even their musical instruments require great coordination and the efforts of many.

For instance, the gamelan orchestra isn't really an orchestra, but rather a single musical instrument, with all components uniquely tuned to the whole. Each of the musicians, numbering from a dozen to as many as 40, play in fact only two notes each, and it is impossible to even learn to play or to perform anything without the whole group's participation. Furthermore, there is no conductor, so if there is the slightest change in the performance or piece, all players must first agree.



Part of a gamelan instrument in Bali. (Photograph Rose Covarrubias, 1930's).

The order and cooperation common to the Balinese is realized by exceptionally intertwined local organization structures.²¹² The most important of those structures, to which most Balinese still belong, are:

- *Subak*: water irrigation cooperatives for rice production.
- *Pemaksan*: responsible for the coordination of religious rituals.
- *Banjar*: the most important organization, which orders the civil aspects of the community.

Together, these organizations form a tight and integrated structural fabric that strengthens the social and cultural fabric.

The Banjar

The Banjar is the fundamental civil unit in Bali, operating in a decentralized, democratic, cooperative manner at the local level. It is an ancient organization structure, whose first written reference goes back to A.D. 914.²¹³ It has also proven to be a very adaptable organizational structure. “Even today, among families who have spent several generations in an urban setting away from the rice fields, the Banjar still plays an important role.”²¹⁴

The number of Banjars vary from only one in a small village to several in larger towns. Each Banjar has its own rule book, the *Awig-awig*, but all are based on the same general principles, whose system is highly democratic. The Banjar leader, the *Klian Banjar*, is elected by a majority vote of the members and can also be dismissed at a members’ meeting by majority vote. Furthermore, he receives no remuneration for this function. In short, he is “more an agent than a ruler.”²¹⁵ Each member is equal and has one vote. No special status is granted to wealthier or higher caste members of the Banjar.

At monthly meetings, both new activities are proposed and on-going projects are reported on. At the same time, the contributions of time and money are decided upon for each project. If a majority of members becomes opposed to a particular project for whatever reason, it is revisited at the next monthly meeting to discuss whether or not to continue with it. In short, the Banjar functions as a community-based planning and implementation unit which budgets all its activities.

Many Balinese leaders credit the system of mutual cooperation, the Banjar, for the resiliency of Balinese culture, which has endured down through the centuries. Some quotes:

*“Banjar is what holds the community, each other, together.”*²¹⁶

*“Banjar is the most fundamental organization that keeps the Balinese character intact.”*²¹⁷

But what holds the Banjar together?

An Overlooked Tool: A Dual Currency System

A key element of the Banjar organization is a dual currency system, which gives the Banjar structure an exceptionally flexible capability to mobilize local resources. The first of these two currencies is the *Rupiah*, the conventional national Indonesian currency. The

second one is *Nayahan Banjar*, roughly translatable as “work for the common good of the Banjar.” It is a time services currency, as the typical unit of account of *Nayahan* is a block of time of approximately 3 hours of work. The *kulkul* (a wooden gong) gives a special summoning for people to gather when collective work is called for.

On the average, each Banjar starts between seven and ten different projects every month, big and small. And for such projects, the expected contributions of each family unit, in Rupiah and in Time, are taken into account. In the poorer Banjars, the Rupiah constraint is typically the more binding, while in the richer ones the opposite may happen.

In most cases, there is no problem finding enough people to contribute the time needed to complete an activity; thus contributions of time are not recorded. In some Banjars, however, where there is a scarcity in the contribution of time or when there are complaints from some members about the lack of contribution by others, the *Klian Banjar* records every contribution of time. Those who cannot contribute their share of time are asked to send a substitute person. If neither option is possible, they must then pay a charge of between 5,000 and 10,000 Rupiah (approx \$1.20 U.S.) for each time block missed. Such substitutability is only partial and conditional, similar to the phenomenon studied between money and love in Western culture: one can to some extent “buy love” with a nice gift or dinner, or other expensive gestures, but when the relationship is entirely based on money it becomes prostitution and ceases to be love.²¹⁸ Participants are quite clear that “time is a form of money.” The majority even make the point that “time is more important than Rupiah” for keeping the community cooperation strong in the Banjar.

The importance of these time exchanges within a Banjar can also be expressed on the negative side: the main form of punishment meted out by the Banjar is not a Rupiah fine, but ostracism, the exclusion from the Banjar of someone who refuses three times in a row to respect the community decisions. “The Balinese still say today that to leave the *krama* (Banjar council) is to lie down and die.”²¹⁹ The explanation as to why such ostracism is so serious is explained by a *klian banjar*: “When they have an important family ceremony, like a cremation, marriages, or coming-of-age rituals, then nobody will give time for helping them in the preparations.” These rituals are sacrosanct and each requires a communal effort. Thus, depriving someone of time from the community is considered the ultimate retribution.

But why is such a dual currency system so important to keep community spirit and their collective cultural expressions strong?

Yin-Yang. A more philosophically-inclined Banjar leader, although obviously a Hindu, used a Taoist vocabulary of complementarity to describe the dual currency system as being in “Yin-Yang relationship.” As in the cases of the Central Middle Ages and Dynastic Egypt, one of the two currencies in use—the normal Indonesian national currency, the Rupiah—is a fiat-based, interest-bearing, national Yang currency, earned by competing in the outside world. The other currency—time (as represented by the *Nayahan* Banjar)—which everybody in principle has as his or her birthright—is a Yin currency generated within the community on an egalitarian basis, which engenders cooperation, and cannot be accumulated or stored, in contrast to conventional money. With time, it is “use it or lose it.”

An interesting difference in attitude can also be observed toward the two currencies; specifically a very flexible Yin attitude prevails toward the Yin currency. If, for example, someone has a sick child that interferes with providing time, nobody will object to him or her not contributing the time commitments. What matters is the goodwill underlying one’s actions.

Dual Currencies & Cultural Sustainability. Such a dual currency system within a democratic structure like the Banjar provides a lot more flexibility than when one has to operate within only one currency system, as is the case in most other parts of the world, including the “developed” ones. People who have a lot of conventional money tend to have little time, while people with little money tend to have more time. So the dual currency mechanism enables some automatic leveling among the social classes.

Furthermore, this dual currency system provides more flexibility in the choice of projects that get approved by the council. The Banjar in poorer communities automatically favors projects that require a lot of time, and in rich ones, the more expensive Rupiah projects tend to pass. For example, one single project in a rich Banjar had a Rupiah budget of 1.2 billion (equivalent to about \$144,000). But even among the poorest of Banjars, a great temple dance, a *kecak*, requiring a lot of manpower, is made possible. In short, a lot of local resources can get mobilized to meet whatever the community chooses to focus on. In all cases, a mixture of Rupiah money and time-money are always involved, just the

proportional mix tends to vary. This explains why, in Bali, large-scale religious or cultural events involve practically everybody and are not limited to elitist social groups, as tends to be the case elsewhere. This dual currency system may be one of the key reasons for the cultural resilience of Balinese society.

It should be noted that the Banjar system extends beyond religious or cultural events and may include civic activities, such support for one's own primary schools or building of local roads when the central government isn't responsive to local demands.

The complementary Yin-Yang dual currency has been a mainstay of the Balinese Banjar system for at least 1,100 years.

But why Bali? Why is it that the Banjar system and its dual currency system are not found elsewhere, especially in other Hindu or similarly mixed racial cultures of Asia? The answers to these questions point to particular Balinese traits that can be traced back to very ancient aboriginal traditions that pre-date Hindu and Buddhist influence.

BALINESE HINDUISM & INTEGRATION

A familiar pattern begins to emerge in Bali: an agricultural society closely connected to nature; artistry; the sacredness of all things; the acceptance of death as a natural part of life; the importance of community; hyper-democratic principles; and a dual Yin-Yang currency system in which the middle class and poor are included. These are all elements that were present in the Central Middle Ages and in Dynastic Egypt, two civilizations that honored the Great Mother archetype. Are there more signs of such integration here?

Sex, death, and money are the three taboos associated with repression of the Great Mother Archetype. In Balinese culture, however, these three taboos do not exist. Their acceptance of death and their dual monetary system have been noted. Let us examine their attitudes toward sexuality.

Sexuality

In order to more fully appreciate the sexual attitudes of the Balinese, we will use observations from Miguel Covarrubias' book, *Island Of Bali*. This work is regarded by many as one of the most authoritative texts on Bali and its people, and has the added advantage

of being first published back in 1937, several decades before the sexual revolution in the West and elsewhere.

Nothing is hidden from a Balinese child. “He listens to all conversations of grown people and observes the acts of animals, so his sexual education begins as soon as he is able to talk. A child in Bali knows facts about which an adolescent in the West is totally ignorant, and we knew children under five who could make erotic jokes.”²²⁰ “Matters of sex are not solemn, mysterious prohibitions, and it is natural that in coming of age they should continue to have sexual relations that started in the character of play, incompletely of course, during childhood. The average Balinese does not attach great importance to virginity and it is not difficult for a divorcee, a widow, or even a woman who has committed adultery to marry again... It is not unusual for girls to take the lead and “make eyes” (*saling sulang*) at boys, or give encouragement to a shy suitor with some sort of small present.”²²¹ “In general the idea of homosexuality is inconsequential to the Balinese...”²²² Again, these observations were made more than a half-century ago, when sexual matters and gay rights were not even discussed in much of the West. But the taboos around sex simply do not seem to exist in Bali.

The Rights of Women

From reports also dating back to the 1930’s one can see that the women of Bali enjoyed far more freedom than most women of their time until just recently in the West and certainly far better off than in other parts of Asia to this day. Reporting on the relations between man and wife, Covarrubias reports: “She is well aware of her rights, she manages the house and the finances of the family, and at times she even keeps her husband. We have seen the majority of the women of average class work and have their own incomes. They own their clothes, their jewelry, household utensils, as well as the pigs and chickens of the house... the woman has absolute rights over her income and owns her share of the money earned by their combined efforts, although the husband is the administrator of this money.”²²³

The all important offerings to the deities as well as the trance dances, in which spirits reveal themselves and their messages, are mainly handled by the women. The ancient pre-Hindu matrifocal origins of the unique Balinese religion helps explain why.

Agama Hindu Bali

The Balinese take pride and call attention to the particular deities, beliefs and customs, which distinguish them from those of traditional Hinduism practiced elsewhere around the world, as noted by the distinctive names they bestow upon their *agama*, or “religion.” Some insist upon the name “Agama Hindu Bali,” to denote the unique Balinese nature of this form of Hinduism. Another name and one of the oldest for Balinese Hindu is “Agama Tirta,” or “religion of the holy waters,” as *tirta*, or “holy water,” is a crucial element at all Balinese rituals (much more so than in other forms of Hinduism).

Their supreme deity is Siwa, the esoteric combination of all the gods and all the forces of nature, who is the hermaphrodite (*wandu*)—within whom are both the male and female creative forces, the complete, perfect unity.

While there is no single goddess that is imbued with all the powers and qualities of the Black Madonna or Isis, many of the more prevalent deities in Balinese-Hindu tradition are feminine, among them: Dewi Sri, the beloved Goddess of rice (Bali’s chief agricultural product and thus an all-important figure in this culture); Dewi Ulun Dana Batur, the Goddess of Lake Batur (the main source of water for many of the Balinese, again very important in an agricultural society); Saraswati, the Goddess of knowledge, wisdom and the arts; Bhatari Durga, who rules over demons, ghosts and witches; and Rangda, Durga’s most famous manifestation in Bali (as queen of the good witches), among others.

These and many other female deities speak of complementarianism in the order of the cosmos, which is reflected in the life and culture of the Balinese. “There are endless tales... relating the origin of the Balinese to magic or ordinary unions of the eternal male and female principles, elements of great importance in the religion around which their life revolves.”²²⁴ “The religion is a combination of elements from the Indian Shivaite and Buddhist traditions with older beliefs and practices originating from the archipelagic world of Indonesia.”²²⁵ The ancient aboriginal origins point to a world that was matrifocal, complementary, Yin-Yang, and reflected the integration that is still present today with regard to the Great Mother archetype, encompassing the mysteries of life (sex and death) and that which gives us sustenance—including money—within her psychic energies.

Balinese of the Mountains: The Ancient Way

The name *kuna* means “ancient” while *aga* means “original,” and are both applied to the village-based communities found in the mountainous hinterlands of Bali. The Bali Kuna or Bali Aga have retained traditions that pre-date Hindu and Buddhist influences and identify a world order that is irreducibly complementary.

Their universe is divided into the domains of the sky, governed by Father Sky (Sang Hygan Aji Akasa), and the earth, governed by Mother Earth (Ibu Pertiwi). Every element of the world can be traced to the union of this primordial couple. The complementary values which organize the Bali Kuna’s world are related to the belief in the life-producing capacity of the union of complementary opposites, echoing the Taoist concept of Yin-Yang. The Kuna village, for example, is usually divided into two complementary halves (*sibak*) endowed with male and female, and right and left values, respectively.²²⁶ Their calendar system is dualistic as well, one a lunar calendar of 12 months (*sasib*) and the other a solar calendar (*masa*) that follows the cycle of seasons.

There may even be ancient Balinese links to Wehali, one of the few places on earth known to be totally matrilineal: all land, all property, all houses belong to women and are passed from one generation of women to the next. The indigenous people here defined ultimate authority as female and identified this authority with the earth itself. The “female land,” as Wehali is called, is located on the island of Timor. This island “was almost certainly a stepping-stone for the initial human settlement of Australia and clearly the site of early Neolithic development in the region. Timor is also the meeting place of peoples who speak Austronesian and Trans-New Guinea phylum languages.”²²⁷

Archetypal Effects

The Balinese Exception is explained by the fact that it is a culture that lives in a dynamic world that balances and integrates both Yin and Yang values, a world in which the Divine is not only transcendent but also immanent—present everywhere in everything—not just in the temple compound or invisible in the heavens, but in the many aspects and common occurrences and matters of daily life, including sex, death, and money. An important tool that the Balinese have spontaneously developed to encourage such a Yin-Yang balance in daily life is a dual

currency system that supports competition and cooperation, independence and interdependence, doing and being, hierarchy and egalitarianism, consumption and sustainability, artistry and industry, spiritual and material matters. This is why, from a Balinese perspective, both Yin and Yang views of the world are equally valid. It also highlights the differences with our Modern Western culture, where it has long been considered self-evident to have a monopoly of a Yang currency and a predominant focus on the Yang coherence, though we suffer more and more the consequences of this imbalance.

Yin-Yang Balance and Trust.

One of, if not the most important differences between Western society with its monopoly of a Yang monetary system and one such as Bali, with its Yin-Yang values and dual currencies, can be described in a single word—trust.

On looking back at Bernice Hill's "Four Sacred Wounds of Money" in Chapter 4, people of wealth in our society are confronted by the burdens of expectation, family dynamics that are often dysfunctional, a deep sense of isolation accompanied by questions and suspicions regarding personal relationships and friendships, and, in addition, one's own sense of self being brought into question. Each of these wounds is related to our Yang monetary system, and has in common a lack of trust at different levels of interaction.

In a system in which money is made artificially scarce so as to maintain its value, those few who are in possession of this limited and all-important commodity become the recipients of the fears, needs and expectations of the many who are instead lacking this means. This artificially-maintained scarcity also fosters fears associated with losing that which has already been accumulated. Love, popularity, and camaraderie, as money itself at times, can be merely paper-thin. The affluent must often question the essential motives behind the special treatment they frequently receive by society, as well as the intentions underlying their interpersonal relationships. In an environment, where so much is shaped by one's financial worth, it is trust that becomes the commodity that is scarce for those having money. This lack of trust is reflected in the security measures that are needed, the higher walls that are built around their homes, possessions and lives, literally and psychologically. In the end, the affluent are as adversely affected by archetypal and monetary imbalances as is everyone else.

Ironically, the vast majority of people who are on the opposite end of the spectrum, that is to say, lacking monetary resources, are hard put themselves to trust in society as well, albeit from different perspectives. Fear and mistrust are consistently reinforced in a world in which basic needs are not met, where competition is fierce (i.e., dog eat dog), where help from the community or the community itself is scarce or non-existent, where there are entrenched judgments (e.g., for not having an adequate job or income, etc.) and where there are ongoing struggles, pressures, and a myriad of stresses that one must face in lacking money, including that of survival itself, a growing concern for literally billions of our fellow human beings.

In such an imbalanced world, continually reinforced by a monopoly of Yang values and a built-in scarcity of money, virtually all of us pay a steep price. A lack of trust is engendered, not just at the four levels mentioned earlier with regard to the sacred wounds among the affluent (i.e., in relationship to society, family, friendship and self), but more profoundly, with the universe itself.

In stark contrast, a much different set of dynamics emerges in a society where a means of exchange is available to all, whether it is in the form of money, time, or services, and in which each member of that society participates. A deeper sense of security, belonging and identity is reinforced, and the walls of separation are no longer necessary. With a dual currency system in play, whereby the basic needs of even those at the lowest ends of the financial spectrum are met, there is far less reason for the haves and have-nots to mistrust, envy or avoid one another. Because of the safety nets woven by the social capital in such communities and the society at-large, the more affluent are less threatened.

With a worldview in which the divine is both transcendent and immanent there is a much deeper sense of connection with everyone and everything, which is both experienced and reinforced on a continual basis. In short, in a society in which Yin-Yang balance is present, every aspect of life and the quality of life is affected, dramatically. The Balinese have good reason to trust in a world that supports them as it does spiritually, socially, economically, and individually. Not only the living, but departed ancestors and even inanimate, metallic objects are properly cared for in this distinctive culture.

Balinese archetypal integration, its under for us, our Yang perspective demands quantification; numbers, statistics, linear logic and sound bites by which to compare, chart and quickly explain in analytical terms, the significance of such a worldview. However, the quality of life, the contentment, stability, pride and values of a people and a culture are not easily calculated by such means and are therefore often dismissed and invalidated by a Yang mindset. To offer some more example of complementarianism, which we can more readily relate to, the Balinese reaction to a tragedy merits our attention.

BALI'S "SEPTEMBER 11"

Bali became world news after the terrorist bomb attack in Kuta that killed more than 180 people on the night of October 12, 2002. "Bali's September 11" occurred exactly one year, one month, and one day after the attack on the Twin Towers in New York. Though the attack itself was widely covered in the global media, what was not reported was how the Balinese themselves reacted to this horror. Two reports demonstrate this culture's manner of dealing with terrorism and eloquently reflects the mindset of the Balinese Exception.

The first is a report by the police on the days immediately after the bombing.

"Lt. Col. I Made Murda of the Bali police told us that, although hundreds of shops and restaurants had their windows blown out in the blast, not one single looting has been reported. Down in Legian there are all these shops without windows and doors, all their wares there for the taking, but nobody has.

"There were also fears that there could be an instant reaction against the Muslim population in Bali, but no such thing has happened. What HAS happened is that there have been peace vigils and prayer meetings all over the island, and Christians, Muslims, locals and foreigners working hand in hand in the relief effort."

The second report is from the Parum Samigita, the "Think Tank" for the Banjars of the "ground zero" area where the blast occurred (Kuta, Legian and Seminyak). Asana Viebeke L. delivered the following speech in English on Friday, October 25, 2002.

"Now We Move Forward!"

“We Balinese have an essential concept of balance. It's the *Tri Hita Karan*, the concept of triple harmonious balance. The balance between god and humanity; humanity with itself; and humanity with the environment. This places us all in a universe of common understanding.

“It is not only nuclear bombs that have fallout. It is our job to minimize this fallout for our people and our guests from around the world. Who did this? This is not such an important question for us to discuss. Why this happened—maybe this is more worthy of thought. What can we do to create beauty from this tragedy and come to an understanding where nobody feels the need to make such a statement again? That is important. That is the basis from which we can embrace everyone as a brother, everyone as a sister.

“It is a period of uncertainty, a period of change. It is also an opportunity for us to move together into a better future—a future where we embrace all of humanity, in the knowledge that we all look and smell the same when we are burnt. Victims of this tragedy are from all over the world.

“The past is not significant. It is the future that is important. This is the time to bring our values, our empathy, to society and the world at large. To care. To love.

“We want to return to our lives. Please help us realize this wish.

“Why seek retribution from people who are acting as they see fit? These people are misguided from our point of view. Obviously, from theirs, they feel justified and angry enough to make such a brutal statement.

“We would like to send a message to the world—Embrace this misunderstanding between our brothers and let's seek a peaceful answer to the problems that bring us to such tragedy. We embrace all the beliefs, hopes and dreams of all the people in the world with Love.

“Do not bring malice to our world. What has happened has happened. Stop talking about the theories of who did this, and why. It does not serve the spirit of our people. Words of hate will not rebuild our shops and houses. They will not heal damaged skin. They will not bring back our dead. Help us to create beauty out of this tragedy.

“Our community is bruised and hurting. Our spirit can never be broken. Everybody in the world is of one principle brotherhood. *Tat Wam Asi*—‘You are me, and I am you.’ These are the concepts by

which we, as Balinese, live our lives. Please, we beg of you, talk only of the good that can come of this. Talk of how we can reconcile our 'apparent' differences. Talk of how we can bring empathy and love into everybody's lives.

"The overwhelming scenes of love and compassion at Sanglah Hospital show us the way forward into the future. If we hate our brothers and sisters we are lost in *Kali Yuga* (Dark Age). If we can love all of our brothers and sisters, we have already begun to move into *Kertha Yuga*. We have already won 'The War Against Terrorism.'

"Thank you for all your compassion and love."

Asana Viebeke L,

Kuta Desa Adat

Kertha Yuga, an "Age of Truth," a "Golden Age," is foretold to us in the Hindu Vedas, by other names in many other traditions and by enlightened teachers and mystics down through the ages. It is prophesized as the eventual providence of humankind.

The only question is how long it will take, how much suffering we are determined to endure, how disposed we are to come to terms with our fears, to face our collective shadows and move forward. But it will take a collective will, a collective wisdom, a balanced worldview in which we must participate to achieve this end.

There are mechanisms available to us now to end so much of human suffering, there are signs from thousands of diverse communities around this planet that they at least are prepared to move forward, are committed to the creation of greater balance in their lives and their communities, and the fulfillment of a better future. Despite the many challenges that we are faced with at this time, there is hope, there is promise, there is understanding, and there are means.

PART III

COMPLEMENTARY CURRENCIES

*“There is a loftier ambition
than merely to stand high in the world.
It is to stoop down and lift mankind a little higher.”*

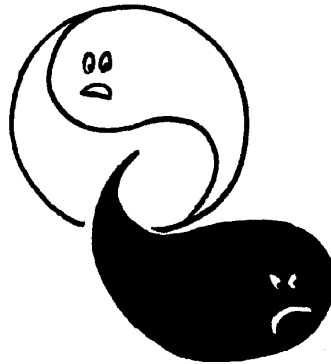
Henry Van Dyke

Over the course of these last several decades, one can observe the re-awakening of a “Yin paradigm” in many fields. This awakening includes not only such issues as women’s emancipation and gender* equality, but has permeated virtually every area of human endeavor. For instance, in Physics, the “hardest” of all sciences, chaos theory offers new non-linear, non-causal interpretations of physical reality. Holistic health practices provide less mechanistic and more integrated interpretations of the human body and its functioning. Hierarchical structures are being replaced with unlimited, uncontrollable, infinitely evolving networks of which the Internet is the most notable. The traditional command and control structures in business are giving way to more fluid learning and virtual organizations. The growing concern about ecological sustainability is also part of this shift. All these trends, seemingly unconnected at first sight, have a common denominator— a new emphasis on a Yin perspective.

It should therefore not be totally surprising that there is, for the first time in modern history, the spontaneous reappearance of Yin complementary currencies in many communities around the world.

One working definition for these modern complementary currencies is that they are agreements within a community to create a currency to match unmet needs with unused resources.

Though these complementary currencies pre-date history itself, and notwithstanding their pivotal roles in key civilizations down through the ages, precious little has been written about these remarkable tools at our disposal to tackle current-day issues and improve conditions—until just recently.²²⁸

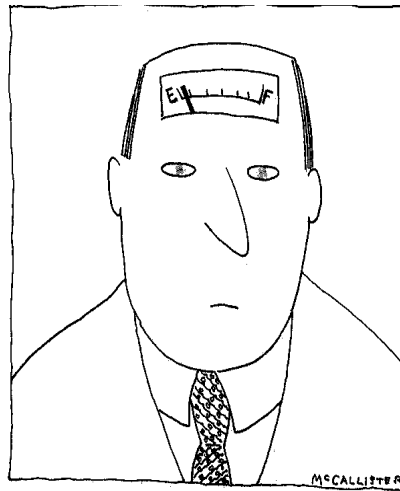


***“Oh, come on back, Yin.
I was only kidding.”***

As in the case of the Central Middle Ages, Dynastic Egypt, and Bali, these new monies are not intended to replace, but rather to work alongside—or complement—official national currencies by providing added functionality and stability to our monetary system.

Unlike the historical examples of our past, these present day forms of complementary currencies are not atypical incidences isolated in any one particular culture; they are instead popping up in ever-increasing numbers across many diverse settings and communities large and small from around the globe.

The vast majority of these complementary currencies are, by their design, available in sufficiency, non-interest bearing, cooperative, non-hierarchical and non-competitive. Together with the conventional money system, they encourage a more integrated, more dynamic approach, rebalancing yin and yang energies, which, in turn, engenders a healthier society, one more closely aligned to our higher goals and aspirations. This realignment of money is seen as a vehicle to deal with our as-yet unsolved problems, and to help fulfill our unmet needs. It helps in the creation of greater opportunities for those less fortunate among us who need it most, as well as for the whole of society, without the need for the redistribution of wealth. The very idea that there must necessarily be a loser in every game played, or that someone needs to pay a price for healthy change to occur, are leftover scraps of misconceptions from an excessive Yang legacy, a legacy that has led to untold and unnecessary suffering. Part III of this book examines tools by which we may move decisively beyond the agony of the limited beliefs and practices of the past.



Running out of conventional solutions...

The next three chapters will examine recent complementary currency initiatives, lessons, and potential as follows:

In Chapter 8—*Contemporary Complementary Currencies*, a few of the many complementary initiatives that are presently taking place in diverse communities around the world will be briefly highlighted.

In Chapter 9—*Recent Lessons*, some of the ominous moments of the 20th century will be re-examined from the perspective of their relationship to monetary issues, with a special look at the failure of the recent currency initiatives in Argentina.

In Chapter 10—*The Terra TRC™*, a specific supra-national complementary currency initiative designed specifically to redress some of our most daunting challenges, including ecological and social concerns and sustainability issues, will be introduced.

Finally, in Chapter 11—*Of Human Wealth*, the significant changes that are now taking place in the evolution of consciousness, along with the implications for the future of our species and society will be considered.

The information contained in Part III is intended merely as an introduction to the important monetary innovations now taking place and the possibilities that exist with regard to our monetary system. More in-depth and technical information will be posted openly on the Access Foundation Web site: www.accessfoundation.org. Please also refer to Appendix B of this book, *The Access Foundation*.

CHAPTER 8

CONTEMPORARY COMPLEMENTARY CURRENCIES

If a thing must be done, it can be done.

Eleanor Roosevelt

Many communities, large and small, are finding solutions to their current challenges and forging new roads to the future by re-thinking money. The clear evidence from thousands of practical experiments around the world today demonstrates that complementary currencies can have significant positive impacts on the communities that use them. These new kinds of money are being deployed to meet critical social problems that conventional money has proven unsuccessful in addressing or resolving, issues such as the creation of meaningful work that would otherwise not exist, restoring the feeling and reality of community that was not previously available or had eroded, ecological sustainability, or caring for the needs of our elderly in a rapidly graying society, among other concerns.

As mentioned at the very beginning of this book, Curitiba, the Brazilian city that was able to literally transform itself in a single generation, is but one in an ever-growing list of remarkable success stories in diverse communities from around the world. These monetary innovations are not only finding application in developing areas of the world, they are being used to address a nearly inexhaustible range of issues in Western nations as well, with equally impressive results.

In 1984, less than a handful of complementary currency* systems were in existence. By 1990, their numbers began to grow, but there were still fewer than 100 complementary currency systems operating in the world. But by the end of 1999 there were over 2500 such currencies; four years later, their numbers have more than doubled to over 5000 worldwide.

To illustrate the effective power of complementary currencies and their use in diverse cultures and circumstances, a handful of the better-known initiatives from around the world have been selected. We will begin by taking a look at the world's second largest economy, Japan.

JAPAN

Though this country is commonly misconstrued as a nation of imitators, Japan is unquestionably the world's leading innovator regarding complementary currency initiatives. Consider the following:

- Japan has the largest number of complementary currency systems in the world, with more than 700 such systems operational by the end of the year 2003.
- This country also has the largest diversity of ongoing complementary currency experiments today. There are more different types of systems operating today in Japan than in the rest of the world combined!
- Japan led the world in post-World War II pioneering efforts in this field,²²⁹ beginning with a visionary award-winning article written in 1950 by Teruko Mizushima, in which the core ideas of a time-based complementary currency and a time bank were developed. In 1973, she established her own "Volunteer Labor Bank" in Osaka; one part of the emerging "women's cultural movement," still on-going today.

But why is such a remarkably vast and diversified complementary currency movement happening in Japan?

The Recession and Monetary Invention

In 1990, Japan hit an economic wall, triggered initially by a real-estate crash, which led to the current recession, which has dragged on unrelentingly for 13 years. This recession is now longer than the U.S. Great Depression during the 1930's and persists without any signs of

abating. The total wealth that was lost in Japan during the period from 1990-1995 alone totals \$10 trillion, mostly from real estate and stock* market losses. This represents two years of the Japanese GDP* of the time; it is equivalent to the total losses incurred by Japan during the entire span of World War II!

Until 1995, most Japanese believed what they were being told—that things would get better after a few years of tough times, just as in any other business cycle.* However, all conventional solutions for re-launching the economy have been tried, including very low interest rates (all the way to zero!), tax breaks, Keynesian stimuli through public works, and a desperate attempt at relaunching consumption through a coupon system. Every single one has failed. The effects have been devastating and in a growing number of cases, fatal (see insert).

Daddy Long Legs

Walking on brightly painted stilts along railroad station platforms throughout Japan are Daddy Long Legs charity members—raising awareness and funds for families whose fathers have committed suicide.

There is currently a suicide every fifteen minutes in Japan—almost one hundred people each day, mostly men with families who are taking their own lives due to financial distress.

“Fathers who were laid off find it next to impossible to get a job with a similar salary level; therefore they can't afford to go on paying their home loan. Land is so expensive... This is particularly true of properties that were bought during the “bubble economy” (1986-1991), which have depreciated substantially. For instance, a house that cost U.S. \$400,000 is now only worth U.S. \$250,000. Some families can't repay the whole loan even if they sell their home. In such cases fathers, the primary wage-earners, can't find any way to clear the debt and resort to suicide in despair.”²³⁰

The Daddy-Long-Legs organization is named after a popular 1955 movie with Fred Astaire and Leslie Caron, about a philanthropist and his beloved charge, based on the story by American writer Jean Webster (1876-1916).

Gradually, more and more Japanese, both in government and in grass-roots circles began to look at less conventional solutions. It is in this context that the remarkable blossoming of Japanese complementary currencies has taken root.

Mr. Takeo Hiranuma, head of Japan's Ministry of Economics, Trade and Industry (METI), stated in 2002 in no uncertain terms: "The use of complementary currencies can bring an end to the long-lasting deflation of the Japanese economy by supplying additional monies of various types at the local level."

Three main families of complementary currencies operate in Japan:

- Fureai Kippu.
- Eco-money.
- Grass-roots initiatives.

Fureai Kippu

Mr. Tsutomu Hotta, a highly respected former Minister of Justice, decided upon retirement in 1991 to tackle Japan's Age Wave, with some 1.8 million elderly or handicapped Japanese needing daily care.

Worldwide, two principal strategies have been typically employed to deal with the economic consequences of this unprecedented Age Wave:

- Trying still to keep the promises made to the elderly, risking fiscal bankruptcy in the process (e.g., Germany, Scandinavia).
- Cutting support to the elderly to match available funds (e.g., United States, Great Britain).

In contrast with both of these unsatisfactory solutions, Mr. Hotta created a special currency called *Fureai Kippu*, literally "Caring Relationship Tickets," whose units are accounted for in hours of service. Different kinds of services have different valuations (e.g., body care is valued at a higher hourly rate than shopping for an elderly person). Anything that the national healthcare program is not covering (and paying in Yen, the conventional national currency) is automatically dealt with by the Fureai Kippu system.

Those providing care to the elderly accumulate credits in a healthcare time savings account. These care-givers may draw on those credits if they themselves get sick. In addition, many people electronically transfer part or all of their Fureai Kippu credits to their parents or relatives who may happen to live in another part of the country, thus ensuring that their own family members are taken care of. Two electronic clearing houses* are in operation to perform this kind of transfer.

Fureai Kippu care-givers often perceive the elder recipients as surrogates to their own parents; therefore, the care that is given by them provides greater human interactions. Not surprisingly, the elderly themselves much prefer the services offered by these care-givers in contrast to those paid in conventional Yen currency. As of May 2003, there are 372 Fureai Kippu centers functioning throughout Japan.

As in the case of Curitiba, there is no need to raise taxes or divert funds from other programs. The economic savings and benefits are substantial. And human interaction along with a greater sense of community are engendered. Again, everyone benefits.

Eco-Money

In addition to Fureai Kippu, over 40 different pilot projects of “eco-money” have been initiated, varying in scale from a small village to whole prefectures (equivalent to a county). Some are single purpose currencies like the Fureai Kippu. Other currencies cover an impressive list of as many as 27 different types of activities, including: permanent education, disaster prevention, environmental protection, civil businesses (e.g., providing natural foods), services promoting the understanding of cultural assets, etc. The creation of Mr. Toshiharu Kato, the Eco Money Network²³¹ is a non-profit organization which provides local regions with the support needed to introduce local and regional currencies.

One example of an eco-money system is the LOVE currency (Local Value Exchange) organized by the city of Yamato. The LOVE system uses smart cards and facilitates the creation of new local complementary currency systems for various purposes. By using the same communication technology (smart card protocols and readers) the cost of operating and interconnecting the various systems drops dramatically.

Characteristics of eco-money projects include:

- Eco-money projects focus on services only; in principle, no goods are exchanged for eco-money.
- All projects are “experimental designs”; each is deliberately different from the others so as to amass a broad experience.
- Most projects are temporary, implemented for a pre-determined time period and then stopped after one and a half to three years.

In essence, this is an ongoing nation-wide experiment, the largest of its kind anywhere in the world, implemented to determine what kinds of complementary systems work best in different types of communities, each with particular goals and needs. The intent is to reach a (Japanese-style) consensus on which models work best for what purpose, and then implement hundreds or even thousands of that particular model, nationwide.

Grass-Roots Initiatives

As the name implies, this last school of complementary currency systems is taking place without centralized governmental participation. It is the youngest school, beginning in 1999. But it has been remarkably dynamic. It grew from only 9 systems nationwide in 1999 to 175 such systems by April 2003.

To get a flavor of the speed of change in these grass-root currencies, in exactly one year (April 2002-April 2003), a total of nine systems have stopped operating, of which five ended not because they failed, but instead because they had been specifically designed as experimental systems in the first place—initiated with a termination deadline from their onset. One more has died because of lack of participants, and three others for a variety of other reasons. But no less than sixty new ones have been started in that same period!

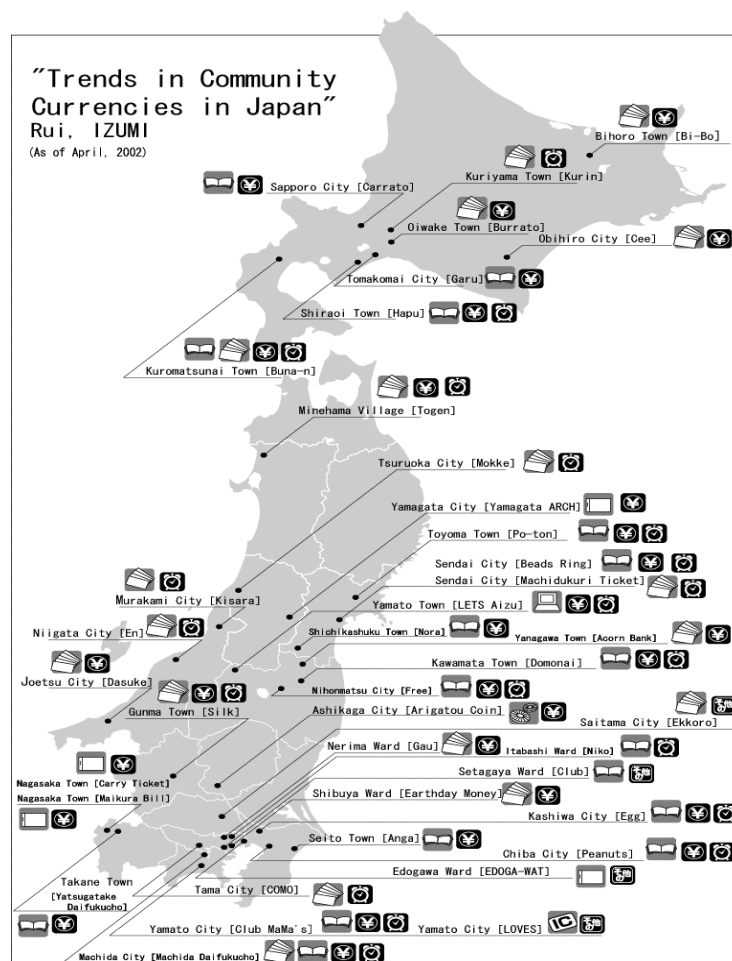
Peanuts is probably the most successful grass-roots system in Japan so far, involving local farmers, small businesses, and individuals. One reason that is given for its success is a 1% per month demurrage “parking charge” for keeping the currency in possession instead of circulating it. This charge is only applicable to the positive balances, in order to encourage its circulation.

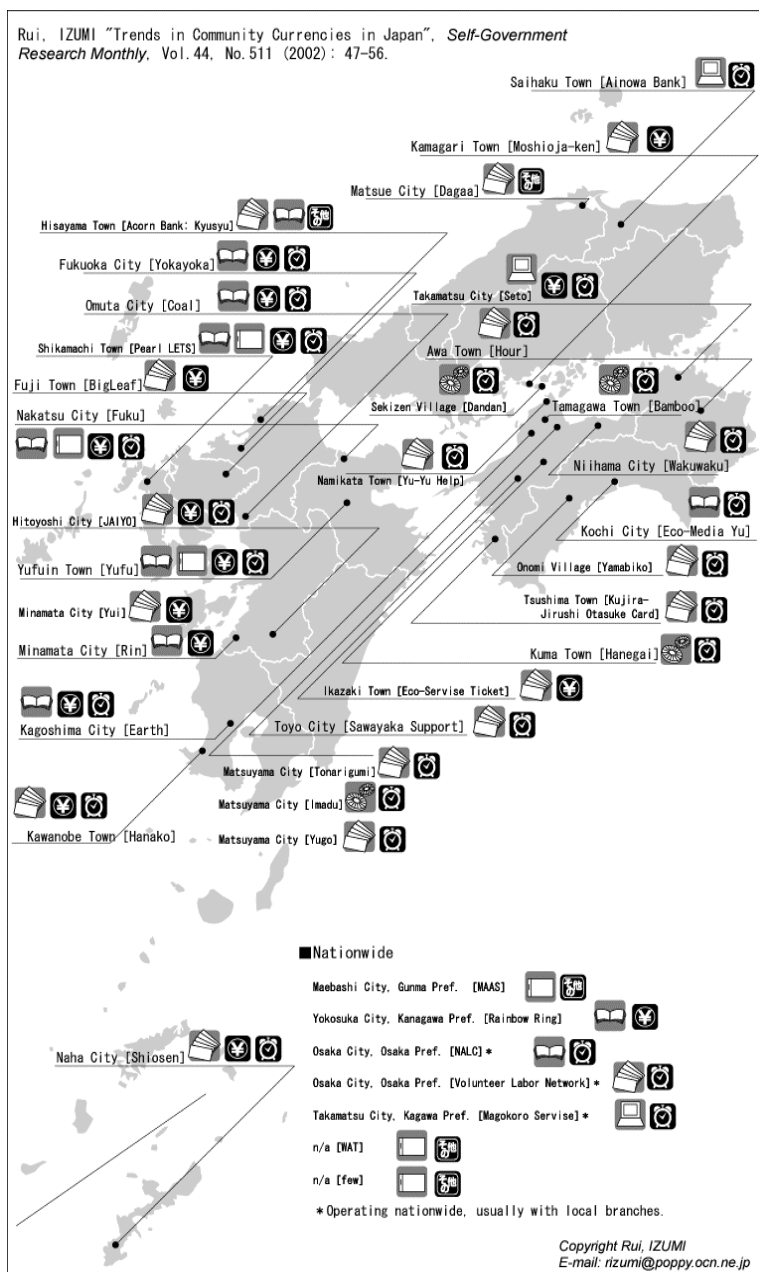


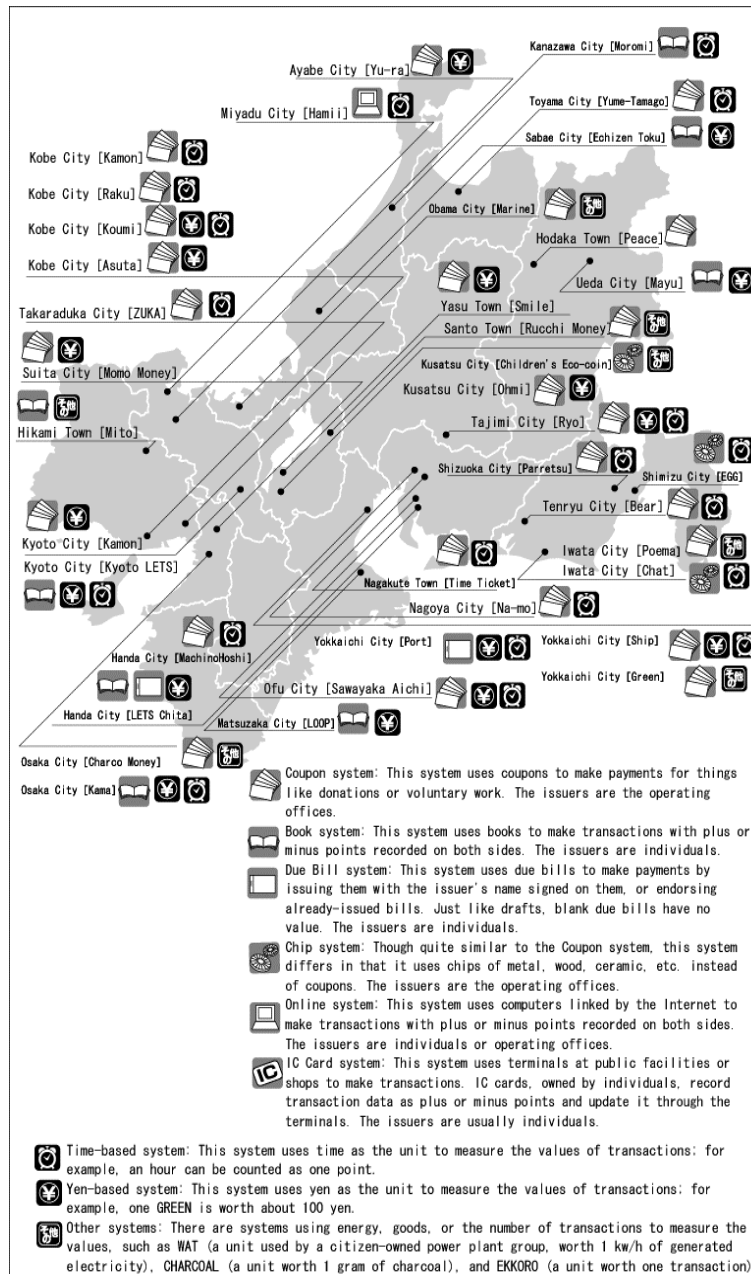
An example of a low-tech paper-based currency: the “Yufu” in the city of Yufuin, Kyushu.

Complementary Currencies Map of Japan

To give some sense of the sheer magnitude of the initiatives now taking place in this prominent world economy, the following maps of Japanese complementary currency initiatives are offered. Keep in mind that the 372 branches of Fureai Kippu have not been included, as they would simply overwhelm the map to the point of making it unreadable.

Distribution Map of Community Currencies in Japan (April, 2002)²³²





The Japanese Exception and its Significance

The “Japanese crisis,” as it is typically described in the Western media, may not be an isolated Japanese economic problem. Their ongoing recession may instead be the symptom of a structural world crisis that chronologically happens to have hit Japan first.

The arrival of the so-called Information Age or Knowledge Age represents a major structural shift; it is not only a new beginning, it also marks the end of the Industrial Age. The last time a shift of such a magnitude occurred was when the Industrial Age precipitated the end of the Agrarian Age. Such dramatic shifts are far from painless: one need only look at what happened to the farmers, or the landed gentry that saw their values, power and traditions fade into irrelevancy as the Agrarian age ended.

If Japan is but the first nation to experience what is inevitably waiting for the industrialized world, then the rest of us had better take notice. Europe has been expecting to re-launch its economy for a decade without much success. Unemployment there is stubbornly stuck at its highest level in the entire post-war period. Until now, the classical European recipe has been to do “a little more like the United States” and everything will return to normal. However, with the high-tech bubble burst in the United States, Europeans are slowly facing up to the realization that what happened in Japan may also happen in Germany, Italy, or France. The specter of deflation—a systemic sign of overcapacity across the board—is now for the first time considered a serious possibility outside of Japan as well.²³³

We can expect the United States to follow a similar path of denial for the next few years, repeating the mantra that the Japanese have heard for thirteen years: “Next year, the economy will be back to normal.” We can also expect the same economic recipes to be proposed and to be hotly debated: tax cuts, lower interest rates, public works. But if we are indeed living through a structural shift at the end of the Industrial Age, these recipes will predictably fail, just as they did in Japan.

It is under this light that what is going on in Japan in the domain of complementary currencies is relevant for the rest of the world. The second largest economy of the world has turned itself into a real-life laboratory for resolving a variety of economic and social problems from the bottom up, thanks to monetary innovations. Can the rest of the world afford not to learn from those experiments?

One extraordinary new development is that a form of demurrage is now being seriously considered by the central government with regard to the Japanese national currency itself (the Yen). According to the *Shukan Gendai*, a leading Japanese news weekly, there is a plan to introduce a new, harder-to-forge, set of currency bills in April 2004. Old cash would be exchanged for new ones with a tax of 3% to 5% raised in the process.²³⁴ Ideas of the medieval *Renovatio Monetæ* revisiting the 21st century?

TIME DOLLARS

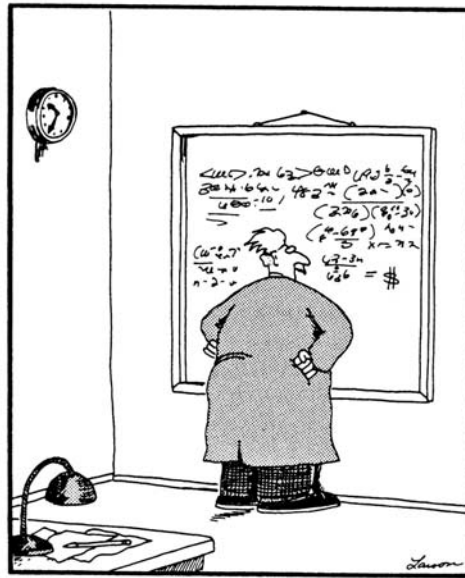
Time Dollars* are a type of mutual credit system* that empowers people to convert their personal time into purchasing power by helping others within their community. One hour helping someone else earns credits—Time Dollars—which can then be spent for goods and services elsewhere within the exchange. This system was conceived by Edgar Cahn, from Washington D.C.

As occurs with many other complementary currencies, the effects of this Time Dollar system go far beyond a simple exchange of goods and services. A survey was made of U.S. retirement homes using Time Dollars compared to those that were not.²³⁵ It was widely reported that those using the system experienced a greater sense of community and well-being. Participants formed bonds and friendships as a direct consequence of taking part in the complementary currency interchange, much like what happens in the Japanese *Fureai Kippu*.

Time Dollars are gaining popularity and application. A health insurance company in Brooklyn, N.Y., Elderplan,* now accepts 25% of the premiums for its senior health programs in Time Dollars. Through Elderplan's Care Bank (a Time-Dollar Exchange), preventive measures (e.g., fixing a broken bathtub rail to avert someone slipping and breaking a hip) are practiced.²³⁶ The Elderplan model is now expanding through all five boroughs of New York City. Time Dollars systems have expanded to the British Isles as well, where they are called "Fair Shares." There are now over 300 districts and social service programs using the Time Dollar model on both sides of the Atlantic.

The cost of starting such a system is almost nothing. For small-scale communities, one can use a blackboard or a piece of paper to keep a tally. For larger-scale projects a "Timekeeper" computer program can be downloaded off the Internet. All participants' names

A most unusual and encouraging fact regarding Time Dollars is that two I.R.S. rulings have been obtained that make this complementary currency officially tax-free in the United States.



Einstein discovers that time is actually money...

The most common form of complementary currency system operating around the world today is the Local Exchange Trading System, or LETS,* originally developed by Michael Linton and David Weston in Canada. It is popular in many places around the world, except the United States. The reason is that the IRS has ruled that LETS falls into the category of commercial barter,* and therefore any participant would have to fill in a form that identifies every barter transaction made. This constraint is sufficient to ensure that no LETS systems have taken off in this country.

LETS is nevertheless a straightforward system. For example, a LETS member needs a car repair. Normally this repair would cost around \$100. However, a mechanic within the LETS community might be willing to do the labor portion of the repair work (say \$40) for LETS units of account and charge the remaining \$60 in hard cash. The car owner is now holding a debit of \$40 LETS and the mechanic now has a credit of \$40 LETS, payable and redeemable respectively within the LETS community.

LETS versus Barter

LETS shouldn't be mistaken for barter exchanges, whereby goods and services are swapped without using money. In barter, a melon, for example, may be traded for two cabbages, or you fix my roof and I'll cook you dinner. But you may not like my cooking... so I don't get my roof fixed. LETS uses a pre-agreed upon medium of exchange and therefore overcomes the limitations of barter. LETS creates and uses an "internal currency" which permits participating members to purchase what is wanted or needed from a greater selection of different goods and services.

LETS and Mutual Credit Systems

Like the Time Dollar system, LETS is an example of a mutual credit system, whereby the currency is created by a credit and a debit simultaneously during a transaction. In contrast to traditional national currencies, mutual credit currencies are not fiat (i.e., not created out of nothing by some central authority); they are not created by bank debt, and are not tied to interest. Instead, the value of a mutual credit currency is maintained by the backing of goods and services, which may include anything from dental care for the elderly or home delivery of organic vegetables to Spanish lessons, whatever individuals within the communities have to offer and agree upon. Thus, these currencies enable participants to utilize what is available in sufficiency within their community to trade with.²³⁷

Because members issue and manage their own money supply within the framework of their community, a mutual credit system is self-regulating. It is also customarily transparent, with an open record kept of both credits and debits. This self-regulation and transparency ensures a system of checks and balances and promotes greater trust.

Not having its value maintained by artificial scarcity and having no interest attached to these currencies, the hidden mechanism creating competition is absent as well. This helps explain why mutual credit currencies are proving to be an effective means of creating cooperation and a sense of community among their users. Mutual credit systems are simply a monetary formalization of the tradition of helping each other that is embedded in almost all traditional societies. In Southern France, for example, it used to be called *aller aux aïdats* (“coming to the aid”). These mutual credit systems sometimes even spontaneously fuel a rebirth of a tradition of gift exchanges among neighbors.

LETS Applications

When and where hard cash is in limited supply, LETS has proven itself to be a simple but effective means of ensuring that a community has a supplemental medium of exchange to complement the national currency.

Three examples of LETS from around the world are:

- In Canada, in a once-prosperous fishing community near Vancouver, quotas were mandated to replenish diminished stocks of fish. This resulted in almost 40% local unemployment. A pilot LETS system was created to stretch scarce Canadian dollars to reinvigorate the local economy. The pilot was so successful that now dozens of such systems are operating throughout Canada.
- In New Zealand, following a period of high unemployment, LETS exchanges were introduced to reactivate the economy. The “Green Dollars” proved to be a successful means of promoting the acquisition of new skills and creating self-employment. The enterprises were so successful, in fact, that the Department of Society Welfare decided to fund a number of new start-up projects, using this form of LETS.
- In Manchester, England, the Creative Living Centre, a charity that supports people with minor mental health problems, uses LETS as a mechanism to provide support in the form of a variety of goods and services for its patients. Here too, as a consequence of its accomplishments, a number of health trusts in the UK are now incorporating LETS as part of a government initiative for bringing communities together around health issues.

LETS provides a much broader range of possibilities to meet public needs and provide better social services, such as greater access to goods and services, more affordable training and education, additional employment and starting businesses; there are many possibilities. In addition, there are more intangible benefits such as improving the quality of life, the widening of social networks, etc. Businesses are enjoying benefits, such as creating closer relationships within the community, maintaining and attracting new customers who are short on hard cash, etc. And yet again, as with the case of Curitiba, these measures are accomplished without the need for raising taxes, bond measures or diverting precious resources from other necessary expenditures.

In 2000, British Prime Minister Tony Blair endorsed LETS as showing the way toward rebuilding human capital: “As a nation we’re rich in many things, but perhaps our greatest wealth lies in the talent, the character and the idealism of the millions of people who make their communities work. Everyone—however rich or poor—has time to give... Let us give generously, in the two currencies of time and money.”²³⁸

AROUND THE WORLD

Switzerland

Switzerland, a nation with one of most stable economies and one of the world’s highest standards of living, is also home to one of the longest functioning complementary systems in the West, the WIR.

In 1994, on the 60th anniversary of the WIR system, annual volume in this program reached 2.5 billion Swiss Francs (over \$2 billion dollars) and boasted 80,000 members nationally (up from 16 original members). This includes about one-quarter of all small and medium-sized businesses in the country. It is operated by, and services, a community of individuals and small business people, providing its members with many advantages normally reserved only for larger companies.

The full significance of the WIR system with regard to the Swiss economy has only been recently discovered, thanks to a breakthrough study by Professor Stodder from Rensselaer University. This study quantitatively demonstrates how the WIR system has measurably contributed to the famed stability of the Swiss economy. More details are provided in Chapter 10 (page 202).

In celebration of their 100th anniversary, the Rotary Clubs of Switzerland are leaving a legacy in the form of a complementary currency system. They are developing a Japanese-style Fureai Kippu system to care for their own elderly.

Even in one of the most conservative, hard-nosed capitalist countries, complementary currencies make sense.

Germany

In Bavaria, Germany, a complementary currency established by local teenage girls, called the Chiemgauer, encourages people to not only shop locally, but provides a portion of the funds earned to support the local Steiner educational school system.



Demurrage stamps are affixed to the blank boxes at the bottom of each Chiemgauer.

Senegal

If you turn a corner on one of the dusty streets of Dakar, Senegal, you might come across one of this city's 12 weekly local currency markets. On the surface, the scene looks much like any of Senegal's other community markets: the neighborhood children's soccer game has been pushed to one side of the square, and a cornucopia of clothing, fruit, goats, chickens, meat, fish, vegetables and books await their new owners.

But a keen observer would notice something very peculiar about this particular market—no national currency is changing hands. Instead, traders and shoppers visit the kiosk run by the Community Exchange System and withdraw *bons* from their accounts before shopping, returning at the end of the day to deposit whatever is left. Bons are the currency of Dakar’s Community Exchange System. The system, called *Doole*—meaning “strength of union” in the local dialect—began in January 1998 with the assistance of Hassan Aslafy. Doole has more than a thousand members in 12 districts of Dakar.

When a member joins Doole, his or her new account is credited three hours worth of bons. Each hour is worth 1000 West African francs, (about one U.S. dollar). In this simple way, the member has issued him or herself three hours worth of credit that can be used within the confines of the marketplace to buy local goods and services. At the end of the day, the sellers line up to deposit their bon money for safekeeping. Because there is no interest charged on this credit, there is no need to repay as long as the member is buying and selling at the market. A member is allowed to withdraw additional credit to a pre-set limit, which is increased as the member proves his or her ability to buy and sell in the system. Some goods sold in the market have been paid for in cash elsewhere, so the seller will split the price into its franc and bon components. The use of the bon, therefore, puts an emphasis on local production for local consumption. In Doole, each person is both a producer and consumer at the same time. If participants are able to buy what they need with bons, their scarce francs can then be saved for expenses like medicines and education.

As mentioned, the Doole economic system is entirely interest-free. Costs of maintaining the system are recovered through demurrage. Every month, people holding bons in their hands or in their accounts must pay a small fee in francs, to buy a new validation stamp that is stuck onto the back of the note. If they don’t want to pay the fee, they must spend their bons before the next stamp is due. As in all demurrage-charged currencies, circulation is encouraged, hoarding is discouraged. More importantly, it means that only people who have bons are charged; thus, those people who have a negative balance do not fall further into debt. With this demurrage charge, trading in bons becomes a game of “hot potato,” where people try to spend their bons so that they don’t have to pay the charge on it, but it still generates business for the person who accepts it.

Doole also runs three successful side programs using bons. The Doole Popular University's community center, built and paid for using bons, now serves as a school/training center and producer's guild, teaching people computer skills, languages, micro-enterprise management, and whatever else the students want to learn. The Doole Boutique takes members' goods on consignment for sale when the market is closed during the week. The third is a Community Projects program, in which proceeds from the demurrage charge and other fundraising activities go toward hiring unemployed people to work on projects of benefit to the community.

Thailand

The Asian Economic Crisis was especially hard on people living in the rural areas of Thailand. The villagers of Kud Chum in Isaan Province in the northeast decided to do something about it.

Many programs were implemented, one of which was a community credit system to facilitate reciprocal exchanges between the villagers. Anybody is permitted to open an account, which allows them to withdraw the community currency, up to a limit. They receive this credit in the form of notes which can only circulate within the community.



"Boon Kud Chum" community credit system managers reviewing and updating the accounts.

If this system had been implemented before the crisis, the effects would have been much less severe as there would have been a medium of exchange available for trade in basic needs. Hopefully, many communities will start these groups before the next crisis strikes.

Ithaca, N.Y.

In this small university town of upstate New York, a paper-based local currency has been circulating since 1991. The core of the system is a bimonthly tabloid-style newspaper that advertises the products and services of people and businesses who accept Ithaca HOURS. One Ithaca HOUR is equivalent to \$10.



Most Ithaca HOUR bills are issued initially via the advertisers in the tabloid newspaper. The bimonthly tabloid typically has about 1,200 listings, including more than 200 businesses. These include a local supermarket, all three movie houses, the farmer's market, medical care, lawyers, business consulting, and the best restaurant in town. The local bank also accepts accounts in complementary currency, and has been able to attract a very loyal local customer base as a consequence.

CONCLUSION

There is no lack of Yin-type work to be done in the world. Just take a look around you. There are children to be tutored or educated, shelters to be built, the sick and the aged to be cared for; the litany is endless. In addition there are billions of people who are ready, willing, and able to work. However, what has been missing is sufficient conventional money to pay them.

Complementary currencies match unmet needs with untapped resources. There are plenty of both. We can easily make agreements to interact with one another and assist one another. The only element missing is some symbol of these agreements to exchange services or goods. And the courage to think outside of the box.



We certainly do not need gold or precious objects to act as these symbols. Garbage was turned into money in Brazil, for example. And after all, there is nothing other than our collective belief backing the U.S. Dollar. In crafting agreements, we are only limited by our imagination, our abilities, and willingness to do so.

CHAPTER 9

RECENT LESSONS

***“A problem cannot be solved with the same type of thinking
that created it.”***

Albert Einstein

This chapter examines the two most common blunders made with regard to complementary currencies: the opportunity cost of not using them at all, and secondly, the cost of using a flawed design or inappropriate application.

We begin with a re-examination of the events leading up to one of the most tragic periods of human history, World War II, with a special eye to the role that the state of the economies and complementary currencies played in the years preceding that conflict.

COMPLEMENTARY CURRENCIES & WWII

Though the Swiss WIR is the only known Western complementary currency in existence today that pre-dates the period of World War II (1939-1945), there were many other complementary currencies issued around the world back in the 1930's: the Baltics, France, Italy, the Netherlands, Sweden, Mexico, Canada, China, and other nations. Included among these initiatives was an almost forgotten movement of “emergency currencies” arising in response to the aftermath of the German hyperinflation of the 1920's and the economic crash of 1929 in Western Europe and North America—the regions where the Great Depression hit hardest.

Notwithstanding the obvious differences between the context of the 1930's and the world now, there are also some quite disturbing similarities that can be detected in the results of the monetary policies pursued today.

During the 1920's in Germany, the Reichsmark had become completely worthless; a contemporary parallel is the meltdown of the Russian ruble. In other countries, the national currency had become unbearably scarce as a result of bank and business failures of the 1930's, similar to the recent credit crunches of Asia and Latin American, including Argentina.

Compensating for monetary breakdowns in their respective nations, two key players in the events culminating in World War II, Germany and Austria, experimented with complementary currencies in the 1930's. The stories of these currency experiments follow along with an important aside regarding the United States, and their historical, economic, and socio-political implications for our world today.

German Wara System

By 1923, the German official currency situation had become hopeless. The exchange rate* before World War I (1913) was 4.2 German marks for each U.S. dollar. The game stopped in November 1923, when one dollar bought 4.2 trillion marks. By then, 92,844,720 trillion marks were in circulation, a postage stamp cost billions, and a loaf of bread required a wheelbarrow full of money. Daily wage negotiations preceded work. Salaries were paid twice per day and were spent within the hour.

It was during this difficult period that, in a small rural town in Germany, the owner of a coalmine, Dr. Hebecker, was deciding how to manage a bank loan he had secured. The amount of this loan would only be sufficient to save his business for, at most, a few more weeks. He gathered his workers and explained that they had a simple choice: either they could be paid with the money from the loan, in which case the mine would surely close within a month, or they could accept being paid in a new local currency, the Wara, which would be backed by the coal they were extracting. After a predictably lively exchange among the miners and with local suppliers like the baker and butcher, all agreed to take the new currency—a piece of paper fully backed by the coal inventory. To cover the storage costs, the Wara had a small monthly stamp fee in the

form of a demurrage tax, which ensured that this money would circulate within the community and would not be hoarded.

This Wara stamp scrip* not only saved the coal mine and the town, but began to circulate elsewhere. Over 2,000 corporations throughout Germany began using this emergency currency.

Threatened by its enormous success, however, Germany's Central Bank, with the enlisted help of the government, had the Wara declared illegal. Consequently, money became scarce again and unemployment soared. As it had become impossible for people to help themselves on a local level, there remained only one option: a strong centralized solution. In the beer halls of Bavaria, an obscure Austrian immigrant began drawing increasingly interested audiences to his fiery speeches that promised a return to jobs and glory. His name was Adolph Hitler.

Rise of the Nazi Party. The statistics invite wonder. Between 1924 and 1928, unemployment in Germany had been gradually dropping from 340,711 to 268,443. The percentage of seats obtained during the elections by the National-Socialist (Nazi) Party declined in parallel from 6.6% to 2.6%. In contrast, as the complementary currencies were outlawed, unemployment shot up from 1,061,570 in 1930 to 5,598,855 in 1933; more than 500% in just 3 years. In parallel, the percentage of seats obtained by the National-Socialist Party climbed first to 18.3%, then to 43.7%, culminating with 92.1% by the end of 1933. Just in case you might believe that this is a simple coincidence, an identical process occurred in a neighboring country.

Austria, The Wörgl

A parallel example is the famous case of Wörgl, Austria, in the 1930's. When Mr. Unterguggenberger was elected mayor of Wörgl, he was faced with high unemployment and a constituency that was penniless. He had a long list of projects he wanted to accomplish, along with many willing and able people to do all of the work, but there was a mere 40,000 Austrian shillings in the bank (equivalent to about 20 man-months of salary), a pittance compared to the cost of what needed to be done.

Instead of spending this national currency on the first of his long list of projects, the mayor decided to put the money on deposit with a local savings bank as a guarantee for issuing Wörgl's own 40,000 shillings' worth of complementary currency, called "labor certificates,"

now referred to simply as the Wörgl. It was, akin to the German Wara, a stamp scrip that also had as one of its features, a “relief tax,” which referred to the demurrage charge that was applied in the form of a stamp that needed to be applied each month (at 1% of face value). This demurrage-charged relief tax, like all other demurrage charges acted as an incentive to keep the currency in circulation. Everybody who was paid with the Wörgl made sure he or she was spending it quickly. The extra money in circulation automatically provided work for others. When people had run out of ideas of what to buy with their local Wörgl, they even decided to pay their taxes—early.

Alex Von Muralt, who made an in-depth investigation of the Wörgl at that time, reported the bürgermeister’s comments that “taxes were eagerly paid” and sometimes paid in advance. Von Muralt concluded: “This eagerness to pay taxes may be, in my opinion, simply owing to the fact that the business man who finds at the close of the month that he holds a considerable amount in relief money (i.e., Wörgl), can dispose of it with the greatest ease and without loss by meeting his parish (i.e., local) obligations. A change of attitude has manifestly taken place. If formerly the paying of taxes was deferred to the last, now it occupies first place.”

Wörgl became the only town in Austria with full employment. Six villages in the neighborhood copied the system. Even the French prime minister at the time, Edouard Dalladier, made a special visit to see first hand the “miracle of Wörgl.” It is essential to understand that the bulk of this full employment “miracle” was not due directly to the mayor’s projects. The circulation of the Wörgl stamp scrip provided the bulk of the work after the first people who had been contracted by the mayor’s office had spent it. In fact, every one of the shillings in Wörgl stamp scrip created 8 times more employment than the normal shillings circulating in parallel. The anti-hoarding device proved extremely effective as a spontaneous work-generating device.

Wörgl’s model was so successful that soon thereafter 200 townships in Austria wanted to copy it. It was at that point that the Central Bank panicked and decided to assert its monopoly rights. After that, it became a criminal offense in Austria to issue “emergency currency.” The city of Wörgl was left with no options and soon returned to 30% unemployment. During the *Anschluss* of 1938, a large percentage of the population of Austria welcomed Adolph Hitler as their economic and political savior.

The United States Decision

The United States demonstrates a familiar and recurring pattern seen elsewhere around the world and through history—the spontaneous reinvention of the same solution during analogous periods of peril and hardship. Complementary currencies have a much longer history in the United States than is generally acknowledged, making appearances during the Panic of 1837, the Civil War years, and the Panics of 1873, 1893, and particularly, that of 1907.

During the 1930's at the time of the Wörgl experiment and in light of its success, key conversations ensued between Irving Fisher, a Yale Economics Professor, Professor Russel Sprague from Harvard and Dean Acheson, then Undersecretary of the Treasury. All three became convinced that the Wörgl stamp scrip model was the way out of the Depression. Fisher stated for the record: "The correct application of stamp scrip would solve the Depression crisis in the United States in three weeks!"

The idea of stamp scrip was therefore recommended to President Roosevelt, but was rejected. Instead, a series of centralized new initiatives were announced to counter the Depression: the expansion of the Reconstruction Finance Corporation, and a series of large-scale Federal government-managed work-creation projects, comprising part of what would later become popularly known as "The New Deal." Although these centralized initiatives attempted to duplicate the benefits of complementary currencies, Roosevelt announced, by executive decree, that he would henceforth prohibit such "emergency currencies," the code name given for all complementary currencies. This decree applied to any and all such currencies then in existence, and any that might be proposed.

This is how the road of complementary currencies to resolve economic crises in the 1930's was not taken advantage of. It was a close call, but the *Zeitgeist* of the time favored spectacular centralized decisions for which political credit could be more easily claimed.

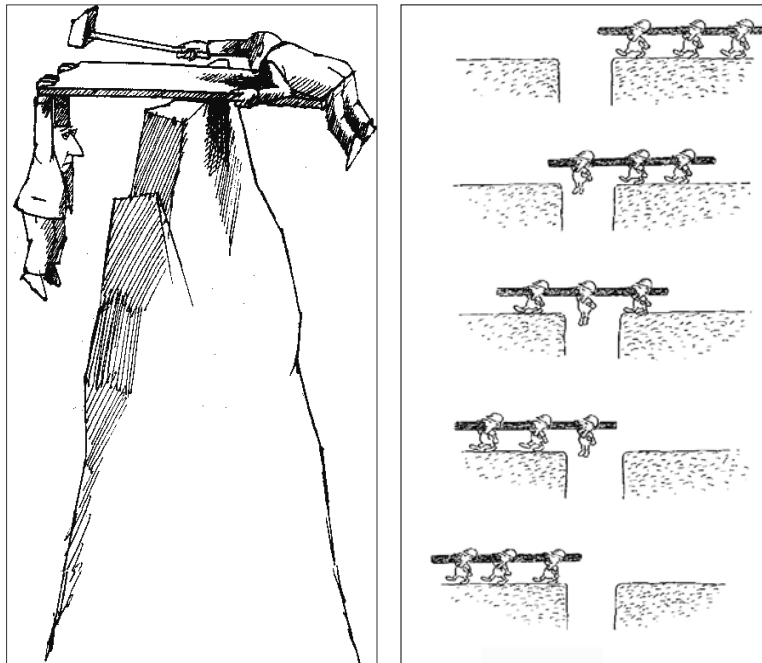
Looking back historically, there is a growing consensus among experts that, contrary to popular opinion, the centralized initiatives taken by the Roosevelt administration did not actually serve to pull the United States out of the Great Depression after all. Certainly, the initiatives and programs enacted did assist in providing valuable employment to many hard-working people. But a majority of economic

historians today agree that, for the United States, as well as for Germany and Austria, it was the shifting of the economy in preparation for, and eventual participation in World War II that vanquished the specter of the Great Depression.

Historical Lessons

What first appear to be but boring technical decisions related to banking and currency regulations may very well hold the promise of profound social, political, and historical implications as well. We cannot prove that Hitler would not have been elected, nor that the Anschluss and World War II would not have taken place had the Wara and Wörgl complementary currencies, along with other grass-roots initiatives been given a chance to flourish in the 1930's. Obviously, many other variables influence and determine such sweeping phenomena.

The simplest lesson may be that when we are in difficult circumstances we do have a choice between two fundamental approaches for dealing with it, as illustrated by the following two cartoons.



Specifically, the historical records show that by squashing popular grassroots initiatives (whereby people tried to solve their problems on a local level), the economy suffered and unemployment grew.

These worsening economic conditions were significant contributors to the German shift from a highly sophisticated and educated society into one that condoned and participated in violent scapegoating toward its minorities; from a nation with democratic ideals and institutions toward one of ruthless authoritarian rule; from a nation at peace to one that embroiled the entire world in war.

Monetary crashes invariably leave people in fear, despair, and anger. This is an explosive social mix that irresponsible demagogues can exploit. What started as a monetary problem in the former Yugoslavia for example (exacerbated by the IMF readjustment program in the late 1980's), swiftly became intolerance toward "others." Minorities were used as scapegoats by ethnic leaders to redirect anger away from themselves and toward a common "enemy," providing the sociopolitical context for extreme nationalist leadership, such as Milosovic in Serbia, to reassert their power in the process. The 1998 monetary problem in Indonesia within days triggered mob violence, plundering, and rapes directed against Chinese and religious minorities. Similarly, in Russia, discrimination against minorities has been aggravated by the financial collapse of the 1990's. Practically nobody among the intelligentsia in any of these countries would have believed these events plausible even a few months before the mayhem had started. It is often forgotten, however, that until its monetary collapse in the 1920's that led to the takeover by the Nazis, and prior to the scapegoating of the Jewish minority along with the infamous horrors that followed, Germany was considered by many to be among the most civilized and among the most liberal of nations. Yugoslavia, Indonesia, Russia, and many other recent examples demonstrate that the potentially devastating social repercussions of economic downturns are still operational.

That such suppressions might wield so much power should not surprise us, given the cumulative nature of the vicious circle of unemployment, including joblessness, violence, fear, political polarization, and instability. The 1930's was but one more demonstration of this. Closing of the vicious loop back to higher unemployment was only avoided by the biggest instability of them all: war.

The German, Austrian and U.S. decisions to forbid complementary currencies each hurt their respective economies, simply by not having made use of the innovative monetary tool at their disposal.

Another means by which things can go amiss with respect to complementary currencies is explored next in the case of Argentina.

THE ARGENTINEAN CREDITOS—THE RISE & FALL

From 1991 to 2001, the Argentine government adopted all the policies suggested by the IMF, including privatization of government assets, and parity between the Argentine peso and the U.S. dollar. This created an overvalued peso and a massive economic contraction.

People at the grassroots responded to the economic tightening with several mutual aid initiatives. In 1995, the first *trueque* (barter) clubs were started to enable groups of friends and neighbors to exchange goods and services among themselves. Trueque clubs proliferated throughout the greater Buenos Aires region and quickly spread to other provinces. Various clubs began to issue their own *credito* currency notes and by early 2001 there were several dozen currency varieties in circulation and an informal network, the *Red Global de Trueque* (Global Trading Network), interconnecting the different systems.

During the month of December 2001, Argentina went into a financial meltdown: all of the banks were closed for months and people were not allowed to access their bank deposits. The peso was devalued and chaos reigned. Without access to cash, people in huge numbers clambered into the *trueque* “lifeboats.” Between December 2001 and July 2002, the amount of trading in the *trueque* clubs and the amount of *credito* currency in circulation exploded. During the summer of 2002 an estimated 7 million people were using the complementary currency on a regular basis. By November of that same year, however, the *trueque* movement had shrunk back to about 70,000 participants, roughly a 90 % drop.

What happened?

The short answer is that the Credito system was abused by unscrupulous leaders, who over-issued the currency for their own personal benefit.

From a complementary design viewpoint, three key flaws can be detected:

- The *creditos* were created as a fiat currency by a central authority.
- There was a lack of transparency to its users, so that a central authority could keep their accounting secret.
- The *creditos* were primarily created as paper currency, without adequate safeguards against counterfeiting.

Such a combination of flaws is predictably going to provide temptation for corruption and collapse.

However, not everything in the Argentinean experiment is negative. First of all, it is a fact that during the period from 1995 to mid-2002 the *credito* system enabled millions of people to survive. Without it, most observers agree that there would have been starvation and rampant violence. Furthermore, a number of smaller complementary currency systems weathered the storm. For instance, the *Mar del Plata* complementary currency system shrank to about 30% of its maximum expansion, but nevertheless remains in business at volumes that most complementary currency systems around the world would envy. Similarly, the network called *Red Global Solidario* resisted the shocks.

The key lessons are that those systems that did survive are those where the community of users themselves had control and imposed transparency on the process. Those that collapsed are ones that didn't have the proper design needed to thrive.

INSERT OTHER CC MISTAKE

It is beyond the scope of this introductory book to include a how-to manual on designing and implementing complementary currencies for different purposes. For those interested, we recommend going to www.accessfoundation.org to obtain pragmatic information for such purposes.

CONCLUSION

Mussolini may have been correct when he claimed back in the 1930's that "fascism is not a doctrine, it is a response to the need for action." Fortunately, circumstances differ in at least two important regards with respect to both the 1930's and complementary currencies.

Firstly, as *Forbes Magazine* has pointed out, central banks no longer have the same power to enforce their monopoly. With the

impact of the whole range of other electronic currencies and local currencies, the central banks are not in control of their own money systems in the way that they used to be half a century ago.

Secondly, we are now in possession of a far greater understanding of and appreciation for complementary currencies, in grand part gleaned from these painful earlier lessons of history, along with circumstances such as Argentina's economic emergency.

It is now clearer than ever before that complementary monetary measures can be of benefit to us all: individuals, communities, policy makers, bankers, businesses, rich, poor and middle classes alike. Humanitarian concerns aside, does it make any economic sense to have a constricted world market in which only a small percentage of the world can afford to participate? For instance, only one out of every hundred people on this planet now owns a computer. A healthier, more vibrant community and economy sooner or later translates into greater purchasing power and a more secure, more inviting economic environment in which to invest and conduct business. Though those with vested interests may perceive that their turf is being threatened, the reality is far different. Complementary currencies are of benefit to all.

It is therefore mostly a question of our understanding and timing that will determine how effective these tools will be. Ralph Waldo Emerson reminds us: "This time like all times is a very good one, if we but know what to do with it." And considering the times in which we do live, it is perhaps prudent for us to also keep in mind, as Emerson cautions, that "In skating over thin ice, our safety is in our speed."

Given what we now understand about our monetary system and its relationship to the world we live in, we offer you in the next chapter an initiative that serves as both a theoretical example of what is possible when we re-think money, as well as a pragmatic tangible proposal intended to address many of the most pressing challenges facing our communities, nation, and world.

CHAPTER 10

THE TERRA TRC™

***“Many have a wait and see attitude
to innovative proposals of this nature,
but they shouldn’t with the Terra.
The TRC reduces risk, stabilizes the world economy
and is a more cost effective approach
for international business.”***

Takashi Kiuchi
Chairman, The Future 500
Former CEO, Mitsubishi Electric America

In all fairness, we would like to caution you that the material offered in this chapter is more complex than elsewhere in this book. This chapter requires examination of some of the technicalities of the current monetary system in order to understand how the proposed *Terra Trade Reference Currency (TRC) Initiative* works. Even with the detail given herein, this chapter should be considered merely a brief overview of this initiative. For those interested in acquiring a deeper understanding, please consult the dedicated web site, www.terratrc.org. Given the considerable stakes that are involved, we hope that you, the reader, will find this material worth the effort.

OVERVIEW

Complementary currency innovations have proven themselves to be powerful, adaptable, readily available tools by which communities such as Curitiba and countries such as Japan can address long-entrenched

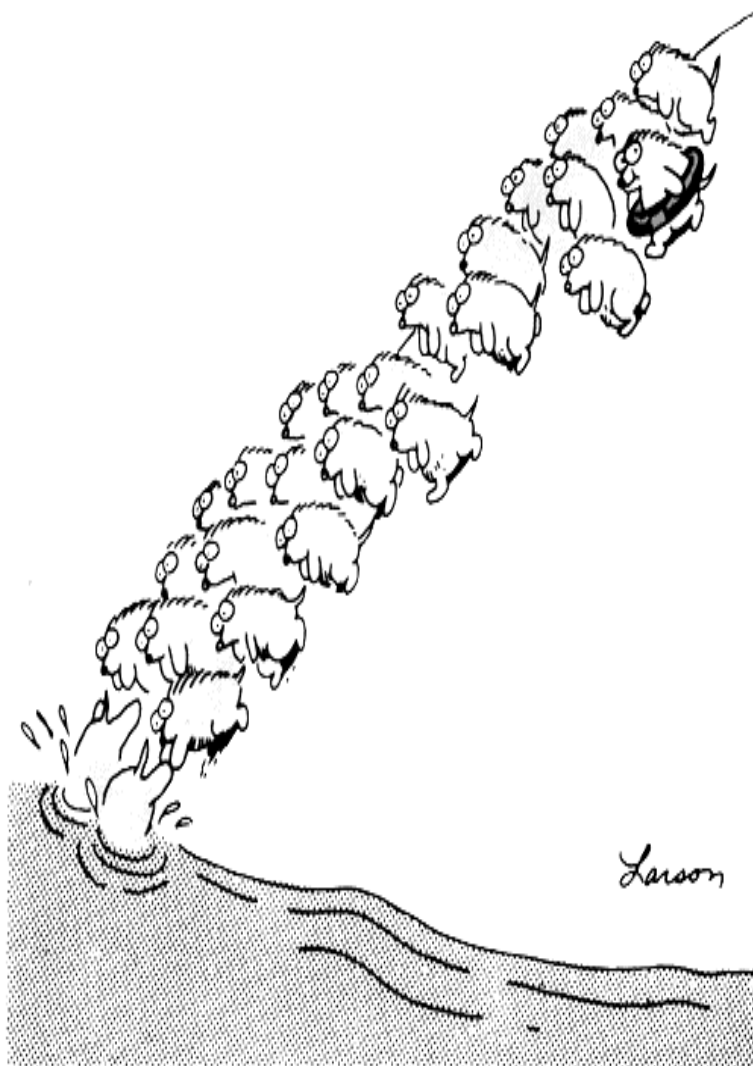
local and national issues and concerns. The achievement of quality care for the aged, relationship and community-building, greater vocational, educational, social and business opportunities, restoration of neighborhoods, revitalization of local economies and much more are now made possible by affordable, accessible mechanisms brought about by a better understanding of our monetary system and by re-thinking money.

However, there are vital issues that extend far beyond the confines of localities and nations, global systemic issues such as the lack of an international standard of value, currency instability, and the booms and busts* of the business cycle. While such concerns may at first seem like boring economic or financial problems of little concern to the average person, they are in fact key issues whose continued lack of resolution impacts dramatically upon our world: massive job-losses, a deep recession in the three major world economies, lack of investments in developing nations, the ongoing conflict between the short-term financial demands of shareholders and long-term sustainability, the many currency crises* and associated suffering that has affected no less than 87 nations over the course of these last twenty five years... all these critical concerns, and more, are related to the unresolved systemic issues cited above. Yet, rather than attempt to deal with these vital issues that now threaten so many fellow humans and our world, there has instead been a chronic lack of initiatives by key financial institutions, aggravated further still by the geopolitical environment of the past several decades.

These key global issues, if they are to be redressed in an effective, timely, and feasible manner, require a response of sufficient scope and magnitude, above and beyond the local and national monetary innovations discussed heretofore in this book. Furthermore, such a response, if it is to succeed, must acknowledge the requirements and concerns of the most powerful decision makers of our world today—the multi-nationals—and take carefully into consideration as well the realities of our present-day geopolitical climate and monetary system.

In this chapter we will examine The Terra Trade Reference Currency (TRC)*—a supra-national complementary currency initiative, intended to work in parallel with the current international monetary system to provide an effective mechanism by which to redress important global issues and realities.

Maybe this time we can act preventively...



The Terra TRC (henceforth referred to in this chapter simply as the Terra) is poised to create stability and predictability in the financial and business sectors by providing a stable international mechanism for planning, contractual, and payment purposes worldwide. This will be the first time since the gold-standard days that a robust international standard of value, which is also inflation-resistant, will become available. It is designed as well to counteract the booms and busts of the business cycle and stabilize the global economy. Most importantly, it will resolve the conflict between short-term financial interests and long-term sustainability and does not require any new legislation or international agreements to become operational.

It should be understood that the Terra Initiative is presented here not merely as a means to further demonstrate the vast potential inherent in complementary currencies, but rather, and more importantly, as a viable monetary initiative for immediate application in international trade. Its design and potential have been carefully scrutinized by some of the most respected authorities in the world today. Gernot Nerb, a recognized international expert on the business cycle, head of the Research department of the IFO Institute* in Germany, and creator of the “business sentiment index” (which enables forecasting of business cycles), offers this opinion: “The Terra mechanism would provide an automatic counter-cyclical stimulus to the world economy, thereby dampening the depth of recessions as well as reduce the risk of inflationary booms. Such a tool could be particularly useful in a period of a simultaneous recession of the three major world economies as we are currently engaged in.”

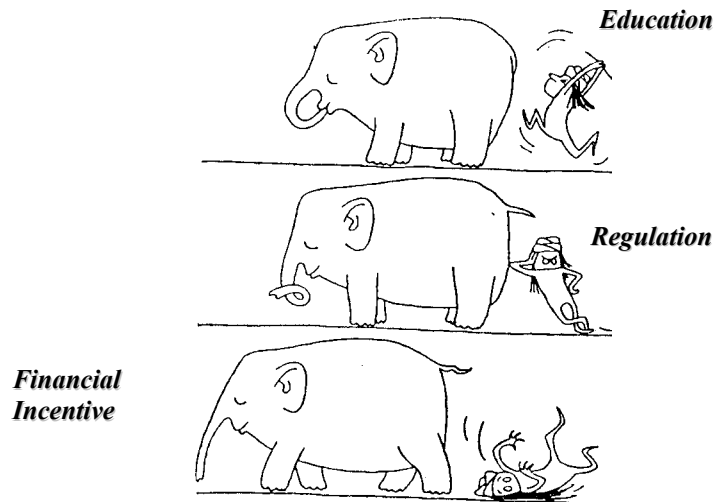
While a privately-issued, complementary trade reference currency may perhaps seem an unconventional methodology, it may be surprising to know that just such an approach is now considered inevitable by some of the most respected icons of finance and banking, including both the current and former chairmen of the Federal Reserve Board. Alan Greenspan, for example, has stated, “I foresee new private currency markets in the 21st century.” Paul Volcker went on record in 2000, to say that “The ultimate logic of economic globalization is a stable and common unit of account and an internationally accepted means of payment—in other words, a common world currency.”

This new Trade Reference Currency (TRC), whose unit of account is the Terra, would provide a safety net in support of the conventional

money system, and amplify the benefits of the complementary currency initiatives on the local and regional levels.

The Terra Initiative aims at mobilizing the vast energies of global corporations—the most influential decision makers shaping our world today—toward a sustainable future for all. This is most effectively accomplished not by regulation/legislative imperatives or education/moral indignation, but rather by providing a strong financial incentive in the right direction. There are many precedents which demonstrate that whenever regulation or moral persuasion/education runs up against financial interests, the latter will win—the war against drugs is but one example.

How to induce change for a corporate elephant?



This chapter will briefly review some of the more important monetary-related issues facing the world today (*Systemic Monetary Issues*). We will then examine the features of a complementary currency proposal, The Terra Trade Reference Currency Initiative (*the Terra TRC Mechanism*), specifically designed to address the systemic monetary issues cited. The general and specific benefits and advantages of the Terra will be covered last (*Benefits of the Terra TRC*).

SYSTEMIC MONETARY ISSUES

The world today is facing some key economic and financial concerns, which persist and are growing in scope despite any and all efforts aimed at ameliorating them. These concerns are:

- Massive job-losses.
- A mounting world recession, which now includes the world's three major world economies.
- A lack of hard currencies and decreasing investments in Less Developed Countries (LDC's).
- Conflict between short-term financial interests and long-term sustainability.

These economic and financial concerns are directly related to, and are being amplified by, issues related to our monetary system.

Monetary Instability

Our monetary system is in a state of great instability and change. A current global casino of unprecedented proportions determines our money's value. Over \$1.3 trillion are traded per day in foreign exchange markets, a figure that is almost 100 times more than the trading volume of all of the world's stock exchanges, combined²³⁹. Nearly 96% of these transactions are purely speculative; they do not relate to the "real" economy, they do not reflect global movements or exchanges of actual goods and services.²⁴⁰ Functioning as a speculative market, current economic systems can be undermined not only by tangible economic news, but by mere rumor or perception as well. This unstable monetary situation has resulted in the many foreign exchange crises that have affected no less than 87 different countries over the past 25 years, of which Argentina in 2002 was but its latest victim.

This growing instability of our current monetary system has been brought about, in large part, by changes to our monetary system.

Monetary Changes

The instability to our international monetary system over the course of the last several decades has been fueled principally by three major changes to our money and banking systems:

1. Structural Shift: On August 15, 1971, President Nixon unilaterally disconnected the dollar from gold, inaugurating an era without an international standard of value; currency values would now be determined predominantly by market forces. Thus began floating exchanges*—a monetary arrangement in which currency values could fluctuate significantly at any point in time. Since the Nixon decision, the world's monetary system has not had any reliable international standard of value or a unit of measure (as apposed to, say, yards for distance, degrees Fahrenheit for temperature or watts for electricity).

2. Financial Deregulation: In the 1980's, the Thatcher and Reagan administrations embarked simultaneously on a massive financial deregulation* program. This was followed by the Baker Plan,* which imposed similar deregulations in 16 key developing countries affected by the debt crisis of the 1980's. This reform package enabled many more new players to participate in currency trading than was ever previously possible.

3. Technological Shift: The computerization of foreign exchange trading created the first 24-hour, fully integrated, global market ever. This shift to electronic money has been described as one of only two exceptional innovations over the 5,000-year course of money's history, the other occurring at the end of the Middle Ages when the printing of paper began to supplement the minting of coins.²⁴²

With floating exchanges, financial deregulation and a 24/7 global financial market, it is now possible for a currency to lose much or even most of its value in a matter of hours. Any and all currencies are vulnerable. As John Maynard Keynes noted: "Speculators may do no harm as bubbles on a steady stream of enterprise. But the position is serious when enterprise becomes the bubble on a whirlpool of speculation. When the capital development of a country becomes a by-product of the activities of a casino, the job is likely to be ill-done."²⁴³

Economic & Financial Consequences

The shifts and deregulation mentioned above have resulted in the following consequences to both national and global economies.

Lack of an International Value Standard

The current volatility of our money system has resulted in significantly increased commerce risks with regard to the use of

national currencies. Currency risks are now typically larger than political risks (i.e., the possibility that a foreign government nationalizes the investment), or even market risks (i.e., the possibility that clients do not want the product). In a U.S. Fortune 500 survey, all corporate participants reported foreign exchange risks as one of their main concerns.²⁴⁴

The three principal measures used to counteract such currency risks—derivatives,* lost opportunities, and countertrade*—each present significant shortcomings, as described below.

- **Derivatives.** In a survey of U.S. Fortune 500 corporations, 85% reported the need to use derivative hedging strategies to try and reduce foreign exchange risks. Aside from associated risks, derivatives are expensive. It should be noted that those firms most engaged in such hedging were also the largest and most sophisticated.²⁴⁵
- **Lost Opportunities.** Another countermeasure currently employed is abstention; many foreign investments end up not being made at all, simply because the currency risk cannot be covered, or its coverage is too expensive. These lost opportunity costs are detrimental not only to the corporations involved but to society at large, especially to those societies and nations most in need—investments in Less Developed Countries (LDC's) have fallen by one-third over the past two decades.
- **Countertrade.** A technical term for international corporate barter, countertrade is in common use in an estimated 200 countries, with a volume that now ranges from \$800 billion to \$1.2 trillion per year.²⁴⁶ This represents a staggering 10% to 15% of all international trade. Fortune (U.S.) reports that two out of three major global corporations now perform such transactions routinely, with specialized departments dedicated to the execution of such deals. Though expensive, countertrade does make it safer to get paid in something that has a known value and use, rather than accept a currency that may have dropped by 50% in value since the time a deal was struck. Some barter deals occur because the countries involved simply don't have access to hard currency financing (e.g., Pepsi Cola, dealing with Russia by payments in Stolichnaya Vodka).

The Terra Initiative will introduce a reference currency that is fully backed by a dozen or so of the most important commodities and services in the global market, thereby providing, for the first time since the gold-standard days, an international standard of value that is inflation-resistant.

Boom & Bust Perpetuation

The money-creation process by the banking system tends to amplify the boom-bust fluctuations of the business cycle. The banking system generally tends to have a herd instinct when either making credit available or restricting it. Specifically, when business is good, banks tend to be more generous in terms of credit availability, thereby pushing the “good times” into a potentially inflationary boom period. Conversely, as soon as the business horizon looks less promising, banks tend to reduce credit availability, thereby contributing to the deterioration of a minor business dip into a full-blown recession.

In short, the collective actions of the banking system tend to exacerbate the business cycle in both boom and bust directions. Notwithstanding the attempts by Central Banks to reduce such fluctuations by giving interest rate signals, the current process of creating money through bank debt remains, in practice, a strong boom/bust-perpetuation mechanism.

The Terra, in contrast, is specifically designed to act as an automatic cycle-stabilization mechanism.

Institutional Deadlock

Paul Volcker, typically a master of understatement, has gone on record to express his concern about the growth of “a constituency in favor of instability.” What he is referring to is an influential group of special interests who are opposed to reforming the global monetary system (i.e., taking steps to make the system more stable), because the current instability is a source of substantial profits for this group.

Indeed, a whole industry has evolved around creating, selling, and trading a full range of sophisticated “hedging” instruments that provide protection against currency fluctuations. In some cases, the trading of such instruments has become one of the most important profit centers, not just for major banks, but also for the treasury departments of major corporations.

Political Inaction

Finally, it is rare that national governments engage in significant currency reforms. While the reasons for such prevailing postures are varied and often complex, the end result is nevertheless the same: a customary lack of initiatives until a major crisis forces change.

In addition, there is today's geopolitical environment, with the United States as the world's sole superpower and the U.S. dollar as the world's pre-eminent currency. This reality confers upon this nation a commanding voice in international monetary policymaking but reduces the likelihood of any significant governmental monetary initiative being taken. As John B. Connally, former U.S. Secretary of the Treasury under Nixon, remarked: "The dollar may be our currency, but it is your problem." This "benign neglect" approach makes a cooperative governmental initiative by the United States unlikely. And any viable attempt at reform without the United States would be futile.

Therefore, any preventative monetary initiatives that are to be taken must be initiated by the private sector.

The Terra Initiative takes this vested-interest and geo-political reality into account.

THE TERRA TRC MECHANISM

The Terra is a complementary, privately issued, demurrage-charged, Trade Reference Currency that is backed by an inflation-resistant, standardized basket of the dozen most important commodities and services in the global market.

Complementary Currency. The Terra is designed as a complementary currency operating in parallel with national currencies, without trying to compete against or replace conventional money.

Private Issue. The Terra will be issued as an inventory receipt by the Terra Alliance, a private, non-governmental initiative with an organizational structure that is open to all newcomers meeting certain pre-established criteria (similar to that of the Visa credit card system). Such inventory receipts are issued for the value of the commodities sold to the Terra Alliance by producers of those commodities comprising components of the Terra Basket. As a private, non-governmental issue, this initiative does not require governmental negotiations or international agreements. From a legal and taxation viewpoint the Terra is simply a

standardization of countertrade. And legislation for countertrade already exists in all nations around the world.

Demurrage-Charged. The Terra is a demurrage-charged currency. A demurrage charge acts much like a parking fee, incurring a cost over time to its holder. The cost for holding onto the Terra currency is estimated at 3.5%-4% per annum and corresponds to the costs incurred for storing the physical commodities included in the Terra basket (see below: Trade Reference Currency). This demurrage charge ensures the currency's use mainly as a trading device: it would not be hoarded but always tend to remain in circulation. It would thereby strongly activate commercial exchanges and investments wherever it circulates, the opposite of a conventional interest rate currency.

Trade Reference Currency. The Terra is backed by a standardized basket of the most important commodities as well as some standardizable services in the global market. Though conceptually similar to a fully backed gold standard, the Terra backing would consist not of one single commodity, but a dozen of the main international commodities, including gold. Since it is fully backed by a physical inventory of commodities, it would be a secure, very robust, and credible payment and provide a stable mechanism for contractual and payment purposes worldwide.

Inflation-Resistant. The Terra is designed as an inflation-resistant currency by its very composition. Inflation is always defined as "the changes in value of a basket of goods and services." By selecting the appropriate ingredients to be placed in the basket, the Terra can be protected against inflation. For example, the composition of 100 Terras could include 1 barrel of oil, 5 bushels of wheat, 10 pounds of copper, 3 pounds of tin, 1/10th ounce of gold, 1 Carbon Emissions Right, etc.

BENEFITS OF THE TERRA TRC

The Terra Initiative addresses each of the major economic and financial concerns mentioned earlier, and offers both general benefits and specific benefits to particular interest groups. General and specific benefits will be examined next along with an analysis differentiating the Terra from all other proposals and initiatives aimed at redressing present monetary concerns.

General Benefits of the Terra TRC

The Terra mechanism, by virtue of its demurrage charge and being anti-inflationary, endows this trading instrument with three unique economic advantages, namely:

- It provides a robust international standard of value.
- It counteracts the boom/bust fluctuations of the business cycle, thereby improving the overall stability and predictability of the world's economic system.
- It realigns financial interests with long-term concerns.

Robust International Standard of Value

The Terra would provide a robust international standard of value, something that has been missing for decades. Since it is fully backed by a physical inventory of not one, but a dozen or so of the world's most important commodities, including gold, the Terra would be a very robust and credible payment unit that offsets volatility and currency risks.

This robust standard of value benefits commerce as follows:

- It lowers costs by reducing the need for expensive countermeasures.
- It enables greater opportunities (including investments in developing countries) by providing stable alternative mechanisms by which to conduct commerce.
- It offers a dependable, cost-effective reference mechanism for global trade.

Cycle-stabilization

The Terra automatically tends to counteract the boom and bust fluctuations of the business cycle, thereby improving the overall stability and predictability of the world's economic system.

When the business cycle is weakening, corporations customarily have an excess of inventory and a need for credit. The excess inventories can now be sold to the TRC Alliance (who would place these inventories into storage). The TRC Alliance would pay for these inventories in Terras, thus providing corporations with a means of needed credit (traditionally, not readily available in this part of a business cycle). These corporations would immediately spend the Terras, say, to pay their suppliers, so as to avoid the demurrage charges (whose holding costs accumulate over time). Suppliers, in turn, would have a similar incentive

to pass on the demurrage-charged Terras as a medium of payment. The spread of this currency (with its built-in incentive to trade) would automatically activate the economy at this point in the cycle.

On the contrary, when the business cycle is in a boom period, demand goes up and both suppliers and corporations have a need for inventory. The Terras would now be cashed in with the TRC Alliance for a 2% transaction fee, and the now needed inventories would be taken out of storage and delivered to the respective commodity markets to obtain the conventional currency required. This would also reduce the amount of Terras in circulation when the business cycle is at its maximum, counteracting an inflationary boom phase.

None of this is theory. There is now quantitative proof of how the availability of a complementary currency designed for business use spontaneously tends to stabilize the business cycle and the overall economy. Detailed analysis on the WIR system, in use for more than 50 years in Switzerland, provides important evidence (see insert, next page).

In summary, the Terra-denominated exchanges would stabilize the business cycle by providing additional monetary liquidity that counterbalances the pattern observed in the money-creation process of conventional national currencies.

Realignment of Financial Interests with Long-term Concerns

The demurrage feature of the Terra would provide a systematic financial motivation and would realign financial interests with long-term interests. This is in direct contrast with what happens today with conventional national currencies. The discounted cash flow* of conventional national currencies with positive interest rates systematically emphasizes the immediate future at the expense of the long-term. The same discounted cash flow with a demurrage-charged currency produces the exact opposite effects. The use of the Terra for planning and contractual purposes will reduce the conflict that currently prevails between the stockholder's financial priorities and the long-term priorities of humanity as a whole.

Complementary Currencies, the WIR & Economic Stabilization

The impact of commercial exchanges facilitated by computer networks without the use of conventional money is a hotly debated topic of late. A few prominent economists have speculated that computer-networked barter might eventually replace our money—as well as its centralized protector—central

banking. Such questions have recently been asked by leading macroeconomists like Mervyn King, Deputy Governor of the Bank of England,²⁴⁷ and Benjamin Friedman of Harvard.²⁴⁸

“Friedman's view that central banking may be seriously challenged was a lead topic at a recent World Bank conference on the ‘Future of Monetary Policy and Banking’ (World Bank, 2000).²⁴⁹ His warnings have even sparked a pair of skeptical reviews in the *Economist Magazine* of London.²⁵⁰ But no one, until now, has looked at the direct evidence on this issue—the large-scale barter networks, in existence for decades.”²⁵¹

A quantitative study on the “direct evidence on this issue” was conducted by Dr. James P. Stodder, Professor at the well-respected Lally School of Management & Technology at Rensselaer University. It is based on the high quality data from the Swiss WIR system. His conclusion: “The WIR system is counter-cyclical, rising and falling against, rather than with, the business cycle... because... credit advanced by the WIR is highly counter-cyclical, correlated against GDP.”²⁵² This contributes measurably to the stability of the Swiss economy, because WIR credits automatically expand when the economy turns down, i.e., when credit in conventional Swiss francs dries up.²⁵³

Furthermore, the WIR system also stabilizes employment. “Growth in the number of WIR participants has tracked Swiss unemployment very closely, consistently maintaining a rate of about one-tenth the increase in the number of unemployed.” This means that when the conventional Swiss franc economy slows, job losses are partly avoided by having more people getting involved in the WIR economy.

Professor Tobias Studer from the Center of Economic Studies of Basel University, Switzerland, considers the Stodder study a breakthrough because “For the first time, an independent American researcher has arrived at a surprising conclusion: far from representing a factor of disturbance for national monetary policy, the credits created by WIR constitute a support of the National Bank (Swiss Central Bank) in pursuit of its monetary policy objectives.”²⁵⁴

In case one might think that such effects are valid only for Switzerland, Prof. Stodder also evaluated the effects of commercial barter by members of the International Reciprocal Trade Association (IRTA) upon the U.S. economy.²⁵⁵ Though the data here covers only 21 years (instead of WIR's 50 plus), exactly the same type of impact occurs. But with IRTA exchanges proportionally smaller in the U.S. economy than the WIR for the Swiss economy, the overall effect is also proportionally less powerful.

Specific Group Benefits

Virtually everyone stands to benefit from the Terra. A partial list of the specific advantages applying to humanity at large, multinational

corporations, the banking sector and financial services, Less Developed Countries and developed nations are offered in following.

Humanity as a Whole

- As long as business is focused on short-term profits, chances are minimal that any long-term sustainability is possible. Inevitably, it will be the working masses that will end up paying for a failure in sustainable development. In contrast, the introduction of the Terra with its demurrage functionality makes long-term thinking profitable, and therefore, long-term sustainability much more likely.
- The typical boom/bust of the business cycle will automatically decrease, creating a more dependable economic environment, which will translate into more reliable job employment opportunities and less job instability.



Multinational Corporations

The Terra offers corporations the following advantages:

- Makes possible the conversion of inventories of illiquid assets, such as major raw materials, into liquid ones. This is a significant

advantage, given that inventories are otherwise a cost item to businesses. Over time, such storage costs can become substantial.

- Provides working capital at a lower cost than with conventional national currencies, as the Terra demurrage fees only begin to kick in if they are not spent within the time frame allotted.
- Makes available to businesses a robust international standard of value, with consistency in international contracts. No party would lose out because of monetary instability or currency fluctuations.
- Lowers the cost of doing business by reducing the need for expensive currency-hedging countermeasures and by providing a dependable, low-cost insurance against uncertainties deriving from international currency markets.
- Offers a dependable, more cost-effective reference mechanism than conventional corporate barter.
- Helps develop new markets and enables greater opportunities by which to conduct global commerce, including investing in developing countries, by providing a stable international currency. Because of the instability created by floating exchanges, there has been approximately a 33% decrease in investments to Less Developed Countries. This situation has limited the creation of new markets, because entire continents remain too poor to participate in the global marketplace.
- Saves money and vital resources. Corporations, as a result of the boom and bust business cycle phenomenon, are often under-equipped and looking for qualified staff, or over-equipped and over-staffed. The costs of training people, only to then fire them, along with the expenses incurred in plant and equipment over-investments or under-investments are considerable.
- And, it is well known that political instabilities often occur during, and result from, economic downturns, which is not a healthy climate for businesses either. The Terra counteracts such downturns.

Benefits to Financial Services and the Banking Sector

There are three main advantages of the Terra mechanism for the banking system:

- It introduces standardization in countertrade, thus making the mechanism bankable. Currently, the banking system has no role at all in the fast-growing countertrade field (countertrade grows at a rate of 15% per year, three times faster than trade facilitated in conventional currencies). Banks will be able to provide traditional foreign exchange services utilizing the Terras, which can then be converted into any and all other national currencies. They can, as well, provide their customers services such as Terra account management, as they do today with any foreign exchange.
- The counter-cyclical impact of the Terra mechanism will stabilize the value of banking loan portfolios. There have been numerous major banking-related crises around the world over the past two decades, whereby borrowers can't repay their loans, while the collateral upon which the loans were based depreciates. These conditions are aggravated by the boom/bust cycle and currency fluctuations. Therefore, as the Terra mechanism helps to stabilize economic cycles, the number and severity of crises in bank portfolios would also be reduced.
- Finally, the task of central banks* would also be made a bit easier, thanks to the Terra. Not only would there be fewer banking crises to manage, but also their routine job of trying to counteract the business cycle would be eased as already demonstrated in practice by the WIR.

Less Developed Countries (LDC's)

Currently, as a direct result of currency instability, LDC's suffer from a lack of investments. Furthermore, the degradation of terms of trade with developed nations and the scarcity of hard currencies create debt traps resulting in the inability to repay foreign loans. The developing world has spent more than \$13 on debt repayment for every \$1 it receives in foreign aid.

The Terra mechanism helps to address these problems and offers two distinct and important benefits to LDC's:

- A stable international currency enables greater opportunities by which to conduct commerce and make investments in developing countries. As noted earlier, because of the instability created by

floating exchanges, there has been approximately a 33% decrease in investments to Less Developed Countries.

- LDC's that produce commodities (i.e., raw materials such as copper that are components in the basket of the Terra) would then be in a similar position as any corporate producer member of the TRC Alliance. By virtue of the fact that the Terra is a commodity-backed currency,* LDC's would find themselves in a position similar to gold-producing countries during the gold standard days; the gold that was extracted was in fact a convertible currency.

Developed Countries

- As stated earlier, the developed world is facing its first simultaneous economic downturn since the 1930's. (At that time, only a World War got us out that economic stranglehold. A better way is available). If the Terra were implemented now on a sufficient scale, it would help re-launch the world economy by injecting international liquidity that would reactivate the global economy.
- By helping LDC's, new markets are created for exports produced by developing nations.
- By stabilizing the business cycle, greater job stability and opportunities would become available as well.

Differences with Earlier Proposals

The Terra is a commodity-basket currency. For more than a century, there have been several proposals for commodity-basket currencies by a series of well-known economists.²⁵⁶ The main reason why they have not been implemented is not due to a technical fault of the concept, but rather because they were aiming at replacing the conventional money system. Such replacement would have put in jeopardy powerful vested interests. This is not the case with the Terra proposal.

On the contrary, the win-win strategy underlying the Terra mechanism includes the financial sector as well. Anything that exists under the current monetary modus operandi would remain in operation after the introduction of the Terra, as it is a complementary currency designed to operate in parallel with the existing system.

Finally, as stated earlier, the political context for an international monetary treaty has not been available. The Terra avoids this pitfall by relying on private initiative. From a legal or tax standpoint, it would fit within the existing official framework of countertrade, and not require any formal governmental agreements to make it operational.

The other conceptual difference and perhaps the most important one between the Terra proposal and all previous proposals is the introduction of the demurrage concept. The fact that the storage costs of the basket would be covered by the bearer of the Terra, resolves the inherent problem that previous commodity proposals were facing, namely: who will pay for it all?

The Terra mechanism is a win-win approach for all participants in the global game, and that is why it can succeed where other proposals for monetary innovations have failed in the past.

For those interested in keeping informed on the developments of the Terra Initiative, please consult www.terratrc.org.

CONCLUSION

Complementary currency innovations offer us an effective, flexible mechanism by which to address an almost endless variety of issues and concerns that are now confronting our communities large and small.



Their proper design and use can provide effective relief and open up extraordinary new possibilities that may have seemed otherwise impossible to achieve.

From a systemic standpoint, complementary currencies provide greater functionality to our monetary system, allowing us to employ more appropriate currencies to attend to many new and otherwise unaddressed issues.

From an economic perspective, complementary currencies allow us to match unmet needs with unused resources. Furthermore, as demonstrated by the WIR in Switzerland, complementary currencies act as a significant stabilizer. The Terra system would act in a similar manner to the WIR, but on a global level.

From an archetypal perspective, complementary currencies give balance to our strong Yang-programmed national currencies. When facing an excess Yang situation, Taoism always recommends “calming the Yang and activating the Yin.” The calming of the Yang is achieved with currencies such as the Terra. Activation of the Yin is accomplished by the introduction of Yin currencies such as the Japanese Fureai Kippu tickets.

From a sociological point of view, the complementary currencies engender such values as cooperation, community, sustainability, relationship-building, and the care of our young and aged.

Finally, from a purely pragmatic, utilitarian viewpoint, these monetary innovations simply offer humankind far greater choices and tools by which to effectively address our concerns and create a better world for ourselves and future generations, by means that are readily available to us and which have demonstrated to be a benefit to all and a burden to none.

Given their long, encouraging history and what we now know is possible, the real question is: can we afford not to use these tools at our disposal?

CHAPTER 11

OF HUMAN WEALTH

***History, despite its wrenching pain, cannot be unlived,
But if faced with courage, need not be lived again.
Lift up your eyes upon this day breaking for you.
Give birth again to the dream.***

Maya Angelou

In the introduction to this book, we painted two very different images. One was a reflection of the world we currently reside in, as depicted in the five mega-trends. The other image offered was that of a world yet to be realized, a world the reader was asked to try and imagine; in which community, cooperation, sustainability, meaningful work, time for our families, the education of our children, the caring for our elders, the nurturing of our spirits and souls are honored in equal measure to that of industry, productivity, and competition. It should be clearer by now that what was being presented was the expression of a balanced Yin-Yang value system realized in the framework of a dynamic society.

We stated then and restate here that such a world, far from being fanciful conjecture, is not only possible but achievable in the short span of a single generation. Such a world is possible in no short measure due to the fact that we are in possession of powerful monetary tools which have proven time and again to effect compelling, positive results for those communities and civilizations that make proper use of them. Furthermore, and in contrast to any other time in history, we now have as well a profound, conscious understanding of how these tools work, and why, thus providing us with formidable mechanisms and road

maps by which to redress issues that have eluded other ages. By understanding and acting from a systemic level, we are positioned to impact the web of interactions that monetary exchanges generate. Introducing complementary currencies with purposely designed functionalities addresses the complexities of today's challenges through a deeper simplicity—the age-old complementarity of Yin-Yang systems. Such an approach engages us on a path of planet-building where life can evolve to its highest potential, encouraging us to express our individuality, but not at the expense of other people or other life forms with whom we share this planet. In short, this approach enables each of us to reintegrate the human dimension and community-building into our economic reality while fostering a more stable and predictable world that is of direct and lasting benefit to us all.

This assertion, however, is not based entirely on these monetary innovations alone. The recent explosion of complementary currencies, though vitally important, is but one component of an emerging, dynamic, global coherence, all of which strengthens our conviction that humanity is now in a position to make a decisive, lasting transition to a far better world.

Let us look with new eyes at the age in which we live.

AN AGE OF CHANGE

In 1900, there was not a single airport, television set, or jazz recording. There was no theory of relativity, no quantum mechanics, nor string theory. Genetics, immunology, and endocrinology did not yet exist; “hormone” was not even a word. Hollywood was a bunch of farms, and the sun never set on the British Empire. The estimated life expectancy in America for whites was a mere 47.6 years while for blacks it was 33.0 years.²⁵⁷ The average American male was a farmer; and American women, black or white, could not vote.

One generation ago there was no Microsoft, no NASDAQ, no ATM's or DVD's, no email, no cyberspace, nor a single personal computer. America was still debating the Equal Rights Amendment, Eastern Europe was under the communist grip of the Soviet Union and apartheid continued its reign in South Africa. There was not yet a single reported case of AIDS and the world's population was little more than half of what it is today.

The 20th century has born witness to the most comprehensive and dynamic changes of any period in human history. And with these first years of the new millennium as indicators (as foreseen by futurists like Alvin Toffler), the rate and magnitude of change only shows signs of increasing still. Much of this change is customarily defined by our world in the context of scientific knowledge and technological achievements, and to a lesser extent by socio-political upheavals and innovations. However, Medieval Europe, Dynastic Egypt, Bali, and our own civilization each serve to remind us that the world “out there” is in no small measure an expression of the collective universe “within,” and our “internal map” is now also shifting—fundamentally so.

There is now clear and mounting evidence that for the first time in centuries a deep-rooted change is occurring at the level of our collective consciousness. This change is manifesting itself in all aspects of our society and is reflected in the extraordinary events unfolding in this age in which we live. To more fully grasp the significance and enormity of what is unfolding, we must first appreciate this transformational age within the greater context of historical changes to our collective consciousness.

Consciousness Evolution & Jean Gebser

Human consciousness, like just about everything else about us, has not been a static phenomenon—it has evolved, albeit at its own unhurried pace, throughout the whole of humanity’s development. Yet, like so much else in our world, this evolutionary pace has been speeding up as of late. A substantial body of literature has emerged over the course of these last fifty years endeavoring to identify the nature of this contemporary change in consciousness.²⁵⁸ But the most seminally relevant work for our purposes is that by a comparatively little known contemporary of Jung, Jean Gebser.

Gebser’s major work, *The Ever-Present Origin*,²⁵⁹ describes the evolution of human consciousness through five stages or structures. Gebser’s key insight was that a healthy development in consciousness does not occur by simply moving from one type of structure to another, with the dismissal of earlier structures, but rather by cumulatively assimilating prior structures within those of succeeding ones. Gebser described each structure in great detail, but only a succinct overview is offered here, in chronological order of their appearances across the vast expanse of time (see insert next page, and Figure 11.1, [page 213](#)).

Gebser's Five Structures of Consciousness

1. **Archaic Structure** started about 1 to 1.6 million years ago in hominids (*Homo erectus*). There is no concept of time or death; life is a succession of "here-nows." Sensations and feelings exist, but are not conceptualized; there is no concept of "good" or "evil." This stage is still visited every night in deep sleep (theta brainwaves).

2. **Magic Structure** began around 150,000 years ago. The concept of time and death emerges; rituals are being developed. The first elites are magi/shamans divining and influencing the universe. Emotions are the key basis of perception. This stage is part of normal sleep and biofeedback (alpha brainwaves). Economic activity first appears with preliminary (Stone Age) manufacturing, accompanied by barter exchanges.

3. **Mythic Structure** spanned the period between 25,000-3,000 years ago. Appearance of matrifocal societies, followed by early "civilizations" founded with social rules imposed by elites to gain control over the "gods," followed in its turn by early Patriarchy where mythological figures become predominantly hierarchical male gods. Imagination becomes the main basis of cognition. It is the state visited in dreams (rapid eye movement sleep) and daydreaming. Appearance of systematic and specialized production processes, initially stone artifact "factories," and later bronze and metallurgical ones. Money is invented.

4. **Rational Structure** began about 3,000 years ago, accentuated over the past 500 years and peaked in the West over the past 200 years. It is this period that leads to the development of the Western mind. It is the state of rational reflection, a monopoly of a so-called legitimate interpretation of reality as Patriarchal Yang energy became triumphant. Economic growth occurs without consideration for its environmental impact. Modern economies develop.

5. **Integrative Structure** is just beginning now. It integrates non-linearity and multiple causality, as well as acausal relationships in the perception of reality (e.g., holistic medicine, environmentalism, post-industrial economies, etc.).

Among its many implications, Gebser's work provides important insight and direction with regard to two central themes to our overall discussion: namely, repression and reintegration of the Great Mother archetype, and current changes to collective human thinking.

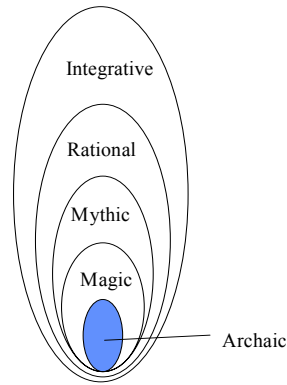


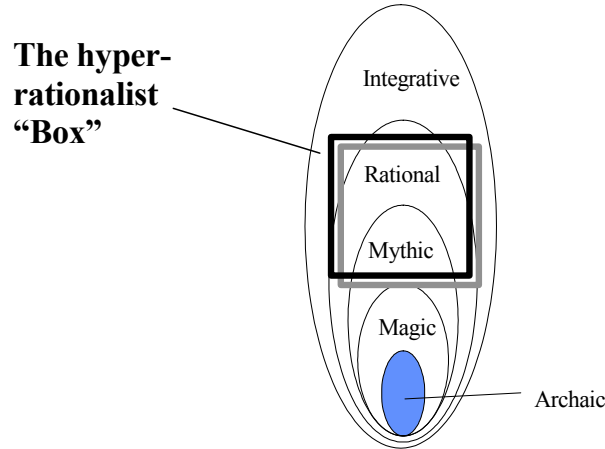
Figure 11.1 Gebser's Five Structures of Consciousness

Consciousness Evolution and Archetypal Repression

The two earliest structures of consciousness, namely the Archaic and Magic Structures (using Gebser's terminology) are both quite compatible with the Great Mother archetype. Each of these two structures, for instance, holds as self-evident the concept of unitary consciousness, the immersion into the whole, the "participation mystique" with nature. Humankind viewed itself as naturally interconnected with the tangible and intangible realms surrounding it.

The next two stages, the Mythic and Rational structures, would have permitted humanity to evolve to the point of perceiving, processing, and interacting in a logical, rational manner (while concurrently managing to honor and maintain space for earlier structures of consciousness).

However, just as the all-important evolutionary step in human consciousness was occurring (from Mythic to Rational Structures) at approx. 1000 B.C., another type of development was also unfolding: systematic repression of the Great Mother archetype. This all-important repression imposed a Yang shadow resonance over each of the major human archetypes (e.g., the sadistic warrior, the tyrannical sovereign, the hyper-rationalist magician, etc.), the so-called "dominator paradigm," with the lopsided preeminence of a patriarchal perspective and inhibition of Yin values. In other words, Rational Structure would run up against archetypal repression which superimposed itself upon Gebser's structures (as illustrated in Figure 11.2, next page).



As mentioned, when consciousness evolves normally, it is by a process of inclusion. A healthy Rational Structure should, by definition, also embrace earlier structures within its fold. But repression of the Great Mother and the dominator paradigm that ensued, led instead to a skewed Yang-dominated, hyper-rational influence. This hyper-rational mindset would invalidate and dismiss as “irrational” (synonymous with “primitive” or “pre-scientific”) any emotional input that relates to the previous stages: the Archaic, Magical or Mythical Structures.

Consequently, the evolution of consciousness was stunted or “boxed” in a Modernist worldview that assumed an insular monopoly of legitimacy in the interpretation of reality, which recognized only the Rational and specific parts of the Mythic Structure as valid. Those selective myths form the foundation of the hyper-rationalist view (described as the Technocratic Materialistic Mechanistic (TMM) model).²⁶⁰

The TMM model consists of the following three Yang myths:

- This worldview is the only one that legitimately exists.
- It is innately superior as it knows and understands everything.
- It is possible to be *totally* logical, rational and objective.



***“Are you just pissing and moaning
or can you verify what you’re saying with data?”***

While these Yang myths have unquestionably served to push the capacities of the human intellect and technologies to their current levels of achievement, they may also form the main intellectual blockage obstructing access to our next evolutionary step.

What are the chances of us ever breaking out of that hyper-rational box? Actually, it is already happening.

Integrative Consciousness Structure

Gebser envisioned the next major evolutionary step in human consciousness as that of an Integrative Consciousness Structure, which, as the term implies, would assimilate and embrace all consciousness structures, including the earlier Magic and Archaic Structures, within a greater cohesive whole. By so doing, it allows the reintegration of the Great Mother archetype, which would re-establish the legitimacy of processes such as emotions, story telling, intuitive inputs, and other “non-rational” approaches for perceiving and interpreting reality.

The main function of Integrative Consciousness is what Jung called “Individuation,” a term which implies fully integrating all five human archetypes. In other words, the Integrative Consciousness Structure aims at making humanity take responsibility for all of its shadows to become the Archetypal Human.

If Gebser's analysis is correct, then this evolutionary development of an Integrative Consciousness Structure would signify a notable shift in consciousness. Of equal significance is Gebser's timing for the induction of this next important evolutionary step—now.

TWO WORLDVIEWS

Vaclav Havel, former President of the Czech Republic, made the following observation back in 1994: "I think there are good reasons to believe that the modern age has ended. Today, many things indicate that we are going through a transitional period, when it seems that something is on its way out, and something else is painfully being born. It is as if something were crumbling, decaying and exhausting itself, while something else, still indistinct, was arising from the rubble."²⁶¹

Before exploring what it is that is being born, let us review the main subcultures comprising much of Western thinking for the past several centuries, as revealed in the form of the largest survey of its kind (comprising cumulative surveys involving 100,000 adult Americans and 500 focus groups), conducted by Paul Ray and Sherry Anderson. Some of their findings centering on the main subcultures of our society (until just recently) are offered below.

The Traditionalists

Ray and Anderson characterize the U.S. Traditionalist subculture as follows: "This is a culture of memory. They place their hopes in the recovery of small-town, religious America. This mythic world was cleaner, more principled, and less conflicted than the one that impinges on us every day today. At that time 'men were men,' and authority was self-reliant, fixed on the task, and impatient with complexity. Its values are evoked in John Wayne movies, 4th of July speeches and Veteran's Day's parades... Even in larger cities, Traditionalists build strong relationships and take care of one another through their religious congregations."²⁶² Traditionalists are primarily the "religious conservatives."

According to Ray and Anderson: "After listening to numerous discussions in focus groups, it slowly became apparent that there is a Traditionalist cognitive style. Most of them avoid complex situations and ideas if they can, and they are emotionally reactive against change and the modern world... American Traditionalism is also a desire for

simplification, certainties, less sophistication and secularism, for religious monoculture, along with national and ethnic unity. A common rhetoric is 'return to earlier, simpler, purer, holier ways of the past, and to repent for the sinful present...' The shadows of Traditionalism include hate groups and the far right fringe."²⁶³

Traditionalists have also played an important positive role by reminding society of the need for ethical standards beyond narrow individualistic interests, the role of community in human well-being, and the relevance of the past with regard to our future.

Until recently, Traditionalists shared the stage with but one other major subculture: the Modernists.

The Modernists

Practically all people in the Western world have been extensively exposed to the Modernist worldview. It is so pervasive, in fact, that the Modernists are the only ones who can get away with the contention that theirs is not a worldview but rather, the world as it really is. It is this viewpoint that has shaped the Industrial Age and remains the dominant subculture in the Western World, with an estimated 47% (circa 88 million adults) of the U.S. population as of the year 2000.

The Modernist Worldview

The Modernists automatically consider as "modern" (treated as synonymous with sophisticated, advanced, urbane or inevitable) the values, technologies, interpretations that differentiate them from the "backward," "under-developed" societies that preceded them. Modernism, in fact, developed in reaction to, and as a rejection of, the religion-dominated worldview of former traditionalistsocieties, particularly those of the Middle Ages in Europe during its waning years. Modernists, however, did keep intact one key biblical premise of that former worldview: that Man is to be Master over the rest of creation. The Modernist value system is embodied personally and collectively:

- At the **personal level**: Modernists tend to value universal norms and secularity (as opposed to provincialism and religious dogmas). Nevertheless, many maintain an orthodox religious practice, but do not necessarily translate that into altruism. Their values are centered on personal success, consumerism, materialism, and technological rationality.

- At the **collective level**: From an organizational framework, they believe in the management and technological practices that have arisen from the Industrial Age, including conventional economic theory. They trust that technology will ultimately prevail over the negative consequences of the existing practices and tend to discount environmental costs and societal disruptions. Politically, they could be Left or Right, liberals or conservatives. Their conservative wing, for example, shares the view with the religious conservatives that women should not be active in the workplace.

Economic Theory and Modernism

The bulk of conventional economic theory is embedded in the Modernist viewpoint. Though a growing number of economists are breaking through the old molds, this Modernist backdrop has resulted in the following reductionist tendencies, even in the face of contradictory evidence:

- **“Economic Myopia.”** Everything that is not or cannot be measured simply does not exist. For example, a woman taking care of her children is not part of the GNP, while someone whose job it is to do the same thing (i.e., gets paid in dollars) is measurable and therefore exists. Exploitation of non-renewable natural resources is not measured and therefore, is not a problem. In the monetary domain, the implication is that only those economic exchanges using the official national currency are considered “real.” Even the economy itself is defined simplistically and narrowly as the space where the transactions involving that particular national currency occur. In essence, that which does not fit a pre-defined Modernist worldview is simply discounted and disregarded.
- **“Cowboy Economics.”** Coined by the economist Kenneth Boulding to denote the negative consequences resulting from the afore-mentioned disregard for what is not measured. Cowboys used the range for their cattle to graze, and when the land had deteriorated, they simply moved on to the next area, leaving other people in the future to take care of whatever they abandoned. Much of our resource and land use, and many of our urban landscapes, show the scars of such practices.

- **“Economism.”** Coined by economist and former Venezuelan President Carlos Andres Perez, this term refers to the use of economic criteria as the *only* criteria to justify decisions. It simply denies the existence of other domains of knowledge, including ethics, psychology, or sociology, or the relevance of their contributions or insights to the issue at hand.

One irony of Modernism’s reductionist tendencies is that while traditional economic theory (along with other conventional disciplines such as traditional medical practices and models) has endeavored to emulate the “hard sciences” such as Newtonian Physics, the physical sciences—e.g., quantum physics or thermodynamics or biology—are instead now heavily involved in debates about broadening to Trans-modern worldviews; looking beyond mere quantifiable data and traditional methodologies.

Reactions to Modernism

Another modernistic irony is that Economism and other forms of reductionist science are currently playing a nearly identical role to that formerly held by religious dogma when Modernism went to battle against the Late Medieval mindset. It was the reaction to what was considered the over-simplifications and excesses of the religion-dominated worldview that led to the development of the Modernist view. Today, it is reaction to the limitations of Modernism that has prompted more and more people to hunger for and embrace values excluded from, or repressed by, the Modernist viewpoint.

Consider for example, the reaction by the late Robert Kennedy to our system of national accounts, which does not account for the values held dear for increasing numbers of concerned or disenfranchised citizens. He said:

“The Gross National Product includes air pollution and advertising for cigarettes, and ambulances to clear our highways of carnage. It counts special locks for our doors, and jails for the people who break them. GNP includes the destruction of the redwoods and the death of Lake Superior. It grows with the production of napalm and nuclear warheads... and if GNP includes all this, there is much it does not comprehend. It does not allow for the health of our families, the quality of their education, or the joy of their play. It is indifferent to the decency of our factories and the safety of our streets alike. It does not include the beauty of our poetry or the strength of our

marriages, or the intelligence of our public debate or the integrity of our public officials... GNP measures neither our wit nor our courage, neither our wisdom nor our learning, neither our compassion nor our devotion to our country. It measures everything, in short, except that which makes life worthwhile.”

Nevertheless and unquestionably, Modernism has made notable contributions to humankind. Most contemporary sciences and technologies, the very idea of universal human rights, the principle of free speech, of representative democracy, of non-discrimination on the basis of sex, race, origin; each and every one of these important achievements and much else that has benefited humankind are all related directly to this worldview. But while liberating many from the constraints and injustices of former traditional societies, Modernism has nonetheless fallen short on its underlying intimation of inclusion, equality and betterment for all (see insert).

Modernism: Not Everyone's Worldview

“Modern civilization is built on the story of breaking out of the prison of definition by race, ethnicity, gender, sexuality, region of origin, religion, occupation, education... For those of us in the middle and upper classes, the prison-break story is true. Modernity finally liberated us from the traditional constraints, and many of us have been able to go wherever our dreams and talents led us. In the Western democracies, we are no longer compelled to believe in certain religious doctrines, obey priests and elders, or even belong to a church. We can speak out freely on virtually any issue that concerns us. We can travel almost anywhere we choose (if we can afford it). We can read or watch almost anything we wish. We can marry whoever will have us, and many of us can escape our class origin...

“But for those who are poor and poorly educated, the story is different. And it has been different for most women through most of modern history. The cornucopia of options that modernity provided has not been available to everyone equally, regardless of the prison-break story. But the story has been so compelling, and the dream of more has been so enticing, that most Westerners have ignored the disquieting side effects of Modern culture until recently.”²⁶⁴

Though Modernists remain America's single largest constituency, their values and viewpoints are being increasingly questioned today by a new and growing subculture, one which bears remarkable similarities to Gebser's Integrative Consciousness Structure, as explored next.

A FUNDAMENTAL SHIFT

Over the last 40 years there is a “new kid on the block,” with respect to worldviews. The values and perspectives are both distinct enough from Modernists and Traditionalists and similar enough to one another to define them as a new subculture, one that is rapidly growing; statistically speaking, this group did not even exist prior to the 1960’s.

A Shift to What?

But the question remains: what is it exactly that we are shifting to?

To better answer this let us look at some of the major social movements of American culture over the course of the 20th century:

- Emerson’s Transcendentalism.
- Early Feminism (the Suffragist movement).
- Civil rights and the peace movement.
- The hippie “flower children” of the 1960’s.
- The Greens.
- Alternative health care.
- Humanistic, Eco-Psychology and Transpersonal Psychology.
- The Homosexual Liberation movement (“Gay Lib”).
- Communitarianism.
- Contemporary women’s movements.
- The New Age.
- New Thought and New Spirituality movements.

The fact that the above movements may appear so specialized and fragmented results from the nature of Modernism itself. Modernism has tended to categorize all aspects of life in ever narrower and specialized slots. So it is not surprising that all these challenges take such specialized forms. Their relationships to one another and their greater significance have escaped our detection for so long, because practically all those involved in the above movements were initially Modernists themselves.

Nevertheless, an important relationship and underlying commonality does, in fact, exist. Each of the movements listed above attempts in its own way to integrate particular facets of the Yin values that have been repressed in the Modern world. What is common among these movements may lead us to a better understanding of the tide that

is propelling all of them together. Furthermore, many people who wouldn't normally identify with any of the movements mentioned above are incorporating Yin values in their own lives, which will be described next in the Integrative Culture.



“OK, on my signal we’re going to shift to post-modernist thinking.”

The Integrative Culture

Starting in the 1960's, a dramatic change began to take place, and has been growing ever since. An increasing number of people are expressing interest in such things as personal growth, spirituality, alternative forms of medicine and alternative life styles, they are voicing concerns for the deterioration of the community and ecological issues (separate from the interests of staunch environmentalists). There is a growing planetary awareness expressed by concerns for such issues as world hunger, AIDS, the plight of developing nations and the effects of globalization. This group desires better education for their children, better health care for their families, and proper care for the elderly. They are concerned about the rights of minorities, including women's issues (separate from the interests of extreme feminists).

There is among this subculture a growing disenchantment and mistrust of mainstream media, advertising, commercialism, and corporate and political leadership. There is a growing weariness of the old rhetoric, negative campaigning, lack of authenticity, and inattention to issues deemed important to this subculture. Quality of personal relationships is critical for them. They also tend to be better educated and informed than the society at large.

A Global Shift?

No detailed survey similar to that of Ray's and Anderson's has yet covered the entire globe, or even Europe. However, in September 1997, employing the same values questionnaire the European Union's monthly Euro-Barometer surveyed all its 15 member nations (800 interviews per country). The results mirrored the U.S. findings. At least as many Europeans as Americans are reported to adhere to similar values. Moreover, similar values and numbers seem to prevail in many nations around the world, and are as strongly felt in developing countries as in developed ones (see insert).

People's Opinions Ahead of Their Media

No fewer than 21 countries from around the world have a majority of their population choosing protection of the environment over economic growth. This includes fairly predictable places such as Denmark, Finland, Norway, Sweden, Germany, Switzerland, the Netherlands, Canada, and Great Britain. But it also includes less obvious nations such as Mexico, Brazil, Ireland, Uruguay, Chile, Korea, Poland, Japan, Russia, Portugal, and the United States.

A majority portion of the population in many nations claim that their country would be better governed if there were more women in political office. That this would be the case in the U.S.A, Canada, or Western Europe may not surprise many. But it is also the opinion in places like Thailand, India, and Colombia.²⁶⁵

Duane Elgin, an American social scientist, after gathering data from all around the world, concluded in his report to the State of the World Forum: "Considered together, trends do seem to indicate that a global paradigm shift is underway."²⁶⁶

Confirmation

It must be clearly stated that although each of the values and concerns listed above has been verified by at least one comprehensive survey mentioned earlier, all statistics cited above were gathered before the U.S. presidential elections of 2000, before the fall of Enron, prior to 9/11 and the war in Iraq, among other more recent events, all of which influence opinion in one way or another. Furthermore, statistical data can be interpreted (or misinterpreted) to suit a number of different perspectives and mindsets.

Detractors might argue that there is in fact no such burgeoning subculture or that its numbers are insignificant. Others will insist that more than half the world is now so inclined. In truth, trying to reduce such a multidimensional value shift to a few numbers is itself a Modernist approach. How can one accurately and fully determine how many people presently adhere wholly or partially to the values mentioned above?

However, we do know this. Entire industries have developed, catering to the desires and requirements of this subculture, from homeopathic medical companies to organic food chains, from a whole list of alternative magazines and best-selling books to tourist agencies, resorts, and catalogues devoted entirely to alternative and integrative life styles. A growing number of corporations offer stress reduction techniques, including meditation, to attract this more educated subculture as employees and are devoting considerable marketing dollars to try and appeal to this affluent population.

There may even be confirmation in the form of scientific proof. Researches at Princeton University are attempting, with some initial success, to actually measure collective human consciousness itself (see insert, next page).

Other Indicators

This shift toward new values is expressing itself in all areas of human endeavor. One such indicator is the shift away from the exclusive reliance of conventional medicine toward holistic medicine.²⁶⁷ In Europe, for example, the trend for physicians to include complementary medicine is “overwhelming” according to a Time magazine article: “Out of 88,000 practicing acupuncturists in Europe, 62,000 are medical doctors.”²⁶⁸ In Britain, 42% of all physicians now routinely make referrals to homeopaths. In France, one third of all family physicians prescribe homeopathic remedies, as do 20% of all German physicians. In most European pharmacies, there is now more shelf-space dedicated to herbal medicines than to pharmaceutical drugs. In Asia, traditional approaches, such as Ayurvedic medicine and acupuncture are growing in popularity as complements to Western Modernist techniques. Even in the U.S.A., customarily considered far behind Europe in this domain, there are now more visits to providers of unconventional therapy than to all primary care physicians.

Scientific Proof of Global Consciousness

Science may be on the verge of proving what the spiritual community has claimed all along about prayer and meditation: that group consciousness exists and it can show up on a worldwide scale. The events on September 11 provided the latest indications of this possibility, when devices around the world registered significant anomalies before, during, and for some time after the attacks.

As yet, scientists are not exactly sure what their results mean, but they do admit that something significant has occurred—and it has done so in similar circumstances before. The 38 devices—called “eggs”—are located around the world. These eggs generate random data continuously and send it for archiving and analysis to a special central location at Princeton University. They're known as Random Number Generators (RNGs). To use an analogy familiar to most people through trips to the doctor, the network is like an EEG for the planet.

The RNGs are the brainchild of scientists at Princeton University, who have been operating since the late 1990's on ongoing research called the Global Consciousness Project (GCP).

“The underlying motivation for this work,” reports the GCP's web site at www.noosphere.princeton.edu, “is to discover whether there is evidence for an anomalous interaction driving the eggs to non-random behavior. In a metaphoric sense, we are looking for evidence of a developing global consciousness that might perceive and react to events with deep meaning.”

On September 11, “The whole world reeled in disbelief and horror as the news of the terrorist attack and the unspeakable tragedy unfolded. The egg network registered an unmistakable and profound response. That morning, data that normally flows randomly suddenly began to register distinct concentrations in pattern, like a peak on a graph. Extreme deviations began before the first World Trade Center tower was hit and continued for nearly three days, to the end of September 13th. The anomalous trend began at about 4 A.M., EST on September 11.

“These patterns, where there should be none, look like reflections of our concentrated focus, as the riveting events drew us from our individual concerns and melded us into an extraordinary coherence. Maybe we became, briefly, a global consciousness. The RNGs have shown deviations from the norm on at least one other world event—the death of Princess Diana.”

John Astin of the Stanford University School of Medicine offers the following interpretation for such change in medicine: “Users of alternative health care are more likely to report having had a transformational experience that changed the way they saw the world... They find in [alternative therapies] an acknowledgment of the importance of treating illness within a larger context of spirituality and life meaning... The use of alternative care is part of a broader value orientation and set of cultural beliefs, one that embraces a holistic, spiritual orientation to life.”²⁶⁹ In other words, such change in the choice in medical treatments may well be seen as a maturation process within and a shift toward values espoused by this new subculture.

A Milestone for Humanity

In historical terms a new worldview is a very rare occurrence and as such, represents in and of itself a significant shift. Yet the advent of the Integrative Culture implies an even greater milestone for humanity. Unlike the old changing of the guard, with the replacement of the medieval religious mindset by Modernism, what we are now dealing with is more than a simple reaction to, and substitution of, one worldview by another. “The appearance of this integrative culture is about healing the old splits: between the inner and outer, spiritual and material, individual and society. The possibility of a new culture centers on reintegration of what has been fragmented by Modernism: self-integration and authenticity; integration with community and connection with others around the globe, not just at home; connection with nature and learning to integrate ecology and economy; and a synthesis of diverse views and traditions.”²⁷⁰

For the first time there is a convergence of three major developments with regard to our evolution: the reemergence of the Great Mother/Provider archetypal energy; the rebalancing of Yin and Yang energies with regard to all five major Human Archetypes; and finally, the integration of human consciousness within a greater cohesive whole that recognizes the contributions of all human consciousness structures.

The evolutionary shift from Modernist to Integrative values is of such significance that it can only be compared with the move toward reason in classical Greece, with one very significant difference: the current transformation is bound to be much faster. Greek rationalism took centuries to spread to other areas of the Mediterranean world,

and civilization then had to wait many more centuries still for the Renaissance and the Enlightenment to first start mainstreaming these concepts into everyday life and spreading them around the world. In contrast, as events in our world and societies demonstrate, the dynamic toward Integrative values is already happening—at the speed of a veritable tidal wave.

The Meaning of the Patriarchal Crisis

In the context of the birthing of this new Integrative subculture, current challenges and the events of these last 5,000 years may be seen from an entirely different perspective, one involving our evolution and archetypal integration.

Richard Tarnas has described the “patriarchal narrowing of the Western mindset over the past 5,000 years as the birth canal of the Great Mother.”²⁷¹ He claims that this entire evolution into a “dominator mode” was really the necessary passage and preparation for the Great Mother to return into full consciousness:

“I therefore would affirm those indispensable ideals expressed by the supporters of feminist, ecological, archaic, and other counter-cultural and multicultural perspectives. But I would also wish to affirm those who have valued and sustained the central Western tradition, for I believe that the tradition—the entire trajectory from the Greek epic poets and Hebrew prophets, the long intellectual and spiritual struggle from Socrates and Plato and Paul and Augustine and Galileo and Descartes and Kant and Freud—that this stupendous Western project should be seen as a necessary and noble part of a great dialectic, and not simply rejected as an imperialist-chauvinist plot. Not only has this tradition achieved that fundamental differentiation and autonomy of the human who alone could allow the possibility for such a larger synthesis, it has also painstakingly prepared the way for its own self-transcendence...

“Each perspective, masculine and feminine, is here both affirmed and transcended, recognized as part of a larger whole, for each polarity requires the other for its fulfillment. And their synthesis leads to something beyond itself; it brings an unexpected opening to a larger reality that cannot be grasped before it arrives, because this new reality is itself a creative act.

“But why has the pervasive masculinity of the Western intellectual and spiritual tradition suddenly become so apparent to us today, while it remained so invisible to almost every previous generation? I believe

this is occurring now because, as Hegel suggested, a civilization cannot become conscious of itself, cannot recognize its own significance, until it is so mature that it is approaching its own death.”²⁷²

No one can say for certain what all this portends for the future. It may take generations to fathom it intelligently. For humanity finds itself at the beginning of a new journey to a place it has never as yet traveled. What is certain is that this evolution of human consciousness brings with it a great hope and new potential (see insert).

Mind Change

“Imagine yourself a historian looking back from some time in the next century. What do you judge the most important thing that happened in the twentieth century...? My guess is that it will be something as quiet as a change of mind, a change of mind that is bubbling up out of the unconscious depths, spreading around the world, changing everything... Society will, only a few generations from now, be as different from modern industrial society as that is from a society of the Middle Ages.”

(Willis Harman)

“Every transformation... has rested upon deeper stirrings and intuitions whose rationalized expression takes the form of a new picture of the universe and the nature of man... We stand at the brink of an open world and of a self capable of playing its part in the larger sphere.”

(Lewis Mumford)

“Human consciousness, our mutual awareness, is going to make a quantum leap. Everything will change. You will never be the same.”

(Paul Williams)

Change & Depression

Change is inevitable. While many might welcome transformation, it should be noted that the process through which personal mutations occur is not necessarily in the form of a glorious linear breakthrough. In some cases, it initially takes the shape of a major personal crisis: a life-threatening disease, a near-death experience, loss of a loved one(s), a divorce, or bankruptcy. For communities and cultures it may require something similar to the above, but on a collective scale. The five mega-trends, the concerns we now have for, and the challenges now

facing our world, along with the daily suffering of so many of our fellow human beings, may be pointing to just such a collective crisis.

In this vein, archetypal psychologist James Hillman sees our contemporary epidemic of depression as part of the shadow work, as the necessary slowing down to enable integration of the soul. “Through depression we enter depths and in depths we find soul... The true revolution begins within the individual who can be true to his or her depression.”²⁷³

Working through depression is still the most frequent path to the revitalization of life’s purposes. However unintentional or undesired that may be at the conscious level, it seems to bring many people to start on this arduous growth path. Therefore, even the declaration of depression as a national epidemic by the U.S. National Institute of Health may be seen as one more sign of this multi-form societal transformation process (see insert).

Depression—Soul Epidemic of the 21st Century?

According to Dr. Christopher Murray, head epidemiologist of the World Health Organization, major depression will be the second most debilitating disease worldwide by 2020, just after cardiovascular diseases. There is now a \$7 billion worldwide market for anti-depressants, expected to expand by 50% over the next five years.²⁷⁴ In addition, many people sink into alcoholism or drug addiction instead. Fifteen percent of severely depressed patients kill themselves; two-thirds of the sufferers contemplate suicide.

Today already, 1 out of 20 adults suffers from a clinical depression in the United States., 1 out of 10 in Germany and Canada, 1 out of 8 in New Zealand and Italy, 1 out of 6 in France, and 1 out of 5 in Lebanon and Russia. It is the most unsung source of suffering in the world. It is a disease of the soul and chemicals alone cannot heal it.

Our rediscovery of the importance and prevalence of all kinds of psychosomatic diseases carries the same collective message. The Greeks described them as a consequence of separating the psyche (“spirit”) from the soma (“body”). The mind-body connection relevant in chronic diseases offers further evidence of this relationship.

There may even be a deeper reason for our malaise, a kind of collective knowing that exists within us of how things might be, in

contrast to how things are. There is even a word for this: *Weltschmerz* (VELT-shmairts/noun)—a mental depression or apathy caused by comparison of the actual state of the world to an ideal state. And if the word exists, there must be at least a few of us harboring such feelings.

FUTURE IMPLICATIONS

Humanity now finds itself at a truly unique crossroads. Never before have we been faced with issues of such enormity and complexity. Yet never before has there been such knowledge and powerful tools by which to address our issues. There now exists the very real possibility for the voyage ahead to become a win-win proposition for all, unlike most historic transitions, which have proven tragic win-lose situations (e.g., from Indo-European ethnic cleansing to the bloody Roman persecutions of Christian martyrs, to the Church's persecution of heretics, and so on). Could this next mutation not be more peaceful?

It is increasingly apparent that the next civilization has already begun to take root for a significant portion of our population. It has been peaceful to the point of being barely noticed. Its value system is integrative; by its very definition, this emerging worldview is about expanding consciousness to include, rather than exclude, as many viewpoints as possible. It could well provide the space whereby each subculture can contribute its own unique gifts to the whole:

- For Traditionalists, the gifts of standing up for one's values, and the contribution of past wisdom for a better future.
- For Modernists, the gifts of innovations and true universality.
- For Integratives, the gifts of sustainability and community.

Most importantly the Integrative Culture offers the hope of forging ahead in wholeness, with all our archetypal energy intact, seeing more clearly, more consciously who we are, our place and purpose in this world, and the path that lies before us (see insert).

Money and Wealth

The word wealth originates from two roots, *weal* and *th*.

weal (wel) n., prosperity, happiness, well-being, the welfare of the community, the general good; from Old English, *wela*, well being, riches; and from Latin *wel*, v., to wish, to will, volition (the power to choose).

th, the condition of.

There is no absolute definition of wealth. Like so many other things in our world, it is a subjective concept, defined by our own values, our own perspectives, and the Zeitgeist in which we live. In the Agrarian age, wealth was defined by one's land holdings or livestock. To those living in the Central Middle Ages it may have been defined by the beauty or dimensions of their cathedrals. In the Industrialized Modern age, it was often a measure of one's financial holdings, influence, and power over others. To a Balinese, it may be defined by his or her standing in the community, or by the quality of their bonds with their deities and ancestors.

Using Both Eyes

The Yin-Yang way of looking at reality is not about competing ways to relate and interpret reality, no more than your right eye competes with the left one. Instead, because of their differences, together they provide you with range and depth of vision, something which neither one can do by itself.

For the past millennia, humanity has tended to impart legitimacy to the vision contributed by only the male half of its "eyes." We have thereby projected a hierarchical duality on concepts such as active/passive, creative/receptive, culture/nature, mind/senses, spirit/matter; claiming the former to be somehow "superior" to the latter. What matters here is not to deny the qualities inherent in the masculine viewpoint, but to empower the feminine to an equal level. A shift in consciousness toward giving equal emphasis on both views is about more than fairness; it may be the key to provide a synergistic impulse toward the sustainability of our species.

"The feminine and the masculine are not objects, not things, not simply biological bodies we are attempting to unite, but rather complex, archetypal organizations of consciousness... What is needed is recognition of the synergy between these polar opposites. Synergy is evident everywhere in nature, and is an important source of causation in the ongoing evolutionary process. Since the relationship between male and female is fundamentally synergistic, it is essential that we rethink and recreate our cultural and symbolic understanding of the feminine and its relationship to the masculine to increase the possibility that the human species will co-create an evolutionary change that is advantageous to the entire biosphere. If we do not, we are in danger of bringing about our own extinction."²⁷⁵

An integrative definition of wealth might be the desire, the power, and the will to effect a condition of well-being for ourselves, our loved ones, and for the general welfare of the greater community of humankind and the world in which we live. For a growing number of people from around the world, it may be reflected by the following expression: “That country is the richest which nourishes the greatest number of noble and happy human beings; that man is richest who, having perfected the functions of his own life to the utmost, has also the widest helpful influence, both personal, and by means of his possessions, over the lives of others.” (John Ruskin, *Unto This Last* **YEAR**).

To this end, to the common well-being of all humanity and to the welfare of the world we inhabit, we therefore propose “Cathedrals” for the 21st century; projects such as:

- Ecological clean-up and sustainability implementation.
- Climate change mitigation.
- Urban restoration.
- Improving literacy levels globally.
- Feeding, clothing, sheltering, educating, and inspiring billions of humans.
- Ensuring decent care for the growing percentage of elderly in our societies.
- Providing learning and creative opportunities for all.

Work versus Jobs

As long as the need for such “cathedrals” exists, there should be no doubt that there is enough meaningful work for everyone on the planet, not just for this generation, but for many generations to come. Yet under the existing Yang paradigm, finding the money to pay for it all, transforming this needed work into conventional paying jobs, is another matter.

So long as there remains a scarcity of money, boom and bust periods in the business cycle, or significant numbers of people and indeed entire nations that are deemed unworthy of credit, in essence, as long as there remains a monopoly of interest-bearing, bank debt national currencies that reinforce the Yang bias in our world, there will always remain a shortage of money, fear of scarcity, and greed, and there will be ample, hyper-rational explanations for the continued

suffering, disenfranchisement, injustice and destruction we are now experiencing in our world. And those paying jobs that are made available and the salaries that are offered will continue to be skewed in favor of that Yang bias.

Our world can no longer afford such conditions. Neither can we any longer readily plead innocent on the grounds of ignorance to what is going on, with the mysteries of our monetary system unveiled. And no longer can we easily justify not doing something to rectify such conditions when there are tools and solutions that benefit us all. We are being called upon by the very circumstances that now confront us to face our own shadows as individuals, communities, and as a species.

As the saying goes: “If not us, who? If not now, when?” And with solutions that have demonstrated themselves time and again to burden no one and are instead of benefit to us all, “*why, oh why, not?*”

Back to Money

The underlying dynamics of money has remained mostly invisible to the conscious Western mind. Money is to a civilization as the DNA code is to a species. It replicates structures and behavior patterns that remain active across time and space for generations. It informs billions of individual and collective decisions, big and small, of investing and consuming every day.

Our conventional bank debt national money, like all of economic theory and most of Western thinking, has been designed from a monopoly of legitimacy for a Yang perspective. Until now, independently of whether one is a man or a woman, a “macho” way of thinking is often needed to succeed in economic life.

Achieving a world in which we may all meet our basic needs and live with dignity and in balance with the world about us will require giving equal weight to a Yin perspective on money systems and economics. It is not that the Yang perspective is “wrong” in itself. On the contrary, it is an indispensable ingredient. But problems arise when its shadow wants to impose a monopoly on interpreting and directing human activity.

We now have in our possession readily available tools by which to resolve many of the most pressing problems facing our communities and our planet. These monetary innovations hurt no one; they do not

require the re-distribution of wealth or the reallocation of scarce resources that are needed elsewhere. Instead they link unmet needs with unused resources, including human resources, the talents and capabilities that we have within us to each contribute to a better future for the benefit of all.

If Curitiba, Brazil, a city overwhelmed by poverty and garbage, in a nation with few resources to assist it, was able to transform its abysmal conditions in less than one generation with simple monetary mechanisms, imagine what is possible for communities, cities and nations of the developed world. Imagine...

In the end, Human Wealth may well be defined by the realization of who we truly are, and expressed by the manner in which we think of and use this extraordinary human invention, money.

*Our money is our mirror
It can reflect more than our shadows
It can reflect our soul
And it is there that resides a wealth
Waiting, waiting, ever so patiently...*

APPENDICES

APPENDIX A: GLOSSARY OF TERMS

Archetype—a recurrent image that patterns human emotions and behavior, which can be observed across time and cultures. Archetypal Psychology was pioneered by Carl Gustav Jung and further developed by scholars such as Erich Neumann, Joseph Campbell, Jolande Jacobi, Edward Edinger, Christine Downing, and Jean Shinoda Bolen. James Hillman has formally founded a school of Archetypal Psychology.

Bank of International Settlements (BIS)—a private organization located in Basel, Switzerland, owned by the 11 key central banks, and Switzerland. Initially designed as a clearinghouse for transactions among central banks, it has evolved into a meeting ground for central banks and a monetary system research center.

Baker Plan—a plan by former U.S. Treasury Secretary James Baker under which 16 principal middle-income debtor countries would undertake growth-oriented structural reforms, to be supported by increased financing from the World Bank and continued lending from commercial banks.

Barter—the direct exchange of goods or services un-mediated by any type of currency.

Booms and Busts—a recurrent cycle of growth, bust, recession, and recovery in the economic activity of a capitalist country. There have been 47 major asset boom/bust cycles since 1637, the last two being the Japanese real-estate bubble, and the U.S. high-tech stock market bubble that crashed respectively in 1990 and 2000. For an explanation of the mechanism behind boom/bust cycles and their relationship to money systems, see B. Lietaer, *Mysterium Geld* (Munich: Riemann Verlag, 2000), Chapter 5.

Bretton Woods Agreement—the major world powers met in Bretton Woods, New Hampshire in 1944 to organize an international monetary system that would alleviate foreign-exchange problems created by World War II. The result was the Bretton Woods Agreement, the first global monetary constitution. The World Bank and International Monetary Fund (IMF) were established there. The participating nations agreed to tie the values of their currencies to the value of the U.S. dollar.

Business Cycle—a term used in economics to designate cyclical changes in the economy. Ever since the Industrial Revolution, the level of business activity in industrialized countries has veered from high to low and back up again. The timing of a cycle is not predictable, but its phases seem to be. Many economists cite four phases: prosperity,

liquidation, recession or depression, and recovery; using the terms originally developed by the American economist Wesley Mitchell.

Capital—in its narrow financial sense, capital is a sum of money from which an income can be derived. The two most traditional means for such income is interest (in the case of loans) and dividends (in the case of stocks). In broader terms, capital is a resource that enhances life, of which several types can be distinguished: financial capital, physical capital (e.g., plants, equipment), intellectual capital (e.g., patents, copyrights), social capital (e.g., relationships) and natural capital (Mother Nature).

Central Bank—a financial institution, for example, the U.S. Federal Reserve Bank, whose function is to regulate state fiscal and monetary activities. It is responsible for the issue of bills and for controlling the flow of currency.

Chaordic—a term coined by Dee Hock, founder of Visa. It comprises a combination of chaos and order: a natural characteristic of living systems that produces synergy, growth and change.

Clearing House—a central collection place where institutions and individuals exchange checks, drafts and currencies. Participants maintain an account with the Clearing House against which credits or debits are posted.

Commodity-Backed Currency—a currency whose value is guaranteed by the physical availability of the commodity that backs the currency. The owner of a backed currency can normally ask for delivery of the physical good or service in exchange for the currency. Backed currency is typically issued by whoever owns the product or service accepted as backing (e.g., the 19th century gold standard backed by gold).

Complementary Currency—an agreement within a community to create its own currency to link unmet needs with unused resources. These currencies do not replace but rather supplement (i.e., complement) the national monetary system and provide greater functionality to money.

Countertrade—barter at the corporate, multinational level.

Currency—synonymous with money, but emphasizing the medium of exchange function of money.

Currency Crisis—a dramatic and sudden change of value of a country's currency relative to other currencies, typically accompanied by a swift increase of the flow of capital in or out of the country.

Demurrage Charge—a time-related charge on money. It acts in a manner similar to a rental fee, which increases the longer it is held onto. For example, a 5% annual demurrage charge on \$100 incurs a \$5 fee, leaving a remainder of \$95. The demurrage feature yields two profound effects, namely: It promotes a currency's circulation as a trading device; and it encourages long-term thinking.

Deregulation—dismantling of legal and governmental restrictions on the operation of certain businesses. When governments want to encourage competition and make economies more productive, they often deregulate, removing restrictions on companies' behavior. After deregulation, companies (e.g., airlines, telephone service providers) may make their own decisions on prices and markets, regardless of the effect on consumers.

Derivatives—a financial instrument that enables the segmentation of different types of risk. The main derivatives types are futures (contracted in a regulated exchange), forwards (contracted in the unregulated "over the counter" market) and options. Exotic derivatives are complex combinations of simpler derivatives (e.g., forwards and options).

Development Banks—multilateral banks that lend money toward or invest in the economic development* of countries. The World Bank* (officially called the International Bank for Reconstruction and Development) and regional banks such as the European Bank for Reconstruction and Development (EBRD), and the Asian Development Bank (ADB) are such institutions.

Discounted Cash Flow—calculates the value of a future cash flow in terms of an equivalent value today. For instance, \$100 a year from now is equivalent to \$90.91 today if one uses a discount rate of 10% (conversely, a one-year, risk-free investment of \$90.91 at a rate of 10% will yield \$100).

Dollar-Gold Equivalence Standard—a guarantee of the convertibility of U.S. dollars into gold on demand. This was established at the fixed rate of \$35 per ounce by the Bretton Woods Agreement (1944),* but abandoned by the Nixon administration (1971).

Economic Development—the promotion of more intensive and more advanced economic activity through education, improved tools and techniques, increased financing, better transportation facilities, and creation of new businesses.

Elderplan—a New York-based health insurance company that accepts part of its premiums for elders in Time Dollars, a mutual credit complementary currency. Web site: www.elderplan.org

Emerging Markets—nations whose economies are transitioning or have recently transitioned from heavy state control to economic policies that are more market-oriented.

Equanomics—an expansion of conventional economic theory to encompass all relevant criteria in the assessment and realization of a more functional and integrated science concerned with the production and distribution of wealth. It formally takes into account what conventional economics considers as “externalities,” e.g., social, ecological, psychological or political effects of economic policies.

Euro—the European supra-national monetary unit, implemented on Jan 1, 2002. It officially replaced the national currencies of twelve member states of the European Union, namely: Belgium, Germany, Greece, Spain, France, Ireland, Italy, Luxembourg, The Netherlands, Austria, Portugal and Finland.

Exchange Rates—the value of currencies worldwide is provided by exchange rates that determine what each currency is worth in terms of other currencies. Just like any other commodity, a currency is now worth whatever people will pay for it. A Norwegian krone, for example, is worth a given amount of euros, dollars or yen.

Favelas—Brazilian Portuguese for slums; a collection of impoverished dwellings made from discarded materials like cardboard boxes, scrap metal, wood and plastics.

Fiat Money—money that is created by the power of an authority. *Fiat Lux* (“Let light be”) were the first words that God pronounced, according to Genesis. Fiat money is money created out of nothing (“*ex nihilo*”) by the power of the word of an authority and is not backed by goods or services. All national currencies today are fiat currencies.

Financial Deregulation—the reduction of government's role in controlling financial markets; relying on market forces to function without governmental intervention.

Fixed Exchange Rate—rate fixed by an authority at which one currency can be exchanged against another.

Floating Exchanges—the flexible exchange rate system in which the exchange rate is determined by the market forces of supply and demand without governmental intervention.

Gender—the cultural interpretation of sexual differences that results in categorization of individuals, artifacts, or standardized behavior patterns. Not to be confused with sex, which is a biological condition.

Gift Economy—economy in which the exchange of gifts plays the key social role. Anthropological research has shown a direct relationship between gift exchanges and community building. The Latin origin of the word community itself shows this connection: *cum* (together, among each other); and *munere* (to give); hence community, “to give among each other.”

Globalization—integration of the world’s culture, economy, and infrastructure, driven by the lowering of political barriers to transnational trade and investment, and by the rapid proliferation of communication and information technologies. The term is often used in reference to the substantial impact of free-market forces on local, regional and national economies.

Gold Standard—in economics, the monetary system wherein all forms of legal tender may be converted on demand into fixed quantities of fine gold, as defined by law; having three principal aims: to facilitate the settlement of international commercial and financial transactions; to establish stability in foreign exchange rates; to maintain domestic monetary stability.

Gross Domestic Product (GDP)—the total value of all goods and services produced within a country in a year, minus the net income from investments in other countries.

Gross National Product (GNP)—the total annual flow of goods and services in monetary value in the economy of a nation. The GNP is normally measured by totaling all personal spending, government spending, and investment spending by a nation’s industry. GNP can also be calculated by the earnings and cost approach of accounting, in which all forms of wages and income (e.g., corporate profits, net interest returns, rent, indirect business taxes, unincorporated income) are added together.

Hedge Funds—only remotely related to the practice of hedging, hedge funds borrow money to make speculative investments, usually in areas from which more conservative investors shy away.

Human Wealth—the assets and capital inherent in the spirit, creative genius and unbounded potential of the ever-evolving human species.

Inflation—depreciation over time of the value of a currency in terms of a reference basket of goods and services. An excess of fiat money* supply will tend to create inflation.

Interest—time-related income for the owner of a currency, or time-related cost for the borrower of a currency. Interest is one of the ingredients in the Discounted Cash Flow.

International Monetary Fund (IMF)—international organization, established at the Bretton Woods Conference in 1944, which aims to promote international monetary cooperation, currency stabilization and expansion of international trade. Based in Washington, D.C., with 183 member nations, the United States is the only country with veto power. Web site: www.imf.org

Legal Tender—a currency that is recognized as acceptable payment for all debts, public and private. A debt can be declared void if repayment in legal tender is refused.

LETS—acronym for Local Exchange Trading System. This is the most popular form of mutual credit* system in the world.

Loyalty Currency—a complementary currency aimed at encouraging commercial loyalty of customers to a particular company or group of companies.

Matriarchal—a society in which the official governance system excludes men from power. It appears that this is a mythical form of society for which no archeological or historical evidence has been found (e.g., the Amazon society imagined by Greek mythology).

Matrifocal—a society whose social reward system and mythology honors the feminine as well as the masculine. In contrast with Matriarchal societies, there are many examples of Matrifocal societies.

Means of Payment vs. Medium of Exchange—“means of payment” is a function broader than, but including, the function of “medium of exchange”. Jonathan Williams showed that only in Western civilization has the entire focus of money been as a medium of exchange for commercial transactions. Most other civilizations used money for community-building, ritual purposes, as well as commercial exchanges.

Money—synonymous with currency or means of payment. A working definition is “an agreement within a community to use something as a medium of exchange.”

Multinational Corporation—a large company that operates or has investments in several different countries.

Mutual Credit—process of creating money by a simultaneous debit and credit between participants in the transaction. Examples of mutual credit systems include LETS and Time Dollars. The principle advantage of mutual credit systems is that they are self-regulated to always have currency available in sufficiency.

OECD—acronym for the Organization of Economic Cooperation and Development, based in Paris, France; an international organization

helping governments of the “developed” or First World tackle the economic, social and governance challenges of a globalized economy. Web site: www.oecd.org

Payment system—procedure and infrastructure by which the transfer of a currency is executed from one entity (or person) to another.

Patriarchy—the “manifestation and institutionalization of male dominance over women and children in the family, and by extension in the society. It implies that men hold power in all the important institutions in society and that women are deprived of access to such power.” (Gerda Lerner, *The Origins of Patriarchy*, 239).

Scarce—in insufficient quantity. In all national currencies, bank debt money keeps value only by its scarcity compared to its usefulness. The polarity of scarcity is not over-abundance, but sufficiency. For instance, in a mutual credit system* there is always sufficiency of money as participants create it among themselves as a debit and credit at the moment of a transaction.

Scrip—private currency initially issued in the form of a paper IOU by a corporation or individual. For example, frequent-flyer miles are evolving from a simple loyalty currency* to a corporate scrip issued by airlines.

Shadow—manifestation of an archetype when it is repressed. It can be repressed individually and create an individual shadow; or collectively when it creates a collective shadow. It is always characterized by a permanently embodied fear.

Stock—a fraction of ownership in a business. Stock markets are the regulated exchanges for stocks of companies listed in a particular exchange.

Speciation—the evolutionary formation of new biological species, usually by the division of a single species into two or more genetically distinct ones.

Terra Trade Reference Currency™ (Terra TRC™)—a new, privately issued, complementary currency* designed to systematically stabilize the effects on the business cycle and re-align financial interests with long-term sustainability. This internet-based trade reference currency will be fully backed by a dozen or so of the most important commodities and services in international trade, thereby providing, for the first time since the gold-standard days, an international standard of value that is inflation-resistant. Its unit of account is the Terra TRC. It has a built-in circulation incentive via its demurrage* feature. As a complementary currency, it will work in parallel with national currencies. Web site: www.terratrc.org.

Time Dollar—a mutual credit system with ‘hours of services’ as the unit of account.

Usury—the practice of lending money and charging the borrower interest. Before the 19th century, any interest was considered usury; today one refers to usury typically when interest is at an exorbitant or illegally high rate.

World Bank (WB)—a specialized United Nations agency, established at the Bretton Woods Conference in 1944. The chief objectives of the bank, as stated in its articles of agreement, are “to assist in the reconstruction and development of territories of members by facilitating the investment of capital for productive purposes [and] to promote private foreign investment by means of guarantees or participation in loans [and] to supplement private investment by providing, on suitable conditions, finance for productive purposes out of its own capital.” Web site: www.worldbank.org

World Trade Organization (WTO)—an international body that promotes and enforces the provisions of trade laws and regulations; established in 1994 to replace the General Agreement on Tariffs and Trade (GATT). Web site: www.wto.org

Yin-Yang—the Taoist concept of relationship between polarities.

Yang Currency; Yang Economy—a Yang currency is one whose issuance is based on hierarchy, encourages accumulation in the form of currency, and tends to generate competition among its participants. All conventional national currencies are Yang currencies, as they exhibit each one of these Yang features. The Yang economy tends to build financial capital.

Yin Currency; Yin Economy—a Yin currency is one whose issuance is based on egalitarianism, discourages accumulation, and encourages cooperation among its users. Well-designed complementary currencies will tend to activate a cooperative “Yin economy.” The Yin economy tends to build social capital.

Zaibatsu—a conglomerate of Japanese companies, which may number into the hundreds.

APPENDIX B—THE ACCESS FOUNDATION

The ACCESS Foundation is an educational, non-profit organization dedicated to the betterment of humankind through the understanding and use of complementary monetary innovations. ACCESS is an acronym for the *Alliance of Complementary Currencies Empowering Sustainable Societies*.

Objectives and Mission

The mission of The ACCESS Foundation is to provide a greater understanding of our money, its influence and impact upon society, and to offer monetary initiatives that foster a comprehensive global revitalization.

The specific objectives of the Foundation are two-fold:

- To promote a broad-based understanding of both traditional and complementary currency systems—their origins, influence, and causal relationships with the entrenched social concerns facing the world today—and to examine the extraordinary options that become available with a greater understanding of money and new monetary agreements;
- To implement strategic complementary currency initiatives aimed at addressing specific limitations inherent in our traditional global monetary system—and to enhance the functionality and usage of both traditional and complementary currencies.

Statement of Purpose

The ACCESS Foundation will implement a comprehensive series of strategic initiatives designed to promote greater understanding of the implications of our current monetary system. These monetary innovations will address the variety of pressing social and environmental problems of today. Additionally, these new money strategies, rather than redistributing existing wealth, will create new resources and new wealth for those-in-need and for the world-at-large.

The Foundation's Initiatives include:

- Complementary Currency Initiatives.
- Information Campaigns.
- Research Projects.

Complementary Currency Initiatives

The two main monetary initiatives are: (1). The Terra Trade Reference Currency™ Initiative, otherwise known as the Terra TRC™, described in detail in Chapter 10; and (2). the Local Complementary Currency Initiative, designed to assist local complementary currency programs worldwide .

The Terra TRC™ Initiative

A Trade Reference Currency (TRC™) promoted by the Foundation, is designed to provide several important macro-economic benefits:

- Realignment of financial interests with longer-term concerns, making business strategies that focus on sustainability more profitable.
- Improvement of the overall stability of the world's economy.
- Provision of a robust international standard of value.
- Establishment of a counter-balancing mechanism within the traditional economic cycle.

The Local Complementary Currency Initiative

The Local Complementary Currency Initiative is designed to provide strategic support for, and to greatly enhance the functionality of, local complementary currency movement worldwide. This initiative includes, but is not limited to, the following types of activities:

- Provide tools and information that encourage innovation among complementary currencies, helping local communities create, improve and manage their currency systems.
- Organize an on-going complementary currency public awareness campaign that targets both the general public and key influencers, including governmental entities at local, state, federal and international levels, NGO's and non-profit organizations, financial/banking institutions and the local and international business community.

Information Campaigns

To disseminate a broad and comprehensive array of information about new monetary innovations through diverse outlets: print media, Internet, radio and television, workshops and conferences.

Future Scholarly Undertakings

In addition to the primary initiatives listed above, the Foundation will undertake two long-term scholarly efforts: the Equanomics* Alliance and the Institute for Matrifocal Economics.

The Equanomics Alliance

This think-tank spans a wide spectrum of disciplines and will develop mechanisms and strategies to bring sustainability and sufficiency through complementary currency systems. These models will remain beyond traditional economic parameters, creating measures that quantify social and human wealth.

The Institute for Matrifocal Economics

Recent scholarship has identified unique matrifocal civilizations; societies that made concerted efforts at honoring both feminine and masculine principles and values within their cultures. Of particular interest are the monetary systems and economic success that accompanied such societies, which have specific bearing upon the work and claims of the ACCESS Foundation.

The Institute for Matrifocal Economics (IME) will examine archeological findings from these societies, analyzing information about their monetary systems and economies. The knowledge gained will have special relevance for the current monetary environment.

For more information on the Access Foundation, please visit their Web site: www.accessfoundation.org

RECOMMENDED READING

The following list is not a bibliography; the endnotes throughout the book are replete with cited works in support and in further explanation of the text. The list of authors and books cited below are an eclectic collection of personal favorites that the authors have found useful and meaningful, as well as being relevant to the topics explored in this volume. The list is organized alphabetically by authors.

David Boyle

The Money Changers

Funny Money

Barbara Brandt

Whole Life Economics

Edgar Cahn

No More Throwaway People

Time Dollars (with Jonathan Rowe)

Jim Collins

Good To Great

Richard Douthwaite

Short Circuit

The Ecology of Money

Andrew Harvey

The Divine Feminine

The Direct Path

Hazel Henderson

Beyond Globalization

Building a Win-Win World

Allan Hunt Baliner

(Editor of Collection of Essays by various authors)

Mindfulness in the Marketplace

Mark Gerzon

Leaders Without Borders

A House Divided

Thomas H. Greco

Money: Understanding & Creating Alternatives to Legal Tender

William Greider

One World, Ready or Not

The Trouble with Money

Kimberly Kassner

You're a Genius and I Can Prove it!

Margrit Kennedy with Declan Kennedy

Regional Currencies (working title, available 2004, with B. Lietaer)

Interest and Inflation Free Money

David C. Korten

When Corporations Rule the World

The Post-Corporate World

Gerda Lerner

The Origins of Patriarchy

Moses Maimonides

Guide for the Perplexed

Theodore J. Mallon

Masterful Philanthropy

William Manchester

A World Lit Only by Fire

Barbara Marx Hubbard

Conscious Evolution

John Naisbitt

Megatrends

Jacob Needleman

Money and the Meaning of Life

Paul Ray and Sherry Anderson

The Cultural Creatives

Feminine Face of God (Anderson)

Elisabet Sahtouris

GAIA: The Human Journey from Chaos to Cosmos

Georg Simmel

Philosophy of Money

David Suzuki and Keibo Oiwa

The Other Japan

Lynne Twist

The Soul of Money

Ken Wilber

A Theory of Everything

Muhammad Yunus

Banker to the Poor

ENDNOTES

1. Dr. Andrew Dlugolecki, director of the CGNU, sixth largest insurance company in the world, in his report to the 6th Conference of Parties (COP 6) at the UN Framework Convention on Climate Change (November 23, 2000). See full text on <http://ens.lycos.com/ens/nov2000/2000L-11-24-11.html>.
2. BBC. World Report (August 24, 1998).
3. W. Greider, *One World: Ready or Not* (New York: Simon and Schuster, 1997).
4. Jeremy Rifkin, "After Work," *Utne Reader* (May-June 1995) 54.
5. "Executive Pay Special Report," *Business Week* (April 9, 2001).
6. J. Sacks, *The Dignity of the Difference* (London, New York: Continuum, 2003) 107.
7. E.N. Wolff, "Recent Trends in Wealth Ownership," a paper for the conference on "Benefits and Mechanisms for Spreading Asset Ownership in the United States," (New York: N.Y. University, December 10-12, 1998).
8. D. Boyle, "The New Alchemists," *Resurgence Magazine* (January, 1999).
9. J. Sacks, *The Dignity of the Difference* (London, New York: Continuum, 2003) 107.
10. S. Claessens, S. Djankov, L.H. Lang, "Who Controls East Asian Corporations?" (Washington, D.C.: The World Bank, 1999).
11. S. Claessens, S. Djankov, L.H. Lang, *Ibid.*
12. J. Sacks, *The Dignity of the Difference* (London, New York: Continuum, 2003). 106.
13. The Organization for Economic Cooperation and Development (OECD), based in Paris, is an association of the most developed countries in the world.
14. This data dates to April 2001, the latest tri-annual survey by the BIS, and corresponds to the so-called "traditional foreign exchange markets." It doesn't include derivatives, estimated at another 1.4 trillion for the same date.
15. These statistics are derived from the total daily foreign exchange transactions as reported every three years by the BIS, and compared to Global Annual Trade divided by the number of days.
16. Quoted from *The New York Times* (September 6, 1998) 4.
17. W. Greider, *The Secrets of the Temple* (New York: Touchstone Books, 1987) 240.
18. Glynn Davies, *A History of Money from Ancient Times to the Present day* (Cardiff: University of Wales Press, 1994) 27.
19. C. Handy, *The Empty Raincoat* (London: Arrow Business Books, 1995) 108.
20. A detailed description of this process is provided in *The Future of Money* (Chapter 2 and Primer).
21. Jackson and McConnell. *Economics* (Sydney: McGraw Hill, 1988).
22. P. Thuillier, "Darwin chez les Samourai" in *La Recherche* No. 181 (Paris, 1986) 1276-1280.
23. E. Sahtouris, *Earth Dance: Living Systems in Evolution* (Alameda: Metalog Books, 1996).

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24. This calculation assumes the price of gold at \$300 per ounce (a generous price in 2001-2002), or about \$9,375 per kilo. The weight or mass of the earth is 5,973 kilos followed by 21 zeros. The value of Joseph's investment at 4% at the year of the American independence would have been \$29,692 million trillion, or \$29,692 followed by 24 zeros.
 25. M. Kennedy, *Interest and Inflation Free Money* (Okemos: Sava International, 1995) 26.
 26. Collective psychology was further developed by scholars such as Erich Neumann, Joseph Campbell, Jolande Jacobi, Christine Downing, Jean Shinoda Bolen and James Hillman.
 27. C.G. Jung et al., *Man and his Symbols* (London: Picador, 1978) 101.
 28. C.G. Jung, *Collected Works Vol. 8: The Structure of the Psyche* (1927) 342.
 29. More conventional definitions include: "a negative ego-personality that includes all those qualities that we find painful or regrettable" (C.G. Jung, *Collected Works Vol. 12: Psychology and Alchemy*, 177, in notes. A clinical definition of the Shadow is "an autonomous complex, often resulting from a childhood trauma, of an aspect of ourselves that we do not accept."
 30. Jung developed this idea as the necessary integration of the animus (masculine energy, which is conscious in man and unconscious in women) and anima (feminine energy, which is conscious in women and unconscious in man). Individuation is defined as the full integration of both energies in every human.
 31. Moore and Gillette developed their quaternio map in five books, one for each archetype, and one presenting a synthesis of their approach. They are: *King, Warrior, Magician, Lover* (San Francisco: Harper Collins, 1991); *The King Within* (New York: William Morrow, 1991); *The Warrior Within* (New York, William Morrow, 1992); *The Lover Within* (New York: Avon Books, 1993); and *The Magician Within* (New York, Avon Books, 1993). A number of modifications have been made to make these archetypes more gender balanced and relevant to our purpose. For instance, the Sovereign (Queen + King) is used in *Of Human Wealth* instead of the King.
 32. The theory of the hunt is the traditional anthropological interpretation, the one of being hunted is more recently developed in B. Ehrenreich, *Blood Rites: Origins and History of the Passions of War* (New York: Metropolitan Books, 1997).
 33. For a thought provoking inventory, see Anne Wilson Schaef: *When Society becomes an Addict* (San Francisco: Harper and Row, 1987).
 34. Joseph Campbell, *Myths to Live By* 13.
 35. E.R. Dodds, *The Greeks and the Irrational* (Berkeley: University of California Press, 1951) 104.
 36. C.G. Jung, et al., *Man and his Symbols* (London: Picador, 1978) 83.
 37. Marilyn Yalom *A History of the Breast* (New York, Alfred Knopf) 9.
 38. See A. Baring, and J. Cashford. *The Myth of the Goddess: Evolution of an Image* (London: Arkana, Penguin Books, 1993) and E. Cadon, *The Once and Future Goddess* (Harper and Row, 1990).

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39. C.S. Barnes, "The Great Goddess Debate" in *The Salt Journal: Reconstructing Meaning* Vol. 2, No. 3 (March-April 2000) 6.
 40. M. Gimbutas, *The Language of the Goddess* (Thames and Hudson, 1989) 321.
 41. Starhawk, *The Spiral Dance*.
 42. This title is borrowed from the section on Cattle currency in Glynn Davies, *A History of Money from Ancient Times to the Present Day* (Cardiff: University of Wales Press, 1994).
 43. G. Ifrah, *Histoire Universelle des Chiffres* (Paris: Robert Laffont, 1995) 180.
 44. N. Farson, *Behind God's Back* (London, 1940) 264.
 45. From the same origin comes the term "capital punishment" referring to execution by severing the head.
 46. T. Jacobsen, *The Treasures of Darkness: A History of Mesopotamian Religion*, 138.
 47. Glynn Davies, *A History of Money from Ancient Times to the Present Day* (Cardiff: University of Wales Press, 1994) 35.
 48. J. Chevalier, and A. Gheerbrant, *Dictionnaire des Symboles* (Paris: Robert Laffont 1982) 283.
 49. Monaghan, *The Book of Goddesses and Heroines* (St. Paul: Llewellyn Publications, 1990) 185.
 50. J.S. DeMeo, *Saharasia: The 4000 B.C.E Origins of Child Abuse, Sex-repression, Warfare and Social Violence in the Deserts of the Old World* (Greensprings, 1998).
 51. P. Stern, *Prehistoric Europe from Stone Age Men to the Early Greeks* (New York: W.W. Norton, 1969) 302, 230.
 52. This tradition became common in Mesopotamian wars and many future invasions. The recipe is explicitly recommended in the Bible: "Thou shalt not kill, thou shalt not covet thy neighbor's wife—except abroad. Then you should put all males to the sword, and the women you shall take as booty to yourself." (Deuteronomy). More recent examples are the "ethnic cleansings" in Yugoslavia and Rwanda.
 53. For an architectural and archeological analysis of this process, see Vincent Scully: *The Earth, the Temple and the Gods: Greek Sacred Architecture* (New Haven and London: Yale University Press, 1979).
 54. Aristotle. *Politics*, 1254b: 6-14.
 55. In 1468, the pope defined witchcraft as *crimen exceptum*, eliminating thereby the legal limits to torture that may be applicable. The Dominican Order, initially created to combat the Cathar heresy, was now redirected to specifically preach against witches. The *Malleus Maleficarum* ("Hammer to kill Evils") was the official manual that prescribed the questions and correct answers, as well as the tortures to be applied to obtain those answers. Armed with this document, Pope Innocent VIII officially started a holy war on witches in 1488. This manual went through 29 editions over the next 300 years.
 56. Rich, *Of Woman Born: Motherhood in Experience and Institution* (New York: Norton and Co., 1976) 236.
 57. Webster's New International Dictionary of the English Language.

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58. G. Le Bon, *The Crowd: a Study in the Popular Mind* (London: Unwin, 1921) 29.
 59. W.C. Mitchell, "Analysis of Economic Theory," *American Economic Review* No. 15 (March 1925) 1-12.
 60. See proofs in *The Future of Money* (Primer and Chapter 2).
 61. F. Maturana, "The Organization of the living: A Theory of the Living Organization," *Journal of Man-Machine Studies* 7 (1975) 313-332 ; quoted in R. Eisler, *The Chalice and the Blade* (New York: Harper Collins, 1987) 82.
 62. Paper presented at the State of the World Forum, San Francisco, November 1997.
 63. R. Eisler, *The Chalice and the Blade* (New York: Harper Collins, 1987) 83.
 64. O. Norman, *Healing the Empty Self: Narcissism and the Cultural Shift from Dominance to Mutuality* (Pacifica, Ca: unpublished thesis at the Pacifica Graduate Institute, 1997) 5, 16.
 65. O. Norman, *Ibid.* 38.
 66. C. Lash, *The Culture of Narcissism* (New York: Warner Books, 1979) 91.
 67. C. Lash, *Ibid.* 84.
 68. M. Jacoby *Individuation and Narcissism: The psychology of self in Jung and Kohut* (New York: Routledge, 1990) 174.
 69. K. Armstrong, *The Battle for God* (New York: Alfred Knopf, 2000).
 70. J.P. Bayard, *La Tradition Cachée des Cathédrales* (Paris: Dangles, 1990) 39.
 71. Guy Bois, *La grande depression médiévale XIV^e et XV^e siècles: Le précédent d'une crise systémique* (Paris: Presses Universitaires De France, 2000).
 72. G. Bois, *Ibid.* 16.
 73. F. Icher, *Les Oeuvriers des Cathédrales* (Paris: Editions de la Martinière, 1998) 20.
 74. Guy Bois, *La grande depression médiévale XIV^e et XV^e siècles: Le précédent d'une crise systémique* (Paris: Presses Universitaires De France, 2000) 52.
 75. D. Damaschke, *History of the National Economy*.
 76. Quoted in Guy Bois, *La grande depression médiévale XIV^e et XV^e siècles: Le précédent d'une crise systémique* (Paris: Presses Universitaires De France, 2000) 15.
 77. G. Fourquin, *Histoire Économique de l'Occident Médiéval* (Paris: Armand Collin 1969) 215.
 78. Guy Bois, *La grande depression médiévale XIV^e et XV^e siècles: Le précédent d'une crise systémique* (Paris: Presses Universitaires De France, 2000) 21.
 79. R. Reynolds, *Europe Emerges: Transition Toward an Industrial World-wide Society, 600-1750* (Madison: 1967) 185-186.
 80. J.P. Bayard, *La Tradition Cachée des Cathédrales* (Paris: Dangles, 1990) 42.
 81. L. Moulin, *La Vie quotidienne des religieux au Moyen Age* (Paris: Hachette, 1978) 267, 270.
 82. R. Delort, *La Vie au Moyen Age* (Lausanne: Editta, 1982).

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83. R. Philippe, *L'énergie au Moyen Age: l'exemple des pays d'entre Seine et Loire de la fin du XIème siècle à la fin du Xème siècle* (Paris, 1980).
 84. J. Gies, *Cathedral, Forges and Waterwheel: Technology and Invention in the Middle Ages* (New York: Harper Perennial, 1995) 148-153.
 85. Werner (ed.) *London Bodies: The Changing Shape of Londoners from Prehistoric Times to the Present Day* (London: Museum of London, 1998).
 86. E. Uitz, *The Legend of Good Women: The Liberation of Women in Medieval Cities* (London and Wakefield: Myer Bell, 1994) 9.
 87. J. Kelly-Gadol, "Did Women Have a Renaissance?" in R. Bridendahl & C. Koonz (ed.): *Becoming Visible: Women in European History* (Boston, 1977); formally destroying Jacob Burckhardt's classic assessment of women's progress in *The Civilization of the Renaissance in Italy* (New York, 1929) Book Five, Chapter 5.
 88. E. Uitz, *The Legend of Good Women: The Liberation of Women in Medieval Cities* (London and Wakefield: Myer Bell, 1994) 10.
 89. R. Lacey, and D. Danzinger, *The Year 1000: What life was like at the turn of the first Millennium* (London: Little Brown & Co., 1999) 164.
 90. R. Pernoud, *La Femme au Temps des Cathédrales* (Paris: Stock, 1980) 84.
 91. R. Pernoud, Ibid. Title of Chapter 7, 134.
 92. R. Pernoud, Ibid. Title of Chapter 7, 134.
 93. C.S. Lewis, *The Allegory of Love* (Cambridge: Cambridge University Press, 1965) 101.
 94. Meg Bogin, *The Women Troubadours* (New York, London: Norton & Company, 1980) 12.
 95. M. Bogin, Ibid. 12.
 96. C. Marks, *Pilgrims, Heretics and Lovers* (New York: Macmillan, 1975) x.
 97. Meg Bogin, *The Women Troubadours* (New York, London: Norton & Company, 1980). The work by women troubadours was completely forgotten until Oscar Schultz-Gora discovered them and published a small monograph at the end of last century *Die Provenzalische Dichterinnen* (Leipzig, 1878). Meg Bogin provides the only other complete translation of their work.
 98. M. Bogin, Ibid. 65.
 99. D. de Rougemont, *L'Amour et l'Occident*.
 100. C. Fell, *Women in Anglo-Saxon England* (London: British Museum, 1984) 109.
 101. S. Sitwell, *Study of Medieval Life, Art and Thought*.
 102. R. Delort, *La vie au Moyen Age* (Lausanne: Edita, 1982) 211-212.
 103. It should be noted that abbeys do not fit into this general rule: they were built and owned by the order that lived there. The bulk of the financing for abbeys came from donations of land or other endowments by nobility.
 104. R. Delort, *La vie au Moyen Age* (Lausanne: Edita, 1982) 212.
 105. J.P. Bayard, *La Tradition Cachée des Cathédrales* (Paris: Dangles, 1990).

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106. B. Schock-Werner, "Le Chantier de la cathédrale de Strasbourg" in *Chantiers Médiévaux* (Editions du Zodiaque, DDB, 1995). The funding organization for each cathedral was a special institution that was legally and financially independent, called "la Maison de l'Oeuvre Notre Dame." One of the most complete records relates to the cathedral of Strasbourg, in Alsace, France. In 1206, the Oeuvre Notre Dame at Strasbourg consisted of a committee of citizens, still including the local Bishop. However, from 1230 onwards the role of the bishop and clergy drops to the point that after 1262 the Bishop is even completely excluded from that committee. In 1290, "l'Oeuvre Notre Dame" became an official municipal function. It has remained so to this day, with a brief exception after the French Revolution (1789 to 1803) when it was controlled by the French State ("Régie des Domaines").
 107. P. Van Cronenburg, *Schwarze Madonnen: Das Mysterium einer Kultfigur* (München: Hugendubel Verlag, 1999) 172.
 108. P. Van Cronenburg, *Ibid.* 154.
 109. M. Chebel, *Dictionnaire des Symboles Musulmans: Rites, mystique et civilisation* (Paris: Perrin, 1995) keywords: Sufisme, Nuit, Marie.
 110. J. Bonvin, *Vierges Noires: La réponse vient de la Terre* (Paris: Dervy Livres, 1988) 75.
 111. P.A. Riffard, *L'Ésotérisme: Anthologie de l'Ésotérisme Occidental* (Paris: Robert Laffont, 1990).
 112. E. Begg, *The Cult of the Black Virgin* (London: Routledge, 1985) 25-26.
 113. J. Huynen, *L'énigme des Vierges Noires* (Paris: Robert Laffont, 1972) 116-117.
 114. At their height, it is estimated that 500,000 people traveled the pilgrimage routes every year. See Claude Marks, *Pilgrims, Heretics and Lovers* (New York: Macmillan, 1975) 111.
 115. H.C. Binswanger, *Geld und Magie: Deutung und Kritik der modernen Wirtschaft anhand von Goethe's "Faust"* (Stuttgart: Weinbrecht Verlag, 1985) 20-21.
 116. D. de Rougemont, *L'amour et l'Occident* (Paris, 1969).
 117. The Kabbalah is reputed to have been born in Southern France, and from there moved and fully flourished in Spain. See article "Kabbale" in André Vauchez, *Dictionnaire encyclopédique du Moyen Age* (Paris: Editions du Cerf, 1997) tome 1, 853.
 118. Several of the alchemical "classics" were written by dom Pernety, a Benedictine monk of the community of Saint Maur, near Paris. See a.o Pernety, Antoine-Joseph: *Dictionnaire Alchimique and Les Fables Egyptiennes et Grecques Dévoilées et Réduites au même Principe* (Paris: Delalain l'Ainé, 1706).
 119. C.G. Jung, *Collected Works, Vol. 14* par 44, note 72.
 120. See, for instance, Dürer's famous engraving entitled "Melancholia." The Greek word *melas* means black.
 121. C.G. Jung: *Psychologie und Alchemie* (Zurich, 1946).
 122. *Aurofontina Chymica* (London 1680) from the Web site: Alchemy on Line (<http://www.levity.com/alchemy/frames.html>).

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123. R. Graves, *Mammon and the Great Goddess* (London, 1964) 126.
 124. Guy Bois, *La grande depression médiévale XIV^e et XV^e siècles: Le précédent d'une crise systémique* (Paris: Presses Universitaires De France, 2000) 11.
 125. The origin of this recoinage tradition can be traced back to the Carolingian law that would require recoinage when sovereigns would come into office. But by the 10th century, the cyclical recoinage starting occurring with a periodicity of 5-6 years—without waiting for the death of the sovereign or the local lord. The first systematic recoinage cycle seems to have been inaugurated by Aethelred II in England in 979. It spread from England to the continent soon thereafter. See Peter Spufford, *Money and its use in Medieval Europe* (Cambridge: Cambridge University Press, 1988) and H. Petersen & A. Bertil *Anglo Saxon Currency: King Edward's Reform to the Norman Conquest* (Lund, 1969).
 126. G. Fourquin, *Histoire Économique de l'Occident Médiéval* (Paris: Armand Collin 1969) 192, italics added.
 127. The best-known Byzantine gold coin was the *solidus*—initially issued by Constantine (306-337 A.D.)—better known as the *bezant*. It was issued at the same weight (4.55 grams of gold) and purity (98% pure gold) for a record 700 years! It also circulated widely all over Europe and the Middle East, way beyond the borders of the Byzantine Empire.
 128. The name to describe such ransoms is *Danegeld*, literally “Danish or Viking money.” It should be noticed that many of the medieval “treasure” findings would logically have a predominance of Yang currencies, more so than actual currencies in use, given that such treasures would by definition be accumulations of stored value. That is why the use of such “treasure” troves as an indication of the actual currency mix in circulation is misleading.
 129. Guy Bois, *La grande depression médiévale XIV^e et XV^e siècles: Le précédent d'une crise systémique* (Paris: Presses Universitaires De France, 2000) 53.
 130. P. Van Cronenburg, *Schwarze Madonnen: Das Mysterium einer Kultfigur* (München: Hugendubel Verlag, 1999) 143-147.
 131. P. Van Cronenburg, *Ibid.* 149.
 132. “Until the last third of the 11th century, one should really speak of ‘Christian Churches’ in the plural, rather than the singular. The Church of Rome tried to present itself as a coordinator for Christianity, but before the 12th century the practice was completely different.” Giuseppe Sergi, *L’Idée du Money Age: entre Sens Commun et Pratique Historique* (Paris: Flammarion, 1999) 75-76.
 133. Robert Moore, *La Persécution, sa formation en Europe, 950-1250* (Paris: Les Belles-Lettres, 1991) and “A la naissance de la société persécutrice: les clercs, les cathares et la formation en Europe” in *La Persécution du Catharisme, XII-XIV^e siècle. Actes de la 6ième session d'histoire médiévale* (Carcassonne: Centre d’Etudes Cathares, 1996) 11-37.
 134. Anne Brenon, “Le catharisme méridional: questions et problèmes” in Jacques Berlioz, *Le Pays Cathare: Les religions médiévales et leurs expressions méridionales* (Paris: Editions du Seuil, 2000) 87.

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135. Until 1246, the King of France had no authority over any part of the southern half of France, nor any access to the Mediterranean area. The Crusade against the Albigensians would accomplish both.
 136. The detailed texts of the Inquisitor Jacques Fournier have been preserved for the period 1318 to 1325. The analysis by Jacques Berlioz reveals that the Inquisition's ultimate purpose wasn't really about doctrinal issues, but aimed at crushing any local powers that might oppose the centralizing power of either the King or the Pope, or the payment of papal tax (la *dime*). "Jacques Fournier was in fact working at the elimination of any local forces who might limit the King's power." See Jacques Berlioz, *Le Pays Cathare: Les religions médiévales et leurs expressions méridionales* (Paris: Editions du Seuil, 2000) 62.
 137. Jacques Berlioz, *Tues-les tous. Dieu reconnaîtra les siens. Le massacre de Béziers et la croisade des Albigeois vus par Césaire de Heisterbach* (Portet-sur-Garonne, Loubatières, 1994).
 138. M. Keen, *The Pelican History of Medieval England* (London: Penguin Books, 1969) 82.
 139. Guy Bois, *La grande depression médiévale XIV^e et XV^e siècles: Le précédent d'une crise systémique* (Paris: Presses Universitaires De France, 2000) 13.
 140. G. Bois, *Ibid.* 60.
 141. H. S. Lucas, "The Great European Famine of 1315-1316" *Speculum* 15 (1930).
 142. Werner, *London Bodies: the changing shape of Londoners from prehistoric times to the present day* (London: Museum of London, 1998) 62.
 143. Guy Bois, *La grande depression médiévale XIV^e et XV^e siècles: Le précédent d'une crise systémique* (Paris: Presses Universitaires De France, 2000) 55.
 144. Gerda Lerner, *The Creation of Patriarchy* (Oxford: Oxford University Press, 1986).
 145. Turgot, *The Ancient Guild Statutes of France* (1776).
 146. Peter Spufford, *Money and its use in Medieval Europe* (Cambridge: Cambridge University Press, 1988) 389.
 147. Baring and J. Cashford, *The Myth of the Goddess: Evolution of an Image* (London: Arkana, Penguin Books, 1993) 250.
 148. "Isis was originally the throne personified. The throne made manifest a divine power that changed one of several princes into a king fit to rule." H. Frankfort, *Ancient Egyptian Religion* (New York: Harper and Row, Torch Books, 1961) 17. It is interesting that this all-important throne symbolism of Isis was incorporated in the Medieval Black Madonna as the cathedra, one of Her unique identifying characteristics.
 149. These "precautions" were both precise and exacting. They included the knowledge by the defunct of a series of elaborate passwords at different stages of the journey in the Underworld (hence the *Egyptian Book of the Dead* which accompanied each burial, and which provided a textbook reminder of those stages and the relevant magical passwords for each) as well as the appropriate physical supports for the afterlife. The Egyptians believed that

what we call the human “soul” was made out of three components, respectively the *Ka*, the *Ba*, and what we might call the individual consciousness. The *Ka* was destined to remain close to the corpse; the *Ba* was represented as a human-headed bird that could leave the tomb but also sometimes needed to return; and finally the consciousness would actually experience the journey into the Afterlife. All three needed to be taken care of, hence the need to preserve the body forever through mummification, and the elaborate food, furniture and other amenities that would be necessary for a successful journey toward and life in the realm of Osiris. If the transition failed for whatever reason, there would be a second and final death. Therefore, to the Egyptians the “first” physical death was inevitable but not necessarily final. Hence also the importance of taking all the right precautions to ensure a pleasant afterlife, because according to the Egyptians you really had a chance to “take it all with you.”

150. E. Neumann, *The Great Mother* Bollingen Series XLVII (Princeton University Press, 1955) 223.
151. *Myrionymos* (whose names are innumerable) is significantly different from *polynomos* (whose names are numerous). Several goddesses and gods were referred to as having many names (e.g., Aphrodite, Apollo, Helios, Hermes, Artemis). “Isis, however, was the only divinity whose epiclesis marked that the number of her names was not merely large but infinite. It was in this endless diversity that her uniqueness rested. It was the source of her strength, and her weakness. She alone claimed an infinity of divine titles: and became all things to all men. She could be “chaste” and yet raise high the phallus. She could banish life’s storms by her calm, and yet become the Roman goddess of war.” R.E. Witt, *Isis in the Ancient World* (Baltimore & London: The John Hopkins University Press, 1971) 121. “To many critics the picture may seem riddled with contradictions. But the evidence that Isis is mutilated by the removal of any of these elements is irrefutable.” (Ibid. 138) In the archetypal Yin-Yang framework developed, she embodied perfectly the Yin “capacity to hold ambivalence.”
152. G. Posener, *Dictionnaire de la civilisation Egyptienne* (Paris, 1959) 140.
153. G. Posener, *Ibid.* 107.
154. R.E. Witt, *Isis in the Ancient World* (Baltimore and London: The John Hopkins University Press, 1971) 137.
155. F. Preisigke, *Girwesen im Griechischen Ägypten enthaltend Korngiro, Geldgiro, Girobanknotariat mit Einschluß des Archivwesens* (Strassburg: Verlag von Schlesier and Schweikhardt, 1910; reprinted by: Hildesheim, New York: Georg Olms, 1971).
156. In the Dynastic village of Medinet, currently in the Egyptian desert, no fewer than 1.6 million ostraka have been gathered. Almost all remain untranslated to this day.
157. M.I. Finley, *The Ancient Economy* (Berkeley: University of California Press: Sather Classical Lectures Volume 43, 1985) 166.

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158. J. Tyldesley, *The Daughters of Isis: Women in Ancient Egypt* (London: Penguin Books, 1995) 105.
 159. J. Tyldesley, *Ibid.* 104.
 160. J. Tyldesley, *Ibid.* 106-107.
 161. M.I. Finley, *The Ancient Economy* (Berkeley: University of California Press: Sather Classical Lectures Volume 43, 1985) 170.
 162. M.I. Finley, *Ibid.* 112.
 163. M.I. Finley, *Ibid.* 115.
 164. M.I. Finley, *Ibid.* 138.
 165. R.E. Witt, *Isis in the Ancient World* (Baltimore and London: The John Hopkins University Press, 1971) 110.
 166. J. Tyldesley, *The Daughters of Isis: Women in Ancient Egypt* (London: Penguin Books, 1995) back cover page.
 167. R.R. Briffault, *The Mothers* (New York, 1924) Vol. I, 384.
 168. J.H. Johnson, "The legal status of women in ancient Egypt" in *Mistress of the House, Mistress of the Heavens: Women in Ancient Egypt* (New York: Hudson Hills Press, 1996) 175.
 169. G. Lerner, *The Creation of Patriarchy* (Oxford: Oxford University Press, 1986) 114.
 170. L. M. Epstein, *Sex Laws and Customs in Judaism* (New York, 1948) 194.
 171. G. Lerner, *The Creation of Patriarchy* (Oxford: Oxford University Press, 1986) 115-116.
 172. Peter B. Ellis, *Celtic Women* (Grand Rapids: William Eerdmans Publishing Co. 1995) 99.
 173. R.E. Witt, *Isis in the Ancient World* (Baltimore and London: The John Hopkins University Press, 1971) 41. Original quote from Diodorus Siculus Geography i, 27.
 174. J.H. Johnson, "The legal status of women in ancient Egypt" in *Mistress of the House, Mistress of the Heavens: Women in Ancient Egypt* (New York: Hudson Hills Press, 1996) 183.
 175. J. Tyldesley, *The Daughters of Isis: Women in Ancient Egypt* (London: Penguin Books, 1995) 48.
 176. J. Tyldesley, *Ibid.* 58.
 177. G. Robins, *Women in Ancient Egypt* (London: British Museum Press, 1993).
 178. When no other references are provided, the data from this section refers to C.H. Roehrig "Women's Work: Some occupations of non-royal women as depicted in ancient Egyptian art" in: *Mistress of the House, Mistress of the Heavens: Women in Ancient Egypt* (New York: Hudson Hills Press, 1996) 13-24.
 179. H.E. Winlock, *Excavations at Deir el-Babri 1911-1931* (New York, 1942) 226.
 180. F. Henry, "Administrative Titles of Women in the Old and Middle Kingdom" in *Egyptian Studies*; William Ward "Non-Royal Women and Their

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- Occupations in the Middle Kingdom” in Lesko ed., *Women's Earliest Records*; G. Robins, *Women in Ancient Egypt* (Cambridge, Mass. 1993) 114-117.
181. Four women ascended to the Egyptian throne: Nitokret (Dynasty 6), Sobeknefru (Dynasty 12), Hatshepsut (Dynasty 18) and Tauseret (Dynasty 19).
 182. Quoted by Gardiner, *Egypt of the Pharaohs* (Oxford, 1961) 431.
 183. Delightful translations of Egyptian love poetry can be found in T. Säve-Söderberg, *Pharaohs and Mortals* (New York: Bobba Merrill, 1961) particularly the chapter entitled “In the Shade of the Sycomores: Of Perfumes and Love.”
 184. M. Stone, *When God was a Woman* (San Diego: Harcourt Brace, 1976) 35-38.
 185. G. Robins, *Women in Ancient Egypt* (London: British Museum Press 1993) 166, 168.
 186. M.I. Finley, *The Ancient Economy* (Berkeley: University of California Press: Sather Classical Lectures Volume 43, 1985) 99.
 187. J. Chevalier, and A. Gheerbrant, *Dictionnaire des Symboles* (Paris: Laffont, 1983) 524.
 188. F. Gustavson, *The Black Madonna* (Boston: Sigo Press, 1990) 90.
 189. R.E. Witt, *Isis in the Ancient World* (Baltimore and London: The John Hopkins University Press, 1971) 193-194.
 190. At their height, it is estimated that 500,000 people traveled the pilgrimage routes every year. See C. Marks, *Pilgrims, Heretics and Lovers* (New York: Macmillan, 1975) 111.
 191. H.W. Müller, in *Münchener Jahrhundert Bild Kunst* (1963), 35; cites the original passage documenting this episode from *Histoire Généalogique de la Maison des Briçonnet* (1620). R.E. Witt also mentions the same episode in *Isis in the Ancient World* (Baltimore and London: The John Hopkins University Press, 1971) 274. Dr. Witt conjectures that this Isis statue was also a Black Madonna.
 192. Faujas de Saint-Fons’ study entitled: “Recherches sur les volcans éteints du Vivarais et du Velay,” is primarily a geological report, but it also contains the notes on his investigations on the Black Madonna of Le Puy. See also J. Bonvin, *Ibid.* 205-212, and P. van Cronenburg, *Ibid.* 35-38.
 193. The engraved “Table of Isis” (*Mensa Isaica*), dating back to the first century A.D., had been discovered in 1720, and was exhibited in 1775 in the Royal Archives in the Egyptian Museum of Turin. Faujas de Saint-Fons, in referring to this archeological piece, may therefore have based his findings not only on published references, but on his first-hand exposure to these hieroglyphs, making his testimony more valid.
 194. Thom Hartmann, *The Last Hours of Ancient Sunlight* (New York: Harmony Books, 1999) 40.
 195. T. Hartmann, *Ibid.*
 196. Letter of Columbus quoted in Eric Williams, *Documents of West Indian History* (Port-of-Spain: PNM 1963), and Peter Matyr, *De Orbe Novo* (1516).

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197. Thom Hartmann, *The Last Hours of Ancient Sunlight* (New York: Harmony Books, 1999) 40.
 198. T. Hartmann, *Ibid.* 41.
 199. For the sake of clarity, by “culture” we refer here to the standard anthropological definition that goes back to E. B. Tylor: a complex whole which includes knowledge, beliefs, artistic expressions, morals, laws, customs and habits acquired by humans giving him or her an identity as a member of a specific society.
 200. The source of the data is the Directorate General of Tourism and Bali Government Tourism Office. There are no exact statistics of the number of tourists visiting Bali, the only hard number being total foreigners arriving directly by international flights at the Bali Airport. These rose from 23,000 in 1970 to 1,468,000 in 2000. 95% of those direct arrivals report that they come for vacations, and 30% are on a repeat visit. However, this doesn’t capture foreign or Indonesian tourists arriving via Jakarta or other internal Indonesian flights, the ferry arrivals or even the cruise ships mooring at Benoa or Padang. The estimates of total tourism arrivals range therefore between 2.5 and 4 million for 1994; and between 4 and 5 million for 2000. The lower numbers being the official Tourism Office estimate.
 201. T. de Kleen, “Bali: its dances and customs” *Sluyter’s Monthly*, 2 (1921) 129.
 202. Michel Picard, *Bali: Cultural Tourism and Touristic Culture* (Singapore: Archipelago Press, 1996) 138.
 203. Margaret Mead, *Letters from the field 1925-1977* (New York: Harper & Row, 1977) 161.
 204. R. Elegant “Seeking the Spirit of Bali: Despite Fast Food and Discos, the Old Ways Live” *The New York Times*, Travel Section (March 8, 1987) 9.
 205. Michel Picard, *Bali: Cultural Tourism and Touristic Culture* (Singapore: Archipelago Press, 1996) 64.
 206. Declaration of the Governor of Bali, Ida Bagus Oka, excerpt from *Bali: Apa Kata Mereka* (Denpasar: 1991) 11. Translated in M. Picard, *Bali: Cultural Tourism and Touristic Culture*, (Archipelago Press, Singapore, 1996) 8.
 207. Francine Bringreve and David Stuart-Fox, *Offerings, The Ritual Art of Bali* (Singapore: Select Books) 199-219.
 208. William Bloom, *Money, Hearts and Minds* (quote by a Kalahari Bushman).
 209. *Bali, A Traveller’s Companion* (Singapore: Editions Didier Millet Pte Ltd., 1995) 57.
 210. Miquel Covarrubias, *Island Of Bali* (New York: Alfred A. Knopf, Inc., 1946) 359.
 211. M. Covarrubias, *Ibid.* 361.
 212. Clifford Geertz and Carol Warren (Geertz & Geertz, 1987; Warren, 1993).
 213. Agung & Purwita., *Pemantapan Adat Dalam Menunjang Usaha-Usaha Pembangunan* Majelis (, Denpasar: Pembina Lembaga Ada, 1983) 18.

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214. F. B. Eiseman, *Bali Sekala & Niskala: Essays on Society, Tradition and Craft. Volume II* (Berkeley: Periplus Editions Inc, Berkeley, 1990) 74.
 215. C. Geertz & H. Geertz, *Kinship in Bali* (Chicago: University of Chicago Press, 1975).
 216. Pak Ketut Suartana, Klian Banjar Sambahan.
 217. Pak Wayan Suwecha, Klian Banjar Kelod.
 218. Foa, 1971.
 219. C. Geertz & H. Geertz, *Kinship in Bali* (Chicago: University of Chicago Press, 1975).
 220. Miquel Covarrubias, *Island Of Bali* (New York: Alfred A. Knopf, Inc., 1946) 132.
 221. M. Covarrubias, Ibid.137.
 222. M. Covarrubias, Ibid.145.
 223. M. Covarrubias, Ibid.155-156.
 224. M. Covarrubias, Ibid.121.
 225. *Bali, A Traveller's Companion* (Singapore: Editions Didier Millet Pte Ltd., 1995) 44.
 226. James J. Fox, *Religion and Ritual, Indonesian Heritage* (Singapore: Archipelago Press, 1998) 82.
 227. James J. Fox, Ibid. 92.
 228. Among the excellent books written recently on complementary currencies, we should mention: Thomas Greco, *Money: Understanding and Creating Alternatives to Legal Tender* (Chelsea Green: 2002) and Richard Douthwaite, *Short Circuit: Strengthening Local Economies for Security in an Unstable World* (Dublin: A Resurgence Book, 1996).
 229. It is generally assumed that the first modern complementary currency systems post-WW2 are the LETS systems started in Canada in 1982. In fact, Japanese initiatives predate this by over a decade.
 230. Yasuyuki (Miguel) Hirota.
 231. See www.ecomoney.net (in Japanese).
 232. Source: Rui Izumi, "Trends in Community Currencies in Japan" (Self-Government Research Monthly, Vol.44, No.511, 2002) 47-56.
 233. See for Europe: Ed Crooks, "Think Tank in grim warning on deflation" Financial Times (May 22, 2003) 4. For the USA: Alan Greenspan, Chairman of the Federal Reserve, acknowledged the threat of deflation for the first time in May 2003: "The [deflation threat] is significantly large that it requires close scrutiny and maybe, maybe, action on the part of the central bank...The Fed has so little experience in dealing with deflation that the possibility of it occurring required close monitoring...We've put significant resources into trying to understand ...what this phenomenon is all about" (Financial Times, May 22, 2003) 1; "Deflation: hear that hissing sound" (The Economist. May 17, 2003) 83; and editorial on "The Joy of Inflation" (The Economist. May 17, 2003)11.

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234. Benjamin Fulford, "Japan Weighs Radical Deflation Therapy" *Forbes* (September, 6, 2003).
 235. *The Multinational Monitor*, (April '89).
 236. David Boyle, "Time Brokers," (*The Guardian*, December 16 1998).
 237. Please notice the use of the word "sufficiency" and not "over-abundance." Economists will correctly point out that if there were an over-abundance of anything (including money), it would become, and be treated as, valueless. This is not the case with sufficiency. Mutual credit systems create currency in sufficiency (example.g., service-time), which is not scarce, but is not over-abundant either.
 238. British Prime Minister Tony Blair (2000).
 239. This data dates to April 2001, the latest tri-annual survey by the BIS. The data corresponds to the so-called "traditional foreign exchange markets" and doesn't include the derivatives, estimated at another 1.4 trillion for the same date.
 240. These statistics are derived from the total daily foreign exchange transactions as reported every three years by the BIS, and compared to Global Annual Trade divided by the number of days.
 241. Glynn Davies, *A History of Money from Ancient Times to the Present Day* (Cardiff: University of Wales Press, 1994) 646.
 242. Glynn Davies, *A History of Money from Ancient Times to the Present Day* (Cardiff: University of Wales Press, 1994) 646.
 243. John Maynard Keynes, *The General Theory of Employment, Interest and Money* (London: Macmillan, 1936) 159.
 244. W. Dolde, "The Use of Foreign Exchange and Interest Rate Risk Management in Large Firms," University of Connecticut School of Business Administration Working Paper 93-042 (Storrs, Conn.: 1993) 18-19. There was also consensus that interest rate risks were less important than foreign exchange risks.
 245. W. Dolde, "The Use of Foreign Exchange and Interest Rate Risk Management in Large Firms," University of Connecticut School of Business Administration Working Paper 93-042 (Storrs, Conn: 1993). The 85 % of the firms that routinely hedge have a capital averaging at \$8 billion, compared to \$2.5 billion for the 15 %, which have never hedged (See exhibit 1) 23-24.
 246. Estimates, as reported by the U.S. Department of Commerce, the World Trade Organization (WTO) and *The Economist* (U.K.).
 247. Mervyn King, "Challenges for Monetary Policy: New and Old." Paper prepared for the Symposium on "New Challenges for Monetary Policy" (Jackson Hole, Wyoming: 27 August 1999). Sponsored by the Federal Reserve Bank of Kansas City.
 248. Benjamin Friedman, "The Future of Monetary Policy," *International Finance* (December, 1999).

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249. "Future of Monetary Policy and Banking Conference: A Conference Looking Ahead to the Next Twenty-Five Years" World Bank (Washington, D.C., July 11, 2000).
 250. "Economics Focus: E-Money Revisited," *Economist Magazine* (July 22, 2000).
 251. James Stodder, "Reciprocal Exchange Networks: Implications for Macroeconomic Stability." (Albuquerque, New Mexico: Paper presented at the International Electronic and Electrical Engineering (IEEE) Engineering Management Society (EMS) August 2000) 1.
 252. James Stodder, *Ibid.* 2.
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 254. T. Studer, "Le Système WIR dans l'optique d'un chercheur Américain" *WirPlus* (October 2000). Online at: <http://www.wir.ch>.
 255. James Stodder, (1998) "Corporate Barter and Macroeconomic Stabilization," *International Journal of Community Currency Research*, Vol.2, no.2. Online at: <http://www.geog.le.ac.uk/ijccr/volume2/2js.htm>.
 256. See for example in chronological order: W.S. Jevons, *Money and the Mechanism of Exchange* (1875); Ian Gondriaan, *How to Stop Deflation* (London, 1932); Benjamin Graham, *Storage and Stability* (New York: McGraw Hill, 1937) and *World Commodities and World Currency*(1944); Harmon, Elmer, *Commodity Reserve Currency* (New York: Columbia University Press, 1959); Albert Hart of Columbia University, Nicholas Kaldor of Cambridge University and Jan Tinbergen: "The Case for an International Reserve Currency," Document UNCTAD 64-03482 (Geneva: presented on 2/17/1964); Grondona St. Clare *Economic Stability is Attainable* (London: Hutchison Benham Ltd, 1975).
 257. The National Center for Health Sciences' "National Vital Statistics Report," Vol. 47, No. 28, Table 12: Estimated life expectancy at birth in years, by race and sex: Death-registration, United States, 1900-28, and 1929—97 (December 13, 1999). Online at <http://www.cdc.gov/nchs>.
 258. The mere scale and quality of publications on the process of contemporary societal change is impressive. See for instance K. Jasper, *Man in the Modern Age* (1951, first German edition 1931); P. Sorokin, *The Crisis of Our Age* (1941); L.L. Whyte, *The Next Development in Man* (1944); V. Packard, *The Hidden* (1957) and *The Sexual Wilderness* (1968); B. Ward, *The Rich Nations and the Poor Nations* (1962), and *The Home of Man* (1976); R.B. Fuller, *Utopia or Oblivion* (1969); G. Myrdal, *The Challenge of World Poverty* (1970); W.I. Thompson, *At the Edge of History* (1971); B. Commoner, *The Closing Circle* (1971); G.R. Taylor, *Rethink* (1972); K. Lorenz, *Civilized Man's Eight Deadly Sins* (1974); A. Toffler, *Future Shock* (1970) and *The Third Wave* (1980); T. Roszak, *Person/Planet* (1978); H.B. Maynard and S. Mehrtens, *The Fourth Wave* (1993); G. Stock, *Metaman* (1993); M. Csikszentmalyi, *The Evolving Self* (1993); K. Wilber, *Sex, Ecology, Spirituality: The Spirit of Evolution* (1995); M. Murphy, *The Future of the Body*; B. M. Hubbard, *Conscious Evolution* (Novato: New World Library, 1998).
 259. Jean Gebser, *The Ever-Present Origin* (Athens: Ohio University Press, 1986). First published in German in 1953, it was not translated into English until

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1986. Because of the dense reading of this book, we recommend a more friendly introduction to this material by G. Feuerstein, *Structures of Consciousness: The Genius of Jean Gebser* (Integral Publishing. 1987) PO Box 1030, Lower Lake, CA 95457. Figure 11.1 in this book comes from the book by M. Kamenetzky, *The Invisible Player: Consciousness: as the Soul of Economic, Social and Political Life* (Rochester, Vermont: Inner Traditions International, 1998), the first book that integrates Gebser's work into economic system analysis.
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274. "Spirit of the Age" *The Economist* (December 19, 1998- January 1 1999) 115.
275. M. Dwyer, "Complexity and the Emergent Feminine: A Cosmological Inquiry into the Role of the Feminine in the Evolution of the Universe" (Asimolar, CA: Winning Paper of the 1999 Vickers Award International Society for the Systems Sciences).