

HOWARD RHEINGOLD
TOMORROW



Changing the color, intent, of money

THE INTERNET might be more than a new kind of marketplace and a new medium for exchanging money as we know it. If Bernard Lietaer and others are right, the Internet might lead to a radical change in the nature of money.

Lietaer, a Center for Sustainable Resources fellow at UC-Berkeley, was a central banker and currency manager in Belgium. He has 25 years of experience working with governments and banks. He says money as we know it is due for a radical change.

Lietaer, who is working on a book called "The Future of Money: Beyond Greed and Scarcity," is one of a number of people around the world who have been working on the idea of "alternative currencies" or "local money" — which are designed to keep resources recycling within communities, instead of draining money out of communities.

Such efforts predate the Internet, but Lietaer sees the Net as a vehicle for accelerating the changes.

According to Lietaer, money can be defined in several ways.

"Money is information about the way we exchange energy," he said in a recent interview. "Money is an agreement within a community to use something as a medium of exchange. The agreement can be conscious or unconscious, coerced or free."

"Most of us don't consciously choose our money. We have an opportunity to change that. The Internet is a space where that is possible to do."

He said he expects a flourishing of money systems in the near future.

"Ninety-five percent of these experiments will fail," he said. "But the five percent that succeed will change the world."

He added: "Some implicit built-in mechanisms in money systems have social implications."

"First, currencies are national, an assumption based on 19th century emergence of nation-states. All the money we have is debt-generated — someone goes to a bank and makes a loan. This pits people against each other, collectively. Competition is built into the money system. Greed and the breakdown of community that everybody is complaining about correlate with the use of competitive money systems."

"But there were no money exchanges in monastic communities. The word 'community' comes from Latin, meaning 'exchanging gifts among each other.' Some money systems can preserve this gift mechanism."

Examples of money systems that preserve the gift aspect of communal energy exchange are formal systems for keeping track of the value of goods or services exchanged between members of a defined group. These differ from national currency because they are valid only within the group.

For example, a local currency in your town could be an exchange arrangement that a number of people would agree to. Unlike barter, where you would mow someone's lawn in exchange for a quart of milk, you could agree to contribute

a certain number of hours of lawn-mowing to your "account." Someone who had a dairy farm could contribute a certain amount of milk.

Instead of forcing landscapers — or anyone with a skill or commodity — to seek out dairy farmers, the farmer could go to the local exchange bank and turn in a number of milk credits in exchange for a number of lawn-mowing credits.

Everyone who contributes a number of credits to the local currency bank can exchange those credits for goods or services from other members of the community, and must work off those goods and services by contributing to those who have need of whatever they have to offer.

"Local Exchange Trading System," or "LETS," is the name of a

system for recording transactions between members of a group who agree to provide goods and services to each other. The group produces a directory that lists members' skills, services and goods together with requests for anything they wish to obtain in trade.

Such systems are adaptable to on-line communication and accounting systems.

Next week, we'll look at a number of local currencies, and see how the Internet might facilitate them. Information about Lietaer and his theories and other resources related to alternative forms of money can be found at <http://www.transaction.net>.

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*as life, evidence of kingdom,
built up every day /
and if
each night,
when you're alone
guests all moaning
in their beds,
you come upon a
there's nothing,
and nothing in yo
plans and
schemes
to make the know
cross it safely
will hold, still it
passing in the night,
only fear running
the emptiness is
moving too.*

"The Front Man" fore and After," published in 1996.

Robert Hass, the current Poet's Choice.
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PARENTS LIVES

CHARLES SMITH is a novelist and poet, a Southerner living in New York City. His newest book, "Before and After" (Norton) is — like so many recent books of American poems — about family. Maybe it's because we have grown mobile and rootless as a people that this subject is so persistent. Maybe it's because we've come to believe that the furies that drive us are the ghosts of what, as children, we sensed to be our parents' unfulfilled desires, so that we have to try to speak those out loud

CROSSWORD ANSWERS

The Daily Doodler

BARD COT KNIT
OTIOE HUB NINE

The New York Times

ASAP FADE ANDGO
DAVE ILEX SIREN
SICAR LONE SETTYNE

BRIDGE

East dealer.
Neither side vulnerable
NORT
♦ K Q 10
♥ 10 9 7
♦ A
♣ A Q 6
WEST
♦ 7