

INTERNATIONAL CONFERENCE, BAZAAR,
WORKSHOPS, ART & PERFORMANCE

MONEYLAB

COINING ALTERNATIVES

institute of
network cultures

CREATE-IT
APPLIED
RESEARCH

AMSTERDAM
CREATIVE
INDUSTRIES
CENTRE OF EXPERTISE

Hogeschool van Amsterdam
University of Applied Sciences

20
14

MARCH
21-22
Lab111
Amsterdam

SPROUTING NEW
DIGITAL-ECONOMIC
FORMS IN TIMES
OF CRISIS

NETWORKCULTURES.ORG/MONEYLAB

MoneyLab: Coining Alternatives Conference Report, May 2014
Institute of Network Cultures
Hogeschool van Amsterdam
Rhijnspoorplein 1, 1091 GC Amsterdam
networkcultures.org/moneylab

Contents

1. MoneyLab: Coining Alternatives	5
1.1 Key Results	5
1.2 MoneyLab: Coining Alternatives Blog	6
2. Blog posts	8
2.1 Session 1: Monetization of Everything	8
Saskia Sassen - Finance Is Not About Money	9
Stefan and Ralph Heidenreich - Non-Money	11
Bill Maurer - An Anthropologist's Take on Monetization	14
2.2 Session 2: Dismantling Global Finance	16
Franco Berardi - Money Language Insolvency	17
Brett Scott - Applying the Hacker Ethic to the Financial System.....	18
Tiziana Terranova - Virtual Money and the Currency of the Commons	20
Brian Holmes - Money Unlimited: The Consequences of Quantitative Easing	21
2.3 Session 3: Critical Art Practices.....	23
Dette Glashouwer - Always Sunny in the Rich Man's World.....	24
Ron Peperkamp - The Art Reserve Bank	26
Dadara - Who Says Money Doesn't Grow On Trees?	28
2.4 Session 4: Mobile Money.....	31
Erin Taylor - Mobile Money	32
Gawain Lynch - Mobile Money and Social (or Anti-Social) Security.....	36
Taylor Nelms - Mobile Money and the Social and Technological Infrastructures of Transaction	37
2.5 Session 5: Bitcoin and Beyond	39
Eduard de Jong - Cash or Currency: an Overview of Electronic Payment Technology	40
Peter Šurda - Some Misconceptions about Bitcoin, and Why It Is Best Left Ungoverned ...	42
Beat Weber - Overcoming the Legitimacy Crisis of Money with Bitcoin?	44
Quinn DuPont - Bitcoin: Leveraging Cryptography Against The Control Society	46
2.6 Session 6: Alternatives Bazaar on Stage	47
Fresh Projects in the Alternatives Bazaar.....	47
2.7 Session 7: Critique of Crowdfunding.....	52
Inge Ejbye Sørensen - Peer to Peer or Mine to Mine? A Critique of Crowdfunding	53
Irina Enache and Robert van Boeschoten - Visualizing Crowdfunding and Beyond	55

Jamie King - Peer.do: A Laboratory for Co-funded Action	58
2.8 Session 8: Designing Alternatives.....	60
Matthew Slater - Cryptocurrencies: Designing Alternatives	60
Max Haiven - The Dark Arts of Reimagining Money	62
Eli Gothill - from the Muslim Trade Routes to Twitter's #PunkMoney	65
Lana Swartz - Venture Capital for the Alternative Innovations in the Money Space?	68
3. Press coverage of the MoneyLab conference	71
4. Program of MoneyLab: Coining Alternatives Conference.....	88
Friday, March 21	88
Saturday, March 22	89

1. MoneyLab: Coining Alternatives

Project name: MoneyLab: Coining Alternatives - Sprouting new digital-economic forms in times of crisis

Address: Rhijnspoorplein 1, 1091 GC, Amsterdam, The Netherlands

Link: www.networkcultures.org/moneylab

Contact: Patricia de Vries - patricia@networkcultures.org

Location: Lab 111 (Arie Biemondstraat 111, Amsterdam)

Design: vosbrenner.net

Partners: Hogeschool van Amsterdam, CREATE-IT Applied Research, Amsterdam Creative Industries - Centre of Expertise and University of Warwick.

1.1 Key Results

- A two-day international conference with a crowdfunding workshop, an alternatives bazaar, a film program and a networking party. The event took place on March 21 & 22, 2014.
- MoneyLab: Coining Alternatives booklet: contains an overview of all the conference sessions, speakers, as well as the organizations participating in the workshop and the bazaar. It furthermore includes the biographies of the speakers and of the organizing team: http://issuu.com/instituteofnetworkcultures/docs/inc_moneylab_programma.
- About 250 - 300 visitors who attended the conference in its two days (excluding speakers, bloggers and the organizing team).
- Videos of all the presentations given at the conference can be found on the Institute of Network Cultures' Vimeo account: <http://vimeo.com/album/2799328>.
- Photos of the event can be found on the Institute of Network Cultures' Flickr account: <http://www.flickr.com/photos/networkcultures/>.
- Live reports of the conference. Each speaker's presentation was covered by a designated blogger. Section 2 of this report comprises all the conference reports.
- networkcultures.org/moneylab - the blog of the MoneyLab project. Prior to the conference, it hosted blog posts by the research team of the MoneyLab project (theory, reviews, current affairs, opinions etc), several interviews with actors engaged in alternative revenue models, as well as resources for further reading. The blog is now enriched with the live reports from the conference. The blog was furthermore the portal for buying tickets and registering for the crowdfunding workshop of the conference.
- Online discussions during and around the MoneyLab event - people used Twitter and the #moneylab hashtag to express their thoughts live. These tweets (without retweets or favorites) have been gathered here: <http://networkcultures.org/wpmu/moneylab/2014/03/26/hashtag-moneylab/>.
- New contacts amongst the speakers and bazaar organizations; the network is enlarged and knowledge is shared.
- The INC online media archive is enlarged, including pictures, flyers and posters of the event.
- Active mailing list with around 183 members.

- The basis for the forthcoming publication - the MoneyLab Reader - is set.
- A good insight in what the MoneyLab#2 conference could cover in terms of alternative revenue models debates.

1.2 MoneyLab: Coining Alternatives Blog

The blog is the main portal to the target audience; all updates about the project can be found here: <http://networkcultures.org/wpmu/moneylab/>. The blog hosts articles posted by the MoneyLab research team (theoretical reviews, comments on current affairs, announcements, opinions, interviews with actors engaged in the project's topics). The blog also functions as a digital archive for resources that are stored and accessible to the public. The live reports from the conference, videos and photos can also be found there.

The day before the conference saw a peak of almost 400 unique visits and stayed the same for the two conference days. Overall, the month of March had 4,840 visitors.

CONFERENCE
MAR
21-22
SAVE THE DATE
20
14

MONEYLAB

COINING ALTERNATIVES

[BLOG](#) [ABOUT](#) [CONFERENCE](#) [BACKGROUND](#) [MAILINGLIST](#) [RESOURCES](#) [CONTACT/CREDITS](#)

Visualizing crowdfunding and beyond

Posted: April 4, 2014 at 1:22 pm | By: Nick Vieira | Tags: crowdfunding, irina enache, MoneyLab toolkit, Robert van Boeschoten | [Edit](#)



Irina Enache and Robert van Boeschoten introduced MoneyLab's interactive Crowdfunding Visual Toolkit to the audience during the seventh session on the final day of the conference. Enache is an alternative revenue models researcher for the Institute of Network Cultures, specifically for the Moneylab project, and van Boeschoten is a lecturer at Universiteit voor Humanistiek with an academic background in crowdfunding. Together, they highlighted their existing research on crowdfunding for creative industries in The Netherlands, before presenting the MoneyLab toolkit. The toolkit consists of a web based platform and an interactive data visualization that is aimed at assisting people working in creative industries, specifically "artists, cultural practitioners, designers, programmers, freelancers in the creative space, and entrepreneurs", in identifying the most suitable online crowdfunding platforms according to their project's needs. As crowdfunding is becoming mainstream, for instance, in 2013 there were around 300 existing platforms, and as available budgets for funding are increasing, it is essential that users can access a structural help program to assist them with the crowdfunding process, stated Enache.

GET YOUR TICKETS NOW!

[Go to the Ticketscript page here](#)

[Sign up for a crowdfunding workshop!](#)

recent posts

[Visualizing crowdfunding and beyond April 4, 2014](#)

[Call for Contributions: The INC MoneyLab Reader April 4, 2014](#)

[Brett Scott – Applying the Hacker Ethic to the Financial System April 2, 2014](#)

[Jerome Roos writes reflections on MoneyLab: 'In each other we trust, coining alternatives to capitalism' April 1, 2014](#)

[Franco Berardi – Money Language Insolvency April 1, 2014](#)

recent comments

[In each other we trust: coining alternatives to capitalism | greek_independent_news on Finance Is Not About Money](#)

[In each other we trust: coining alternatives to capitalism « WORDVIRUS on Bitcoin: Leveraging Cryptography Against The Control Society](#)

[Suitpossum: Post-crisis Adventures in Financial Subversion on Program](#)

[In each other we trust: coining alternatives to capitalism | ROAR](#)

The MoneyLab blog - screenshot

2. Blog posts

All presentations and parallel events of the conference were covered by designated bloggers, and were furthermore photographed and recorded on tape. All materials are available online.

All the conference reports (blog posts) can be read below, as well as on the MoneyLab website. Photos can be seen at www.flickr.com/photos/networkcultures/ and videos are available at vimeo.com/album/2799328

Full program of the conference can be viewed in section 4 (page 88) of this report, or online at <http://networkcultures.org/wpmu/moneylab/program-3/conference-sessions/> or http://issuu.com/instituteofnetworkcultures/docs/inc_moneylab_programma .

2.1 Session 1: Monetization of Everything

Session description:

Emerging digital technologies have enabled an explosion of alternative financial models. However, they cannot and should not be discussed as ‘internet solutions’ without positioning them in a larger context. They may have sprouted as a result of the 2008 global financial crisis, but do internet currencies and their models offer a sensitive response to this by simply monetizing all aspects of life? What other functions can we imagine for them? Can alternative revenue models also make bold claims to resolve current contradictions in capitalism? In addition to new money flows it is necessary to design new economic models for the redistribution of existing wealth. These can be used as vehicles for discussing growing inequality worldwide; however, while some directly target these issues, long-term development is still missing. How can they be made viable at a larger scale, acting more like public money and tax money rather than staying outside the regulatory framework? Is an equivalent of money even needed, and what would a non-monetary economy look like?

Speakers:

Saskia Sassen (US) is a Robert S. Lynd Professor of Sociology and Co-Chair at Committee on Global Thought, both positions held within Columbia University. Her research and writing is focused on globalization (including its social, economic and political dimensions), immigration, global cities, new-networked technologies, and changes within the liberal state that result from current transnational conditions (www.saskiasassen.com).

Stefan and Ralph Heidenreich (DE)

Ralph Heidenreich lives in Biberach/Riss and works as a programmer (www.ralph-heidenreich.de). Stefan Heidenreich lives in Berlin and holds a research position at the Center for Digital Culture, Lüneburg University (www.stefanheidenreich.de). Together they wrote the books *Mehr Geld* (‘More money’, Merve:Berlin 1998) and *Der Preis der Welt* (‘Pricing the World’, 2014).

Bill Maurer (US) is Dean of Social Sciences and Professor of Anthropology and Law at the University of California, Irvine. He is also the Director of the [Institute for Money, Technology and Financial Inclusion](#), and Co-Director of the [Intel Science and Technology Center for Social Computing](#). In the former he supports over 100 research projects in more than 34 countries on mobiles, money, and mobile money, emphasizing client perspectives and qualitative, ground level studies undertaken by researchers from the countries under investigation. In the latter he focuses on emerging payment technologies and the future of money. He has published six books and over 50 research articles for academic, industry and regulatory audiences. A cultural anthropologist, he conducts research on law, property, money and finance, focusing on the technological infrastructures and social relations of exchange and payment. Maurer has particular expertise in emerging, alternative and experimental forms of money and finance, and their legal implications. He is currently conducting research under a grant from the US National Science Foundation on regulatory frameworks for mobile financial services and how they have the potential to challenge the definition and nature of money. He received his BA from Vassar College and his MA and PhD from Stanford University.

Saskia Sassen - Finance Is Not About Money

By Nick Vieira

Saskia Sassen joined speakers Stefan and Ralph Heidenreich and Bill Maurer in the first panel of the MoneyLab conference - "Monetization of Everything". Sassen is a long time friend of Geert Lovink and famous for coining the term "global city". She opened the session by stating that "it is a mistake to think that finance is about money, that if it only were, it would be so simple". For Sassen, finance has, ironically, enabled the monetization of everything and cannot be simply reduced to money, because then you miss "the key aspect of the plot". Rather, finance is a capability (understood here as a variable whose valence can change radically). Her interesting talk highlighted that money, material or non-material, has never really existed. This is especially true, she claimed, when you look at some of its current forms such as global GDP and outstanding derivatives. For example, the global GDP, estimates Sassen, is around 60 trillion dollars; however, she carefully notes, this money simply does not exist. What exists is the capability of financial actors and instruments to allow these calculations to act as if they were real.



Saskia Sassen and the opening panel at MoneyLab

Sassen also distinguished between traditional banking (the selling of money one has or money one can instantly borrow), and finance (the selling of something one does not have). The current system of financial institutions, she argued, revolves around creativity that sells what it does not have through inventive instruments. Furthermore, this financialization then invades other sectors, the ones that actually produce goods and services, since finance itself simply “does not have what it needs to produce”. These institutions hold a monopoly over money creation; nevertheless, Sassen claims that “finance has lost the capacity to govern itself” and keeps fluctuating between different crises whilst continuing to develop instruments of its own accord. In contrast, if we could govern finance, we would be able to build housing for the world, or green energy transport systems for everything.



Amongst other issues, Sassen also touched upon financial innovations such as credit, which she better phrased as debt or the “little bridge that helps finance invade just about any sector”, and linked it to the infamous vulture funds that “extract value from little pickings”. Citing the Panama example, she highlighted how these funds managed to aggressively reposition the state by buying their debt, and forcing them to pay it back it with interest.

Saskia Sassen - Video - <http://vimeo.com/90207380>

Stefan and Ralph Heidenreich - Non-Money

By Nick Vieira

Following Saskia Sassen’s talk were the Heidenreich brothers, authors of the book “Mehr Geld” (or “More Money” in German). The pair presented their latest work “Non-money”, that looks at money from the standpoint of finance with the goal to criticize the issue of money since, the two argue, this is technologically obsolete today. They started by defining what we understand as money in the words of the Bank of England - “money in the modern economy is just a special form of IOU (“I owe you”) or - in the language of economic accounts - a financial asset”. Another

definition by the Bank of England is that “money is a social institution that provides a solution to the problem of trust”.



On the subject of alternative monetary forms such as Bitcoin, the Heidenreich brothers claimed that they should not be thought of as an alternative proposal to money as they tend to perform on exactly the same scale as traditional money and follow a “very old-fashioned approach”. For example, as a loanable funds approach, Bitcoin functions as a model of exchange similar to that of the Bank of England, all within a hierarchical system.



In an attempt to critique the system, the Heidenreich brothers analyzed money from two perspectives: first, as a system of power that fosters inequality and exploitation, according to Bichler/Nitzan; second, money as the driving force behind the scarcity of resources, and lack of their proper allocation and distribution, as described in a paper written by J. M. Keynes. Furthermore, the two speakers argue for a different monetary system based on an “algorithmic, data-rich matching algorithm” that functions on the basis of equal and mediated social distribution and which can assign value to items, based on social factors. At its core lies the idea that the value of things constantly changes and adapts to different economic entities; nevertheless, the necessary infrastructure in this scenario would still be supported by a state-type of entity.

Stefan and Ralph Heidenreich - Video - <http://vimeo.com/90206809>

Bill Maurer - An Anthropologist's Take on Monetization

By Armina Stepan



Bill Maurer began his session with a statement about the alternative currencies today: "It's a wild west out there". Of course, a lot of the emerging payment systems fail along the way.

Looking a bit at the origin of alternative currencies, we see the 19th century's references to the railroad systems. Terms such as "freight" and "token" start to be used about the same time as the habit of cashing in checks arises.

Wildcat banking in the 19th century's United States is, perhaps, similar to what we see in the alternative currency systems today: the actual regulations of banking varied from state to state. Non-par banking also occurred at that time - the practice of charging fees to execute a draft or check drawn from another bank.

In terms of digital currencies, the Diner's Club emerged in the 50's as one of the first independent credit card companies in the world, producing credit cards for travelling and entertainment purposes.

The founder of Bank America/Visa would afterwards say about the invention of the credit card system: “We were in the business of the exchange of monetary value, not in the credit card business”.

The 20th century sees a large number of new payment systems arising around the world. The “PayPal” system rides the “rails” of payment. M-Pesa in Kenya is currently the most developed mobile payment system in the world and a very useful micro-financing tool for a developing country. M-Pesa allows users with a national ID card or passport to deposit, withdraw, and transfer money through their mobile phone. Some other examples: American Express issues private tokens and the newly popular Bitcoin sees the “token” and the “rail” converge; gift and prepaid cards don’t require a bank account in order to be activated.

Reputation based currencies are another interesting example (see Klout score) - in that case, using your online and/or offline popularity could gain you rewards.

The future of money is a hot topic right now. Will we look at money as advertising/marketing tools? Will we have a decentralized ledger? There is a battle about to happen over who controls that ledger.

Ownership over the means of value transfers is problematic:

“...the provision of money by private companies over private infrastructure risks undermining an important function of the public sector, namely, that the means of value transfer are not ‘owned’ by anyone” (World Bank 2012: 71).

Maurer ended his presentation with some questions as food for thought regarding the future of currency:

Who holds and controls the distribution and authorization of credibility?
What recourse is there when things go wrong?
Is there a public interest in payment?

During the Q&A session, Maurer was asked about what he makes of the classical “money as enforcement” paradigm. To this he replied that, with digital currencies, this is exactly what we want to get rid of: enforcement. Instead, we want to replace a system of scarcity with one of needs and solutions.

Bill Maurer - Video - <http://vimeo.com/90207123>

2.2 Session 2: Dismantling Global Finance

Session description:

From Occupy Wall Street and anti-student debt protests in the US to global protests against neo-liberal budget cuts, we are seeing rising protest against the radical redistribution of wealth into the hands of the 1%. Given the waves of market crashes to come, how can resistance be better organized? What are the vital concepts and tactics that we believe can create a new dimension in global protest? Is electronic disturbance a necessary and desirable strategy? What about boycotts? This session calls, first, for a better comprehension of the current financial system and its crisis, followed by experiments with alternatives. How can people grasp finance, given its constant portrayal as a complex, highly digitized giant that is always run by 'others' (states, banks, and corporations)? How can they be encouraged to take up active roles and experiment with alternative models?

Speakers:

Franco 'Bifo' Berardi (Bologna, Italy, 1940) is a writer, media theorist and media activist. As a young militant he took part in the experience of 'Potere Operaio' in the years 1967-73, then founded the magazine *A/traverso* (1975-81) and was part of the staff of Radio Alice, the first free pirate radio station in Italy (1976-78). Involved in the political movement of 'Autonomia' in Italy during the 1970s, he fled to Paris, where he worked with Félix Guattari in the field of schizoanalysis. He has been involved in many media projects, including Telestreet and Recombinant.org. Bifo published the books *The Uprising* (1912), *After the future* (2011), *The Soul at Work* (2010), *Felix* (2001), *Cibernauti* (1994), and *Mutazione e Cyberpunk* (1993). He has contributed to the magazines *Semiotext(e)*, *Chimères*, *Metropoli*, and *Musica 80* and is currently collaborating with e-flux journals. Coordinator of the European School for Social Imagination (SCEPSI), he has taught at Ashkal Alwan in Beirut, PEI-Macba in Barcelona, Accademia di Brera in Milano, and has lectured in social centres and universities worldwide.

Brett Scott (UK) is the author of [The Heretic's Guide to Global Finance: Hacking the Future of Money](#). He has worked with groups like Move Your Money UK, ActionAid and the World Development Movement, and is setting up the [London School of Financial Activism](#). He has written for publications such as *The Guardian*, *The Ecologist*, *Wired Magazine* and *Aeon*, and has appeared on the BBC, Arte TV and other media outlets. He is also a fellow of the Finance Innovation Lab.

Tiziana Terranova (IT) is Associate Professor of Cultural Theory and New Media in the Department of Human and Social Sciences at the University of Naples 'L'Orientale' where she coordinates the PhD programme in Cultural and Postcolonial Studies. She is also currently a Visiting Research Fellow at the Centre for Cultural Studies, Goldsmiths' College, University of London. Terranova is the author of *Network Culture: Politics for the Information Age*.

Brian Holmes (US), author of *Crisis Theory for Complex Societies*, is an art and cultural critic and activist interested in the intersections of artistic and political practices (www.brianholmes.wordpress.com). He has worked with various art and activist groups such as Ne pas Plier, Bureau d'Etudes and Sixteen Beaver.

Franco Berardi - Money Language Insolvency

By Vicentiu Dinga

Franco Berardi started his presentation by linking the subject of money and alternative currencies to the Occupy movement, whose tonality and intentions, in his opinion, had a lot to do with hacking the future of money. Berardi described the Occupy movement as a 'self affirmation of the body against the rationale of abstraction in the financial sphere - the final avatar or manifestation, an attempt to deconstruct the financial automation of social life.'



Furthermore, Berardi discussed a few concepts, beginning with automation; in his approach, this not a new word yet it's taking a new meaning in our age - a final meaning. Berardi claimed we are witnessing the final implementation of automation. This can be considered the central issue of the last 50 years. The problem of these past 50 years of political, social and cultural life

is the possibility of automation, as Berardi raises the question whether automation is 'the solution to get out of the induced labour or is actually the chain which is going to enslave us'.

Next, Berardi talked about insolvency and what it means for him, arguing that he considers the process is an equivalent for social solidarity. In regards to alternative currencies, Franco Berardi sees two main directions. One is territorial - the local exchange, trading, exemplified by mentioning Ithaca Hours and other alternative currencies in Italy. The other direction contains Bitcoin and all crypto/digital currencies, that are 'much more frightening'. However, the latter represent the only possibility of coming out from the 'old fashioned territorial'. Mentioning the Occupy movement again, Berardi argued that alternative currencies do not have a technical problem or a software one, but a problem of solidarity and trust. These are the main elements that can help develop alternative economies.

Franco Berardi concluded his talk with an example from the recently released Spike Jonze film "Her", saying that humanity needs to work on the problem of automation of linguistic interaction - "the real process which is giving sense or taking sense from our life, our struggle, our process of understanding".

Franco Berardi - Video - <http://vimeo.com/album/2799328/video/90207551>

Brett Scott - Applying the Hacker Ethic to the Financial System

By Philip Anderson

In his talk, Brett Scott discussed how hacker ethics could be applied to the financial system. He began by speaking about different power relations in finance. Scott claims that the way people imagine the financial sector to function can only perpetuate the inherent power differential that already exists. People imagine finance as a complex industry that only financial experts and bankers can understand. Finance is a world of the elite. This is a picture often promoted by the financial actors themselves in order for them to affirm their own status and knowledge. Yet, this way they alienate the average citizens from participating in the finance sector. Scott aims to address the reasons why people often feel passive and distanced from finance, and how they could learn from hacking ethics in order to take a more active role.

One reason of passivity is the perceived complexity; the other is that people believe finance is ruled by an expert elite. Scott showed several such illustrations of the common imaginaries that people have: black suit bankers, automated trading machines, a world economy in the hand of others. In an analogy, Scott compared finance to a black box or a 'windows interface'. The latter refers to the screen of any electronic device (from smart phones to tablets and PCs) that acts as a window for the user to connect to the virtual world. What the user knows little or nothing about is how the electronic device actually works, how it is wired, let alone the protocols and means of control embedded in the Internet. Finance uses similar familiar interfaces that in fact obscure people's understanding of it.



Moving more to the topic of hacking, Scott displayed a Steve Levy quote saying “Hackers believe that essential lessons can be learned about the system - about the world - from taking things apart, seeing how they work, and using this knowledge to create new and interesting things.” Scott compared this form of subversive ethos to examples such as urban exploring, radical approaches to anthropology, and “kicking the door down to make a table.” All of these forms of hacking involve the blurring and challenging of boundaries and norms, a theme he went on to discuss in more depth, touching on the ‘copyleft’ movement, John Cage’s silent compositions, and other forms of deconstructing perceived binaries.

Turning to more personal experiences, Scott described attending a G20 protest after leaving work (at the time, he was working as a broker), only to be commended by the crowd for “coming disguised as a banker.” He used this as an example of how people often have trouble reconciling that members of traditionally opposing groups could in fact be a member of both. One of his final slides summed up how he views the hacker ethos, and how it can be applied to the financial system: by “challenging power and maintaining openness through playful subversion and rebellious creativity.” From his experience with activist groups, Scott noticed how they tend to set a clear boundary - us and them - when relating to financial actors. This, suggested Scott, does not help create a conversation. Instead, going to events, meeting these actors and striking a conversation can be more playful and fruitful. Another idea is to look at organizations engaged with alternative finance, whose aim is to make people behave more like producers of financial goods rather than mere users. Finally, Scott mentioned his project ‘The

London School of Financial Activism' that aims to gather people interested in understanding how financial tools and concepts work, by experimenting with them.

In the end, Scott explained that it is this hybridization of knowledge between opposing or dissimilar communities or ideas that lead to the most creative and positive changes.

Brett Scott - Video - <http://vimeo.com/album/2799328/video/90207826>

Tiziana Terranova - Virtual Money and the Currency of the Commons

By Vicentiu Dinga



Tiziana Terranova began her presentation by mentioning she does not work on money and she has no specific expertise on this, other than working as a new media researcher for a long time. Therefore, she started making her argument on the virtualization of money through technology, and questioning the monetization of labour and social media. As a main research question, Terranova brought up the issue of the economization of network cultures and how it might be the expression of something larger - like the monetization of participation - arguing that data is actually currency.

Terranova argues that Bitcoin is important for breaking the taboo on money and therefore it should be valued for that and for being an emerging transnational currency. Nevertheless, she also posed a question: how could people solve the problem of money design as to allow different communities to contribute? Terranova mentioned that 90% of the money in circulation is scriptural, electronic money, while only 10% is represented by actual bank notes and coins.

On linking money to neoclassical economics, Terranova mentioned the allocation of scarce resources by alternative means, which has to do with the choice of where to invest one's money and what kind of return one gets. The understanding of money has changed - it no longer has a general equivalent but rather becomes individual investment. Money is now all about future returns rather than comparing commodities and exchanging them.

Terranova then talked about the critique of finance that emerged on neoclassical economics, comparing the concept to the Keynesian beauty contest theory (1936). Mentioning a few functions of money, she pointed out that money is capital, a means to command society, a means to structure and order a given society. Terranova added that there should be functions added to the new money and crypto currencies as well, such as the ability to invest in tax return, health, education, research, art and the environmental crisis. Terranova concluded that she currently does not hold an answer to the way in which this can be achieved.

Tiziana Terranova - Podcast - <http://vimeo.com/album/2799328/video/91608722>

Brian Holmes - Money Unlimited: The Consequences of Quantitative Easing

By Irina Enache

Brian Holmes has long been a key voice in the critical and activist oriented discussions on economics and is especially active on the Nettime mailing lists. Recently, he has been looking at issues surrounding global supply chains and their effects on society.

Holmes began his speech by stating that the time of 'supermoney' is now, explaining how power, control, and wealth can be acquired and used by the push of a button, with money being created, in many instances, out of thin air.

He focused on two elements that contribute to this state of affairs. The first is ultra low interest rates, often below the level of inflation, that allow people to "rent money" effortlessly, thus creating debt. The second, and more striking, is outright monetary creation. This money creation is often a tool used by the U.S., European Union, Japan, and other industrialized economies. The phenomenon, explained Holmes, was evident in the 2008 - 2011 financial crisis, where these states used all their money to bail out banks. Yet where did the bailout money come from and what were the consequences of pouring it all in the "sinking ships of global finance"?

Holmes traced the first question back to 1968, when the U.S. banks could only issue as much printed money as they could back by real gold reserves. Around that time, however, the Federal Reserve of the United States decoupled the value of the dollar from the gold reserve. After this, the dollar's new value was claimed to be derived from "productivity". The Federal Reserve could now print money in whatever quantities it wished and called it fiat currency.



Much of this invented and spontaneous wealth went to "guns and butter", namely the welfare state and the Vietnam War during President Johnson's mandate. The amount of printed dollars available in 1968 was 44 billion, whereas in 2007 it was 930 billion (a 20-fold increase). Fiat currency, mused Holmes, essentially means "let there be money".

Holmes continued discussing the notion of "creditism" that is supported by fiat currency. We all owe banks the money that they never had, he argued, which makes bankers appear as mystical creatures, offering us what they themselves do not possess. He explained how the money that people place in banks is not deposited there - fractional reserve banking essentially means only a small fraction stays in the bank, the rest is circulated to other accounts. Laws made it easier to do this. While in 1945, banks were regulated so as to keep 20% of any deposit as a reserve, today they are required to keep a mere 3% and, often, nothing at all. Money keeps being leant over and over again, with total created credit growing 50 times since then 1945 (from 1 to 50 trillion dollars). While this was supposed to help economies grow, it did the opposite. With many corporations and medium sized businesses getting themselves financed all the time, no credit is enough. What these companies do today, explained Holmes, is finance themselves ahead of

production, endlessly expanding operations and then quickly creating corporate bonds to trade and get even more money. With money becoming electronic, it becomes harder to keep track of who and what gets financed.

Turning to the second question - what are the results of having bailout the banks and the corporations they support - Holmes draws attention to how unemployment grew and salaries were stagnant throughout this period, which meant more money could be poured in for-profit purposes. Another result is that “billions of dollars have been bought at ultra low interests rate in the West and in Japan and ploughed into government bonds in the developing South (Mexico, Brazil etc)”, together with big investments that further create social and economical inequalities and conflicts in those areas.

Holmes ended the speech with an important remark. He stated that money comes in three forms: unlimited money (the one endlessly printed by banks, the speculative one - stocks, bonds and other trading packages), the Fordist-type of money (the one people relate to - monthly salaries, benefits, taxes that go into schooling, arts or public infrastructure) and finally flexible money (in the form of flexible wages that cause debts that one is mandated to pay back). It is these debts and the precarious working contracts that heavily burden people and their economical power. While alternative currencies are addressing this issue already by allowing people to create their own wealth and mobility (from Bitcoin to crowdfunding), Holmes suggests that a direct action against austerity measures is needed in order to fix the mainstream finance as well.

Brian Holmes - Video - <http://vimeo.com/90207678>

2.3 Session 3: Critical Art Practices

Session description:

An artist’s relationship with money has always been one of crisis. Perhaps this is one reason why money itself makes a particularly suitable subject for highly critical and unique artistic practices. In this session three artists will illustrate different histories and understandings of money and finance in relation to the art world and society. These include an experimental art reserve bank, an exhibition of interactive public sculptures, and finally a humorous stand-up economy performance.

Speakers:

[Dette Glashouwer \(NL\)](#)

Like many artists, Dette Glashouwer was not at all interested in money. But as the financial crisis hit and peak oil came closer, she lost her income. To survive she travelled to America, Norway, and Istanbul, performing at theatres, festivals, people’s homes, at banks and time banks. She spoke with scientists, visionaries, and out-of-the-box thinkers to get an answer to her question: “What is money, how does this money system affect our planet, and is there an

alternative?” Her money performances engage her audience as stakeholders: there have now been 1100 from all over the world. Glashouwer is also one of the founders of the Dutch theatre trio Suver Nuver and has performed for her majesty Queen Beatrix of the Netherlands (www.detteglashouwer.com).

Ron Peperkamp (NL) is an artist and the managing director of the [Kunst Reserve Bank](#). The Bank exchanges euros for works of art in the form of exclusive coins. Every month a different artist designs a series of four coins. These unique coins are available against the current exchange rate at the Kunst Reserve Bank and can be purchased at the Alternatives Bazaar.

Dadara (NL) is internationally known for his public sculptures that intertwine performance and multimedia to critically challenge relations to different utopias. He has given money special attention in artworks such as Transformoney (exhibited at Burning Man Festival) and Exchanghibition Bank (www.dadara.nl).

Dette Glashouwer - Always Sunny in the Rich Man's World

By Maya Livio

“Money has never interested me,” repeated Dette Glashouwer during her performance titled *MoneyMoneyMoney*, opening the third session of the MoneyLab conference. A Dutch actress and performance artist, as well as one of the founders of Dutch theatre troupe Suver Nuver, Glashouwer has toured this and related solo performances around the world.

The piece engaged viewers in a crash course on the history of economics, investigating debt, stocks, pay bonuses, and more along the way. Glashouwer mused about her fascination with money throughout, dramatizing past events, such as how goldsmithing led to banking when a goldsmith started to write checks that he did not have enough gold to cash.



Dette Glashouwer Performs MoneyMoneyMoney at MoneyLab

In a sort of pantomime timed perfectly to music, Glashouwer donned a costume resembling the central figure in Rembrandt's *The Night Watch*, and noted that it referenced 1602, when the Dutch developed a revolutionary financial system as a result of various ailments of the period, for which spices became remedies.

Revealing a mobile-like object consisting of a wire hanger and dangling spice packets, which she dubbed an "installation", Glashouwer described the most expensive of these spices, white pepper. The imported spice had apparently been used to treat stomachaches, but its trade was abruptly discontinued during the Dutch-Portuguese War. This lack of availability inspired the Dutch to sail the oceans in search of the spice and to form the first multinational, the Dutch East India Company, pioneering an early form of shareholding, which ultimately led to the stock market.

Glashouwer then proceeded to talk about money in more contemporary terms, explaining that earnings of 58,000 euro per year represent the tipping point at which happiness begins to decline. She amusingly illustrated this figure by uncovering a collared white shirt of the type frequently worn by business professionals, embroidered with a graph depicting the happiness-to-income ratio. She hung the shirt on a line above her, where it stayed for the remainder of the performance, along with the aforementioned spice hanger and later-used props, forming a minimal but effective set.

In the concluding movement to her piece, Glashouwer addressed the emotional side of money by invoking the “spirit of desire,” the innate human drive that always wants more. She shared her personal fears of money, including concerns that there is not enough of it, that she is not worth it, and that she must negotiate for it. She divulged that her relationship to money bears resemblance to her romantic relationships, in that fear and hurt feelings lead her to attempt to reject money altogether.

This realization led Glashouwer to develop a variety of self-help strategies towards the improvement of money relationships, including an analogy to food, implying that people should enjoy money in the same manner, understanding when enough is enough. Her most concrete advice was for audience members to occasionally check-in and ask themselves: “What is it that I really desire?”

This MoneyLab performance represented a portion of Dette Glashouwer’s continuous research into the complexities of money. Pulling in the audience as stakeholders, she encouraged conference attendees to invest in the next chapter of her story, the stock of which can be purchased on her website.

Dette Glashouwer - Video - <http://vimeo.com/90208172>

Ron Peperkamp - The Art Reserve Bank

By Vicentiu Dinga

Ron Peperkamp is an artist and the managing director of the Art Reserve Bank. His projects could be described as rather remarkable happenings, which, in a serious but playful way, invite the viewer to reflect on social and economic matters. Over the last two years, he has been running the Art Reserve Bank, hoping to provide an alternative to one of the fundamental problems of the bank crisis.



Peperkamp began his presentation by asking the audience to thank the financial crisis for the MoneyLab conference, mentioning that the crisis is one of credit and, therefore, of trust. Speaking about trust, he argued that this is the basis of the entire monetary system and the reason why the crisis is often called “systemic”. He explained that most economists like to describe the crisis as a sort of miscalculation of the value of some assets, in this case mortgages, a systemic accident, more or less, but in hindsight, quite an easy one to explain.

Peperkamp then offered his own understanding of the crisis, from an artist’s point of view, on a more abstract level: ‘I see it as a first sign of an unconscious, collective doubt about our debt based money. Banks did not trust each other anymore and did not trust the value of the assets that they owned. In this sense, it is a sort of mistrust of what this debt based money is actually worth’.

The Art Reserve Bank was created by artists and economists to test the viability of a new kind of money and started as a project to solve the problem of the monetary system not being backed by anything anymore, as it was in the past with the gold standard. The bank itself is a small structure in Eindhoven containing three basic components: a safe, a teller, and a mint

through which coins get issued. Every month, an artist designs four coins and each is issued for one week only in exactly one hundred copies. The Art Reserve bank thus creates coins that have an artistic value and are issued in a limited amount.

The coins can be bought and afterwards exchanged for regular currency, by either selling it to a third party or by returning it to the bank and obtaining a 10% interest within the first year, the interest growing to 20% if the coin is returned in the second year and so on. For every hundred euro people pay for the coins, 10% is put in the safe, while 90% is used to create the actual coins.

Peperkamp declared that very few people actually returned coins so far, while a lot of them were sold on eBay, which is why a dealing room on the Art Reserve Bank website was created, so that coins can be traded by the public. The value of one coin is set each morning by cutting off the top and bottom bidding and obtaining the average value. The Art Reserve Bank is set to last for exactly five years, in which time around 25.000 coins will be issued. The experiment is hoping to prove that art can be a viable backing of currency, as well as having an art standard to replace the old gold standard. Peperkamp also argues that the quality of art is to hold its value or increase it and, because of this quality, it is possible to base an entire monetary system on it.

Ron Peperkamp - Video - <http://vimeo.com/album/2799328/video/90208384>

Dadara - Who Says Money Doesn't Grow On Trees?

By Matthieu Foucher

Among the heteroclit crowd of scholars, artists, entrepreneurs and journalists intervening at MoneyLab comes Dadara, a man that could seem quite like a UFO after the finance-oriented morning of talks and conferences.

From underground culture promoter to bank director

The Amsterdam-based performance artist started his career as an illustrator, designing flyers and recording covers for the electronic house scene. Dadara claims he had no interest in money whatsoever until three years ago, but that he is now fascinated by it.

“Art was the only thing I cared about,” he says. It is only when he started reflecting on the value and monetization of art that the topic of money caught his attention, gradually taking a predominant role in his recent work.

“Most people, even though they use money every day, don't think about it.” From 2010, Dadara found his new ambition: to make people think about money. And to do so, he did something quite surprising given his anti-money perspective: he created his very own monetary institution, the Exchanghibition Bank.

It is furthermore after realizing that “there wasn’t much money for art but a lot of money in banks,” that he decided to include money and banking in his art.

Gift economy meets love banknotes

His installation was first exhibited at several cultural spots such as the Rijksmuseum and the Stedelijk Museum in Amsterdam, before moving to more public spaces like Amsterdam Central Station.

More recently, Dadara performed at the Burning Man Festival, a choice that could seem odd at first, but is actually rather logical: the festival takes place each year in Nevada and relies only on a gift economy. The weeklong utopia’s inhabitants, therefore, were already quite receptive to a reflection on money.

“Money quantifies everything. Every value becomes a number. Why do we not appreciate spiritual or social value more? Why such a competitive drive?”

To illustrate his point, Dadara’s Exchange Bank issues its own money: starting with *zero* and *infinite* bank notes, he then printed love bank notes. In his opinion, money has made most social exchanges so dramatically anonymous that we should try to add love to our payments as much as possible.

One of the aims of Dadara’s currency is to create dialogue, to encourage people to share stories while using the artist’s bills. While performing at Envision festival in Costa Rica, he realized that when he used his own banknotes, people would come up to him and start asking questions.

“Money doesn’t grow on trees,” they say

Another project of his is the Transformoney Tree, in which Dadara asked participants to glue dollar bills on the branches of a tree he had crafted and, if it pleased them, to paint and “make them pretty.”

By destroying money’s financial value, Dadara made it appear for what it truly is: pieces of printed paper rather than something inherently magical.

As he also writes on his blog:

“Our current form of currency has turned from a neutral medium of exchange into a belief system.”

Fun fact: drawing on money is considered a federal offense in the United States, and can legally result in a fine or up to six months imprisonment, or both.



One minute of silence... for all the time we waste

Perhaps reminding us of another well-known proverb, another of Dadara's projects targets the value of time. To remind us that time is one of the most precious values on this planet, his bank now aims to issue time notes.

As Dadara amusingly says:

"Time should be considered as a quantitative value as much as anything else. In the past years, we've increased life expectancy to benefit more units of time. But how do we use them?"

To better emphasize his point, the Dutch performer wants to organize minutes of silence dedicated to wasted time, so people could contemplate how much of this resource they have lost. The artist also had a proper lawyer write down a contract for him, therefore legally stating that he, Dadara, is the entitled owner of his time.

The joys of crowdfunding: “money felt like a gift”

As most artists, however, Dadara’s relationship with money has sometimes been more practical. In 2002, with his project named the “Fools Ark”, he sent a ship he had crafted from the Netherlands to the US, so it could be burned there, again at Burning Man’s festival. This performance, he admits, financially ruined him for two years.

Therefore, the question of how to finance his work has probably often come to his mind, and the artist reckons he is quite enthusiastic when it comes to crowdfunding, which he sees as a kind of anarchism. “Money felt like a gift,” says Dadara, who has used such platforms to enable some of his new creations.

Dadara’s speech, compared to the down-to-earth talks of scholars, finance experts and entrepreneurs, appeared rather utopian, sometimes poetically naïve.

It reminds us that in the very complex world we live in and at a time where new technologies represent serious threats as well as inspiring hopes, we must remain idealistic, keep coming up with new solutions. Above all, we must keep dreaming.

Dadara - Video - <http://vimeo.com/90208028>

2.4 Session 4: Mobile Money

Session description:

Whereas in the West US-American credit card companies remain in control when it comes to Internet payments, elsewhere in the world things look different. When traditional banks were not interested in servicing citizens of the so-called ‘developing worlds’, telecoms took over the job. They expanded their initial monetary system of purchasing airtime and SMS credit to include a wide range of services, from P2P payments to water and electricity bills, school fees and transportation. Today, mobile money is front and centre in development discourses. While it is often positioned as a solution for the unbanked, this session tackles some lesser-known but problematic issues: what are the implications of mobile money being simultaneously a private tool for people as well as a marketing and surveillance tool for providers? What do we know about the underlying infrastructure between ‘peers’? What challenges is mobile money currently facing?

Speakers:

Erin Taylor (AU) is an economic anthropologist with a research interest in material culture, financial practices, and development in the Dominican Republic and Haiti (www.erinbtaylor.com). She is currently a post-doctoral research fellow at the Instituto de Ciências Sociais at the Universidade de Lisboa, Portugal. She is the author of *Materializing Poverty: How the Poor Transform their Lives* (2013) and the editor of *Fieldwork Identities in the Caribbean* (2010).

Gawain Lynch (AU) is a reformed tech-geek who used to spend his time working in IT specializing in information design, exchange and security while translating concepts to corporate business managers in words like 'synergy', 'symbiosis', 'B2B', 'B2C', 'paradigm shift', 'seamless solution' and his personal favourite, 'enterprise class'. This all changed in 2010 when he entered the world of the social sciences to assist two anthropologists in researching the intersection between human beings and technology in the developing world. Now he's immersed in a world of all things anthropological, including as creator / developer of the social sciences website PopAnth: Hot Buttered Humanity.

Taylor Nelms (US) is a PhD candidate in the Department of Anthropology and a Research Assistant at the Institute of Money, Technology and Financial Inclusion at the University of California, Irvine. He has written on zombie banks, mobile money and Bitcoin (www.taylornelms.net). His current research concerns the politics and pragmatics of money and law in Ecuador, where official dollarization and a state project to build an alternative 'solidarity economy' intersect to shape Ecuadorians' notions of value, trust, and durability in relation to everyday financial and political practice.

Erin Taylor - Mobile Money

By Nick Vieira

Bill Maurer moderated the fourth session of MoneyLab on mobile money. He introduced the topic as growing out of a grassroots movement in sub-Saharan Africa, when people who were using pre-paid mobile phones realized they could send airtime to each other via phones as an alternative currency, and as a mechanism of settling debts, amongst other things. He argued that the mobile industry later took note of this and industry professionals soon travelled to Kenya and Uganda to investigate the on-the-ground reality. What this meant in the lives of the poor and how it helped shape an entire research agenda into mobile devices and airtime system are some of the questions he initially posed.



The session's first speaker, Erin B. Taylor, also began her talk with the following two questions: "Is mobile money a social good?" and "What kinds of alternatives might mobile money provide?" In order to answer these questions, she touched upon the mobile phone research that has been conducted in the Haiti crisis since 2010. In the aftermath of a major earthquake, as a country that has witnessed multiple political crises, Haiti is not the kind of place you think about when discussing cutting edge technology. However, after the earthquake struck, there was a massive drive to develop technology. The most prominent of those was mobile money, developed as a way to send money soon after the earthquake, as traditional banking infrastructure had proved unreliable. Mobile money is an alternative way to transact money and provides new options to people who previously had to depend on traditional financial services or expensive remittance agents. However, it differs from alternative currencies and non-monetary systems as it is not rebellious in nature, and in fact integrates people into the current financial system, instead of excluding them.



Erin B. Taylor presenting at MoneyLab

Yet who are its typical users? In the case of the Kenyan M-PESA, is it the elderly women or the young, the rural or the more urban areas? How are they using it, and what can we learn from how they are using it? In the early days of mobile money however, the typical user in Haiti was in fact an NGO. The people using and demanding it were organizations such as MercyCorps, WorldVision, and PathFinder, who all used mobile money to pay salaries to health workers, amongst other things. This user group initially made up the core demand for mobile money.



The full Mobile Money panel incl. Gawain Lynch and Taylor Nelms

Both commercial and non-commercial stakeholders finance the supply-side of mobile money. For USAID, mobile money is used for a variety of different things. For example, it acts as a platform to pay salaries and offer credit. In terms of the commercial side, Digicel were large proponents of mobile money in Haiti and wanted to make a profit from the technology. Here, the boundary between social and profit becomes blurred, as people in Jamaica for example, where Digicel offers products to people with little spending power, see Digicel not as a company that is out to take their money, but one that provides more social benefits than the NGOs and the government do. The role thus switches, and mobile money becomes an “extension of corporate and social responsibilities”.

Concluding her talk, Taylor asked how could we think of mobile money as providing a social good? For example, mobile money provides alternatives so that people need not travel long distances to make transfers or keep money on themselves to make it safe. However, mobile money is not a substitute for the financial system and Taylor further stated that any assessment of the social benefits of mobile money first needs to examine the incentives that different stakeholders have to use mobile money, as well as how it fits into a macroeconomic picture.

Erin Taylor - Video - <http://vimeo.com/album/2799328/video/90208804>

Gawain Lynch - Mobile Money and Social (or Anti-Social) Security

By Philip Anderson

The self-described 'reformed tech geek' Gawain Lynch built on his experience in information security and asset protection in order to discuss some of the issues currently surrounding the growing field of mobile money. He discussed security as one such major issue.



Lynch began by describing how obscurity is commonly used to provide security for cash transactions throughout the world. He used the example of Haitian women merchants who hide large amounts of money in undergarments or other concealed locations, yet also keep a small amount easily visible in the event they are robbed on their way back from the market. This is not too different from people generally keeping their wallets safe and close by at all times. Similarly to this, people expect high security when it comes to their virtual money.

It is this symbiosis between the human and technological way of offering financial security that has lead Lynch to take an anthropological approach to studying how mobile money influences the social systems in which they are deployed.

Through this approach, Lynch began to investigate how mobile money was both a problem seeking a solution and a solution seeking a problem. He brought up the example of remittances.

Haitian people often leave their small villages and migrate to larger cities to secure work there. How do they manage to send a part of the money they earn back to their families, when only 10% of them are registered bank users and banking agencies are sparsely located? Before developments like mobile money, typically money was sent back via a trusted third party (always a human agent), such as fishermen who would carry money from one part of Haiti to another. This leads to problems such as theft or long delays in the transfer. This form of remittance transfer also carries its own costs, often adding hundreds of dollars to the overall price. Mobile money is a solution to this problem in that it provides rapid movement of funds in a generally secure electronic method. Similarly, mobile money quickly cut out the often rampant corruption in money transfers, with ranking officers and bank officials taking a cut of the payment.

On the flip side of this, mobile money also generates its own problems. Similar to the security issues surrounding more mainstream forms of e-payment, including hacking and infrastructure issues, mobile money also has its inherent risks. Beyond the technological risks, there are also social implications, which Lynch discovered through his anthropological approach to studying these technologies. For example, dependency on telecommunications companies and other forms of what some see as 'neo-colonial control.' The take-away is that the overall benefit of this technology outweighs the risks associated with the status quo.

Gawain Lynch - Video - <http://vimeo.com/90208510>

Taylor Nelms - Mobile Money and the Social and Technological Infrastructures of Transaction

By Philip Anderson

The talk by Taylor Nelms focused on lessons learned throughout his work at the Institute for Money, Technology, and Financial Inclusion. His research interest is on monetary ecologies, more specifically on how currencies interact with each other. Nelms' presentation at MoneyLab focused on mobile money, and particularly p2p transactions.

Nelms began by complicating the traditional definitions of p2p money transfers, expanding on who the 'peers' actually are and how to better understand the '2' (who are the intermediaries and what consequences does this have?).

Peers, as Nelms describes, are usually members of the same family, for example in Haiti and Africa. Mobile money primarily connects families, friends and relatives. Not only this, but it also engages more female participants, since the transfer of money is household related. Mothers and grandmothers often rely on it to communicate and transfer money with their siblings or daughters. Hence, patriarchal forms of power and control that exist in traditional payment systems can now be moved to what Nelms terms 'uterine relations,' or female based social structures, made possible by a channel such as mobile phones. Mobile money allows women to control and transfer money without male consent or surveillance. This can be useful to both hide

money (or the lack thereof), in order to preserve status, make deals more discretely, or maintain wealth within female lines.



On the '2' side of the discussion, Nelms spoke about how mobile money allows for easier saving and transferring of money. Nevertheless, mobile money is often only one of many other channels that people use. Other intermediaries include piggy banks, human agents, postal offices, kiosks where gambling and gaming are carried out, and other such channels that were designed to serve different purposes but were soon re-appropriated to also serve a financial role. Interestingly, mobile money is rarely replacing these alternatives, but rather complements them.

Nelms also discussed how mobile money is also an infrastructure itself. Card networks, wire systems, satellite communications are all parts of the distribution systems that fuel the capabilities of mobile money. Beyond these distribution networks, Nelms also discussed the importance of 'money repertoires,' and how mobile technology complicates these as well. From the simple piggy bank, to complex chip and pin systems, money has value that must be stored. While new technologies can aid in this, there are also downsides, mostly related to the complex infrastructure needed to support electronic storage and processing. The storage of the money itself is only one part of the equation; Nelms spoke about the importance of account keeping. Receipts and debts are useful tools for maintaining and expanding distinctly human trust-based social structures. In the end, the materiality of mobile money must be understood. While the vision of a cashless world is one many in the field push toward, the power that infrastructure, both technological and social have will always complicate the discussion.

Taylor Nelms - Video - <http://vimeo.com/album/2799328/video/90208676>

2.5 Session 5: Bitcoin and Beyond

Session description:

The internet currency Bitcoin would benefit from a differently-angled inquiry - a debate that moves away from the overrated media narratives and dedicated forums. This session first accommodates a historical perspective on encrypted and anonymous payments that first started with e-cash and DigiCash in 1990s, in order to position Bitcoin within a broader context and development. This is followed by discussions on Bitcoin's pragmatic, but less controversial functions and implications. Bitcoin stands as a real attempt to radically redesign global finance. Like the current order, Bitcoin privileges specific forms of exchange and monetary models (such as the gold standard). Bitcoin is currency as *Weltanschauung*. And like all systems, it is producing its own animal spirits. Will it be possible for Bitcoin to scale up beyond the geek economy? What are the technical and economic criticisms of Bitcoin, and how can they be fed back into the currency or be used to create others? Is Bitcoin the 'make or break it' for alternative crypto-currencies, or is it possible to imagine a future currency market?

Speakers:

Eduard de Jong (NL)

Early in 1990 Eduard de Jong designed and documented the implementation of the e-cash system designed by David Chaum in 1990 for the start-up DigiCash. In 1992, emboldened by their experiences at DigiCash, de Jong and his colleague Boudewijn de Kerf started their own company to consult on securing IT and implement security using smart cards and cryptographic techniques. At QC Technology, as they had named their company, de Jong filed a patent for a privacy-enhanced technology for electronic payment. In 1995 he co-founded Integrity Arts Inc. in San Mateo, California. Based on his patent, Integrity Arts produced the Java Card operating system for smart cards. Sun Microsystems Inc acquired Integrity Arts in 1997. At present de Jong is involved as architect in the realization of a smartcard-based, privacy-enhanced

electronic cash system with planned deployments for community currency in Canada and for transit payments in the UK. De Jong holds a Bachelor's degree in physics and a Master's degree in computer science. He has been awarded over 30 patents in the areas of smartcards, privacy protection, and electronic payment.

Peter Šurda

Originally a software developer (network security, online payments), Šurda has been specializing in economic research on Bitcoin since 2011. He wrote his master's thesis on "Economics of Bitcoin: is Bitcoin an alternative to fiat currencies and gold" and since then has been lecturing on the topic.

Beat Weber (AT) is an economist employed by the Oesterreichische Nationalbank. He lives in Vienna (Austria). His recent research work centres on a critical engagement with monetary reform proposals and theories.

Quinn DuPont (CA) is a PhD student in the Faculty of Information at the University of Toronto, Canada. His dissertation research focuses on cryptography: www.iqdupont.com

Eduard de Jong - Cash or Currency: an Overview of Electronic Payment Technology

By Armina Stepan

Eduard de Jong started the session on Saturday with a brief history of digital currencies. First of all, he explained, it is important to understand what we mean when we say "electronic currency": electrons that represent monetary value. The value is transferable and the electrons are on a wire, in silicon, in a magnet. De Jong went through some interesting examples such as:

1975 - invention of the phone cards

1992 - Mondex, a smart card electronic cash system

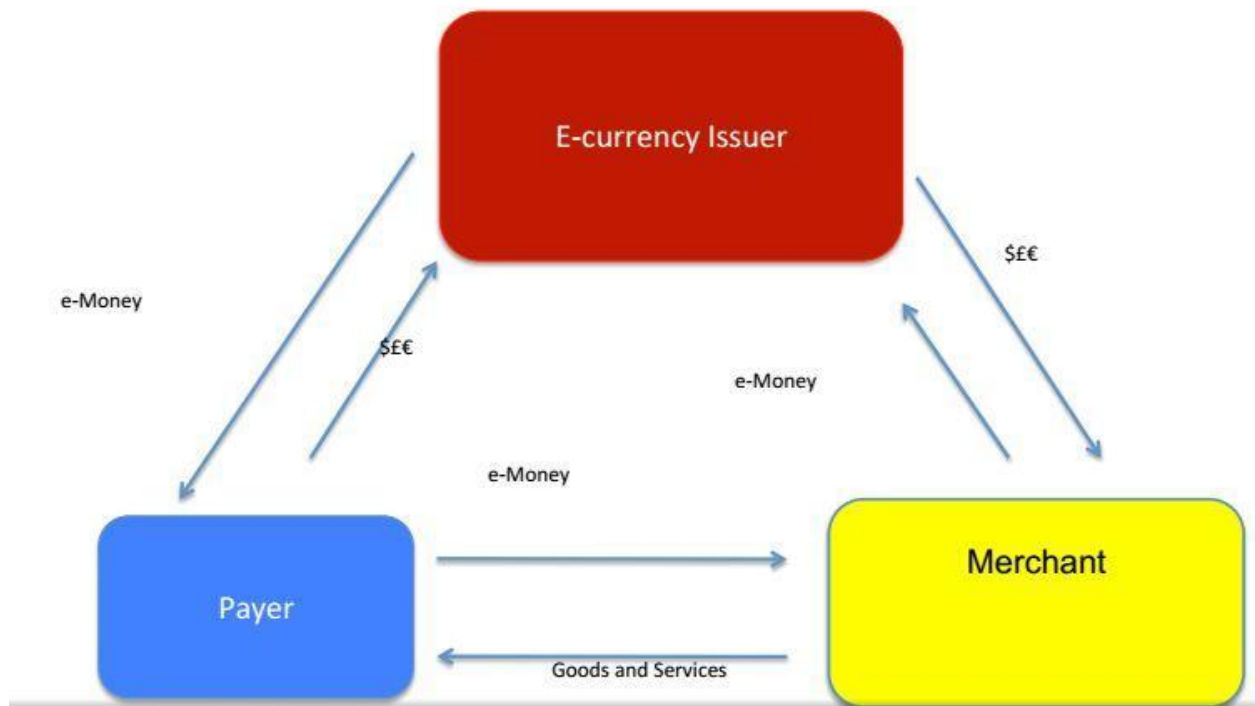
1996 - Chipknip in Netherlands, which has two parallel but similar uses in banking and in telecom

2000 - EZ link in Singapore and Navigo in Paris (both serve for public transport payments)

2012- Mintchip (Canada), Snapper (New Zealand), Wolfsburg (Germany)

The e-currency model may vary from "cash" - when the value is stored on a secure device - to "bank" - the value is recorded onto a database (a "ledger"). It can also be mixed, meaning that the value is stored on a secure device and each transaction is also recorded onto a database.

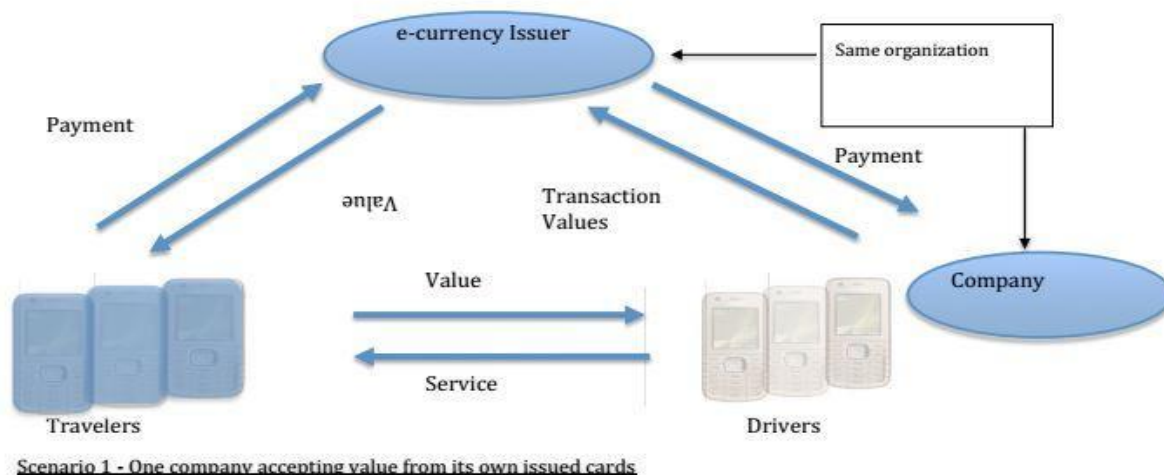
A typical visualization of an e-currency system will have these attributes:



The classical currency will, thus, be used in the transaction between the payer and the e-currency issuer as well as between the e-currency issuer and the merchant, with goods and services being transferred between payer and merchant. Cycle wise, the transfer of value onto a device requires a processing period. This is what De Jong calls “the redemption period” - a phase in which the value has been transferred but the customer cannot access it yet. This varies from system to system; evolution, in that respect, brings with it a competitive advantage.

E-currency is spendable as well as redeemable

De Jong goes on to describe two systems - the open and the closed one. The closed system will have the company and the e-currency issuer as part of the same organization:



Whereas in an open system, we see the issuer and the company as being two very separate entities.

Looking at Bitcoin, we see that it is a decentralized, closed e-currency model, where trust in authority is replaced with trust in computation.

As a conclusion, we see that electronic currencies have been here for over 40 years and they are here to last. The majority of the systems will fail in practice, with notable exceptions in the case of public transit. A truly scalable model would be an open one, in which the payment issuer makes the connection between the customer and the company, the customer exchanging value and the company offering back service, with all security needs met.

Eduard de Jong - Video - <http://vimeo.com/90733169>

Peter Šurda - Some Misconceptions about Bitcoin, and Why It Is Best Left Ungoverned

By Bozhan Chipev

Economist Peter Šurda made a case against a hierarchical monetary system in his talk “Why is Bitcoin misunderstood: hierarchical vs. decentralized structure of society”. The barriers set for people to entry the money creation and circulation in a centralized banking system, in combination with discretionary monetary policy, lead to a segmented society that Šurda labels as the “privileged vs. unprivileged class” structure.



The privileged, or the institutions in charge of money production, control economic activity and are immune to prosecution. Meanwhile the unprivileged, unless they decide to engage in counterfeiting money or operating a bank without a license, are restricted to simply play along with the rules set by the ruling class. Šurda notes that there are even further restrictions to members of emerging markets, underage or oppressed individuals, and people with low credit rating or a police record.

Šurda points out that a potential solution for these inequalities is a decentralized monetary system that allows for a more efficient, more secure money exchange that anyone can gain access to and thus become a part of the global financial system. He believes that Bitcoin is an example of such a paradigm; however, Bitcoin is plagued by several popular misconceptions that Šurda set out to dispel.

Firstly, Šurda reminds that, despite media hysterically spreading stories of irrevocably lost Bitcoins, the currency exchange allows for practically any contractual agreement. This means that the myth of “no chargebacks” is merely a product of poorly designed contracts with untrustworthy parties. Secondly, Šurda explains that unlike popular belief, Bitcoin is not manufactured “out of thin air” and randomly priced, but is, similarly to any other commodity, adjusted to the costs of its production. And finally, Šurda states there is no reason to believe

that there is ground for class division between privileged and unprivileged in a decentralized monetary system, even if early adopters are believed to hold an advantage.

Concluding his presentation, Peter Šurda gives his answer to another popular question associated Bitcoin - "Should it be governed?": "This is not an issue specific to money or Bitcoin. Every time there is a problem with something, people want to regulate it by putting someone in charge."

Peter Šurda - Video - <http://vimeo.com/90733373>

Beat Weber - Overcoming the Legitimacy Crisis of Money with Bitcoin?

By Minha Lee

Beat Weber's presentation, "Overcoming the Legitimacy Crisis of Money with Bitcoin?" illustrated concerns over whether or not Bitcoin could support functioning economies. Weber's succinct answer was: Bitcoin can never become legitimate, for it is "unstable by design". For example, when the number of new users of Bitcoin increase, the value of Bitcoin increases. The value of Bitcoin is thus in flux depending on the user-base growth.

Currently, Bitcoin favors those who hoard versus those who participate in circulation of its currency. Weber demonstrated his point with two archetype characters, Uncle Scrooge and the citizens of Duckburg. Uncle Scrooge hoards his money and does not trust third parties to handle his transactions. Duckburg citizens invest their money and work with third parties to circulate or invest their funds. Uncle Scrooge views his funds to be increasing in value the longer he stores it with limited transactions, which can often result in deflation. The Duckburg citizens contribute to the flow of currency to make use of new income sources and this brings resilience to deflation with moderate tolerance for inflation.



Bitcoin is a “speculative asset” because it is not tied to standardized unit of account or currency, like the American Dollar. Trust issues aside, the basic principle of how money travels to create an economy has to be better strategized. Weber points out that discussions on monetary reform can be misleading, for it is not the unit of currency that should be scrutinized, but how it would circulate to support a functioning economy. A healthy economy depends on the inter-reliant nature of a society that has many layers of decentralized decision-making. Thus, how Bitcoin is distributed needs careful planning, centered on long-term sustainability rather than its purchasing power as a novel model of currency.

Beat Weber - Video - <http://vimeo.com/album/2799328/video/90733688>

Quinn DuPont - Bitcoin: Leveraging Cryptography Against The Control Society

By Bozhan Chipev



In his talk titled “From Order To Control: How Cryptography Functions in Bitcoin”, researcher Quinn DuPont discussed Bitcoin as a case study for cryptography.

Cryptography is loaded with politics, DuPont believes, “politics of liberation, freedom, community, all with an explicitly anarchist tone”. This heavy political charge is reinforced by Julian Assange and Edward Snowden publicly promoting “ubiquitous cryptography” as the only way to protect citizens from the surveillance state. And as one of the foundational features of Bitcoin, cryptography carries over these properties over to the digital currency and its role in our “control society”, says DuPont.

Historically, cryptography has always played a role of power and control - ever since the practice was purely alphabetical and notational, the parties who had access to the cryptographic key had control over the encrypted message. Now, when cryptography has transcended notation and has become what DuPont calls a “mathematical magic sauce”, this power has shifted from an individual holding a key to a string of machine actions containing it.

This is the reason why cryptography in general, as well as its particular role in Bitcoin, is becoming of increasing importance to research from the perspective of politics.

DuPont has written a series of publications on the topic, including:

The Politics of Cryptography: Bitcoin and the Ordering Machines
Discrete Matters: Finding the Hidden Science of Cryptography

Quinn DuPont - Video - <http://vimeo.com/90733374>

2.6 Session 6: Alternatives Bazaar on Stage

Session description:

Practice is complementary to theory, and we cannot debate alternative finance models without being aware of actual practices and developments. The Alternatives Bazaar hosts a number of prominent organizations directly involved in creating, implementing and building communities around their ideas. In this session, the organizations exhibiting at MoneyLab Alternatives Bazaar will pitch their projects on stage to the audience.

Fresh Projects in the Alternatives Bazaar

By Armina Stepan

The Alternatives Bazaar on stage made its debut with Geheimagentur, a project from Germany that started out as a protest against the conventional banking system and as an art installation (“the bank of burning money”). Later on, the project developed into a solution for impoverished communities in Germany. The switch was from burning money to inventing it.

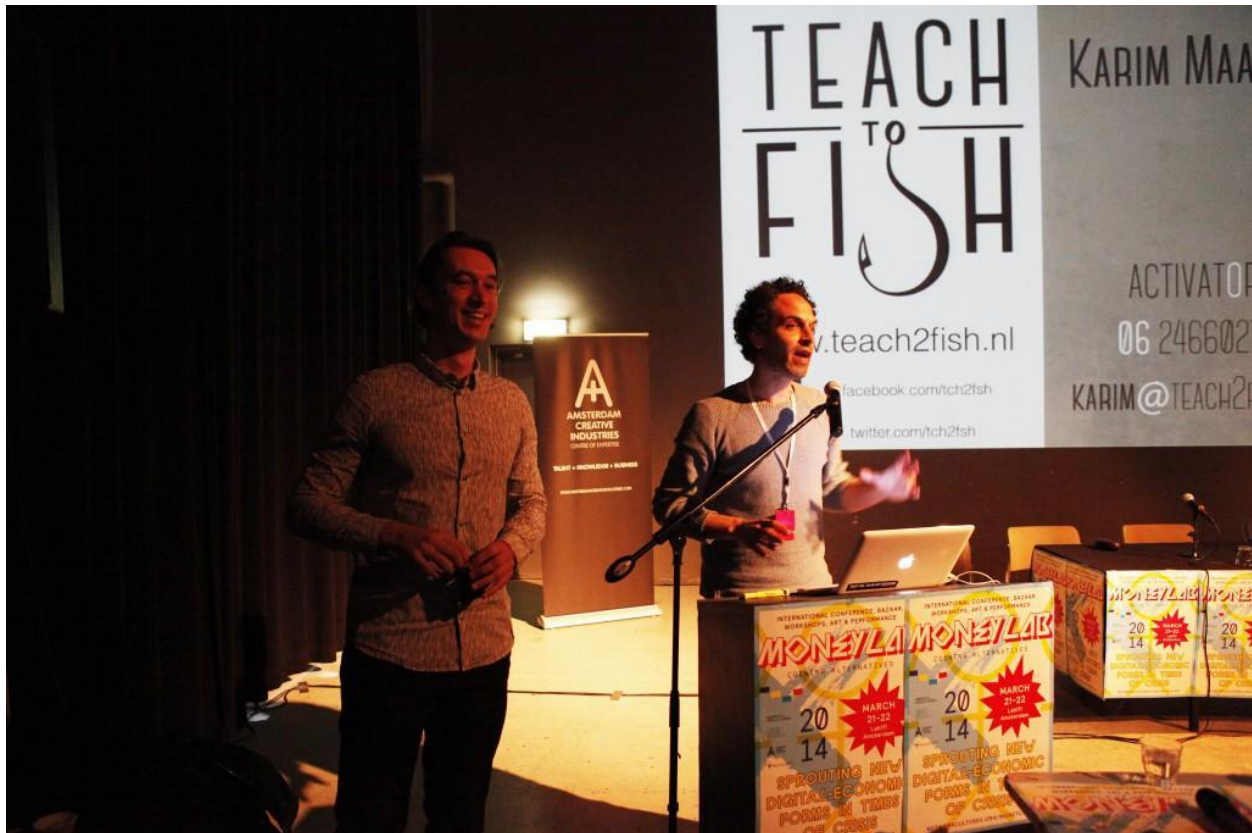
Inspired by community initiatives such as Banco Palmas in Brazil and New Economics Foundation (NEF), Geheimagentur began their journey into an economy of gift. Banco Palmas is a solution for rural poverty that ensures micro-credits to local entrepreneurs with low interest rates and no registration requirements or guarantors, except from a neighbour confirming the borrower’s reliability. NEF is a think-tank based in the UK that promotes social, economic and environmental justice. It is behind successful community currencies such as Timebank, Brixton pound and LETS, to name a few.

Geheimagentur is now supported by local authorities in building The Black Bank of Oberhausen and The Children's Bank, networks that complement the official payment systems. Their goal for the future is to establish a trans-European real democracy movement by organizing a General Assembly in December 2014. The Black Bank offers Kohle coins to people, who in turn provide services for the local community of Oberhausen. Shops offer certain services and products that can be paid with Kohle. The Children's Bank of Hamburg is conceived as a participatory children's theater in collaboration with Theater of Research. Schoolchildren invent a currency for themselves, create a design and a name. A network of local shops offers services and goods that can be purchased with the currency.



The Next Nature Network proposes a new currency (the ECO currency) that will bring doing good for the planet and the financial system in harmony. A possible scenario would be: a local farmer takes care of the rainforest and gains ECO coins that he can use for living costs. This is a very organic alternative to our current forms of currency, as the farmer would normally need to cut down the rainforest entirely in order to cultivate crops and earn a living.

Teach2Fish offers consultancy to any entrepreneur or artist who wants to successfully crowdfund. The startup does this by helping its clients understand their "WHY" part of the project, and teaches them how to tell their story better, unleash the power of the crowd and last but not least, achieve their dream. Among the projects that Teach2Fish has made possible are the Impact Maker's Fund by Impact HUB Amsterdam (a fund especially created to support social entrepreneurs in starting their businesses), Starters4Communities (who offer practical training work in neighborhoods) and Ortus, an innovative board game.



Share.nl explores the 3S (social, sustainable and saving money) to bring the sharing economy to a new level. They inform individuals of the many ways this can be done: sharing transport, accommodation, objects and skills, to name just a few. Share.nl also offers consulting to companies that would like to effectively use the sharing economy. Rachel Botsman and her talk on TED about the sharing economy inspired co-founders Harmen van Sprang and Pieter van de Glind in starting this project:

“Entire communities and cities are using technologies to do more with less by renting, lending, swapping, bartering, gifting & sharing products on a scale never before possible”.

In fact, a study conducted by Share.nl shows that 52% of Amsterdammers would borrow their tools or bicycle to strangers while 50% would use them. In a similar question about trust in strangers, 35% of people said they would like to teach a new language to a stranger, while 52% of respondents would like to learn a new language from a stranger. Another 24% would lend their car to a stranger. This shows a high level of trust within the community that is waiting to be explored by sharing economy projects. It is then not a coincidence that TIME has called sharing “one of the 10 ideas that will change the world”.

Qoin supports a variety of businesses and institutions in setting up community currencies worldwide. Currently they are consulting projects such as the Bristol Pound, Brixton Pound, Makkie, TradeQoin and WeHelpen to achieve social and environmental goals as well as

financial sustainability. Qoin believes that community currencies can bring about a more resilient market for SMEs and a stronger regional economy. For businesses this means, among others, saving, working capital and new customers. To the ever growing (over 5000) social networks around the world, we can also add the over 800 B2B networks of retail bartering that comprise 400 000 businesses and bring over 50 billion dollars in annual revenue.

Noppes started 20 years ago in Amsterdam and has connected a large number of people from very diverse backgrounds around sharing objects and services. It works according to the zero principle - people start gaining currency as they help others. A possible scenario of a Noppes exchange is: an older lady is looking for help in learning how to use a computer program. She then turns to a student for help. He gains Noppes that he can then use to get help for finishing his master thesis through another member of the Noppes community.

Timebank.cc started in The Hague as an experiment in skills and services exchange between artists. It soon evolved into a much broader array of skills and services at a global level, where time is the only currency. Timebank volunteers donate hours of their time to help others and get the hours back by also tapping into the community and using the skills and services that it offers. In Europe the Timebank.cc platform is used by a few thousand users in the Netherlands and Portugal for putting people in contact on topics as diverse as 3d modeling, tax return and preparing traditional food.

Two students that would like to help popularize the use of Bitcoin and make it more accessible for everyone built the Bitcoin ATM. The ATM works in three steps: putting the bank notes in, scanning a QR code with your phone and finally receiving confirmation of the Bitcoins transferred to your account. The Bitcoin ATM was available at the conference, making it easy for anyone to acquire Bitcoins.





Geheimagentur / Theatre of Research - Video -

<http://vimeo.com/album/2799328/video/90733690>

Next Nature Network - Video - <http://vimeo.com/album/2799328/video/90733691>

Noppes - Video - <http://vimeo.com/album/2799328/video/90733692>

Qoin - Video - <http://vimeo.com/album/2799328/video/90733925>

Share NL - Video - <http://vimeo.com/album/2799328/video/90733979>

Teach2fish - Video - <http://vimeo.com/album/2799328/video/90733980>

Timebank CC. - Video - <http://vimeo.com/album/2799328/video/90733981>

2.7 Session 7: Critique of Crowdfunding

Session Description:

Seeking to bypass government patronage, venture capitalists and other intermediaries, crowdfunding has become a boutique industry - there are at least 120 platforms in the Netherlands alone. Serving for-profit and non-profit organizations of different constituencies and goals, many claim to raise millions per year. Practice advances quickly, and literature on the topic abounds in self-marketing tips. However, failure is more frequent than success: more than half of all Kickstarter projects fail. Crowdfunding has an inner dynamic that remains unknown. What, then, are the critical issues we should address? This session will look into how crowdfunding is signalling an entire cultural shift, especially in art production and artists' relationships with their audiences. It will also tackle some lesser-known shortcomings of crowdfunding - from time and effort investment, the artist's unwillingly assumed role of marketer, and the debatable existence of an 'actual crowd'.

Speakers:

Inge Ejbye Sørensen (DK) is Lord Kelvin Adam Smith Research Fellow in Digital Economy & Culture at the Centre for Cultural Policy Research, University of Glasgow. She has published articles in *Media, Culture & Society*, the *European Journal of Communication*, and book chapters in anthologies by Peter Lang and IGI Global. She is the editor of the pioneering online journal for academic videos *Audiovisual Thinking* and formerly a Scottish Screen (now Creative Scotland) accredited Lead Practitioner in Moving Image Education. Before entering academia Sørensen worked for a decade as an award-winning producer of documentaries and factual programmes for the BBC, Channel 4, Five and STV. Her research interests are the effects of Web 2.0 and multiplatform broadcasting on documentary and drama content, both in terms of individual productions (interactive content; database documentaries; crowdsourced projects; digital aesthetics), and in relation to industrial contexts, economies and ecosystems (digital distribution and production models; crowdfunding; digital production technologies; new industrial constellations and work practices).

Irina Enache (RO) and Robert van Boeschoten (NL)

Irina Enache is a new media enthusiast and researcher within the MoneyLab project at the Institute of Network Cultures. She gained her MA in New Media and Digital Culture (2013); her thesis addressed the reconfiguration of money's meaning, brought about by an exploding activity of online currencies. She has been part of TimeBank Romania since 2012.

Robert van Boeschoten is a philosopher (PhD on Marshall McLuhan, 1996) who is interested in the cultural impact of media on our society at large, and particularly within organizations. His work is divided between two institutions; the at the Interactive Media department of the Amsterdam University of Applied Sciences (HvA), where he teaches management and organization, and the University of Humanistic Studies (UvH) in Utrecht where he is coordinator and tutor for the part-time PhD programme in applied philosophical research.

Jamie King (UK) is a filmmaker, activist, and founder of the online, pay-as-you-want distribution channel [VODO](#).

Inge Ejbye Sørensen - Peer to Peer or Mine to Mine? A Critique of Crowdfunding

By Minha Lee

Inge Ejbye Sørensen is a researcher in digital economy and culture at University of Glasgow and also a documentary filmmaker herself. She has a particular interest in how crowdfunding changes the landscape of documentary film production and distribution in the U.K. She began her presentation "Peer to Peer or Mine to Mine? - A Critique of Crowdfunding" by making it clear that crowdfunding supports established names rather than newcomers in this creative industry.

There has been an influx of crowdfunded films that have garnered much attention, such as “The Age of Stupid” and “Inocente”. These films heavily promoted crowdfunding as a new means of financing and distributing productions. A commonly noted benefit of crowdfunding is that filmmakers can go straight to the interested audience without relying on major studios. The audience in turn gets to have a more personal involvement in films that they care about. Moreover, filmmakers can retain ownership of their work rather than hand it over to a distributor. Yet, Sørensen’s research showed that the main beneficiaries were actually the broadcasters and distributors of the crowdfunded films, not the filmmakers.



Filmmakers are dependent on festival circuits that are largely controlled by distributors and broadcasters. The awards and attention gained through festivals contribute to a film’s long-term success in reaching the public. Furthermore, another issue is that crowdfunding takes time away from a filmmaker’s creative process, and instead redirects focus to marketing in order to get funders to realize a project.

“Crowdfunding enforces established hegemonies”, Sørensen argued, for it still operates within traditional production and distribution channels to promote films. The public funding for the arts is still necessary to provide a support platform for emerging talent. Crowdfunding should not be

replacement of public funding, for the *vox populi* does not fund with impartiality, and neither do traditional studios or broadcasters. Conclusively, building a sustainable distribution structure remains a challenge.

Inge Ejbye Sørensen - Video - <http://vimeo.com/album/2799328/video/90734576>

Irina Enache and Robert van Boeschoten - Visualizing Crowdfunding and Beyond

By Nick Vieira

Irina Enache and Robert van Boeschoten introduced MoneyLab's interactive Crowdfunding Visual Toolkit to the audience during the seventh session on the final day of the conference. Enache is an alternative revenue models researcher for the Institute of Network Cultures, specifically for the Moneylab project, and Van Boeschoten is a lecturer at Universiteit voor Humanistiek, with an academic background in crowdfunding. Together, they highlighted their existing research on crowdfunding for creative industries in The Netherlands, before presenting the MoneyLab toolkit. The toolkit consists of a web based platform and an interactive data visualization that is aimed at assisting people working in creative industries, specifically "artists, cultural practitioners, designers, programmers, freelancers in the creative space, and entrepreneurs", in identifying the most suitable online crowdfunding platforms according to their project's needs. As crowdfunding is becoming mainstream (for instance, in 2013 there were around 300 existing platforms), and as budgets for funding are increasing, it is essential that users can access a structural help program to assist them with the crowdfunding process, stated Enache.



Robert van Boeschoten presenting at MoneyLab

As Enache described, the toolkit allows the user to 1) discover what the crowdfunding process involves by reading a series of interviews with artists and entrepreneurs who already crowdfunded and who now share their experiences, 2) view the results of a survey that the two of them ran on artists and entrepreneurs who have crowdfunded and 3) play with a visual dataset of crowdfunding platforms.



Irina Enache presenting at MoneyLab

This latter component - a data visualization - allows the users to browse through 60 crowdfunding platforms (as it is aimed at Dutch creatives, the majority of them are in Dutch, however some are international). It allows users to select relevant criteria, such as their project category (visual arts, performing arts, music, tech, etc), the model they desire to use (donation, investment), and their budget size. Users can then filter and sort according to certain statistics made publicly available (such as average number of funders / success ratio on the platform / average donation, etc) and thus visualize the platforms that best suit their project's needs. The

scope of the MoneyLab toolkit goes beyond visualization and insights as it is a proposal for a long-term, close collaboration between academics, designers, artists and entrepreneurs, as well as crowdfunding platforms founders and policy-makers to further inquire into the sustainability of crowdfunding as a revenue model.

Irina Enache and Robert van Boeschoten - Video - <http://vimeo.com/90733982>

Jamie King - Peer.do: A Laboratory for Co-funded Action

By Minha Lee

Jamie King's presented "Peer.do - a laboratory for co-funded action" that aims to support movements of all shapes and sizes, given that "Kickstarter can't fund a protest".

King is better known as a filmmaker who created and released the film "Steal This Film" on BitTorrent in 2007 with the League of Noble Peers. The film interviewed members of the Pirate Bay and further opened up discussions on the influence of P2P networks.

Since then, King has built up momentum to showcase the power of P2P infrastructure with Peer.do, which aims to bring forth P2P actions that can greatly impact the world online and offline. Peer.do is an engagement and action platform that funds "deeds", such as projects on investigative journalism, and also allows supporters, or "do-ers", to anonymously fund deeds. Many deeds can gain more power and support if the do-ers can avoid possible consequences of publicly funding deeds, such as supporting Edward Snowden's return to the U.S.; as King points out, "anonymity powers different action".



With Peer.do, do-ers can create a deed with a message, image, and URL that presents their cause, along with three modes of measurement: “earnings”, “credibility”, and “longevity”. King envisions three dynamics of Peer.do’s P2P system: one to many (like the Kickstarter), some to some (competition amongst do-ers for a fund created by other do-ers), and some to many (competition amongst do-ers for a fund from different parties). Peer.do is set to launch in May 2014. The influence of Peer.do in bringing changes with P2P funded deeds await do-ers’ participation, whether anonymous or not.

Jamie King - Video - <http://vimeo.com/album/2799328/video/90733983>

2.8 Session 8: Designing Alternatives

Session description:

Alternatives to the current monetary systems have been around for a long time. We are discussing not just currencies themselves, but also alternative ways of trading, understanding value, and communicating. This session looks into developments as old as the 1930s, moves up to the 1990s and its first e-cash payments, delves into today's social, technical and art practices in relation to money, and inquires into what we are missing in today's landscape. Who designs alternatives, and for which constituencies? Can we see a collective imagination arising here?

Speakers:

Max Haiven (CA) is Assistant Professor in the Division of Art History and Critical Studies at the Nova Scotia College of Art and Design, Canada. He is author of *Crises of Imagination, Crises of Power: Capitalism, Creativity and the Commons* (Zed Books, 2014), *The Radical Imagination: Social Movement Research in the Age of Austerity* (with Alex Khasnabish, Zed Books, 2014) and *Cultures of Financialization: Fictitious Capital in Popular Culture and Everyday Life* (Palgrave Macmillan, 2014). More information can be found at maxhaiven.com.

Eli Gothill (UK) is a freelance software developer and researcher who currently lives in Berlin, Germany. He writes about the future of money on his blog, www.webisteme.com.

Lana Swartz (US) is a PhD candidate in Communication and the Wallis Annenberg Chair in Communication, Technology and Society at the University of Southern California (www.laannaa.com). She has published on mobile payments, the history of the credit card, and Bitcoin. In 2009 she gained an MA in Comparative Media Studies from the Massachusetts Institute of Technology.

Matthew Slater (UK) has been building open-source mutual credit systems for five years, and as co-founder of Swiss NGO Community Forge helps to host around 80 communities' web sites, from donations only. He lives mostly from donations and hospitality in order to concentrate fully on his work. He also manages the Community Currency Magazine page on Facebook.

Matthew Slater - Cryptocurrencies: Designing Alternatives

By Patricia Szumacher

The late afternoon session on Saturday was dedicated to the theme of "Designing Alternatives". Matthew Slater, a software activist from the UK, introduced the prototype of an online platform implementing the crypto currency payment method. Slater has been building an open-source mutual credit system for five years now. As co-founder of Swiss NGO Community Forge and a community currency consultant, he helps host around 80 communities' web sites, from donations only.



He first explained the term crypto currency as “a block chain or simply a chain of blocks” and stated that a cryptographic chain makes manipulating points very expensive, as new messages are appended to the old ones, so changing one element means recalculating the entire chain from that point onwards. Therefore, he looks into alternatives and factors that constitute their success. Here he stressed how important design and its parameters are in finding answers and, because cryptos are “more of a phenomenon” than a product, those parameters are created accordingly. The number of coins, block time or “release rate”, mining difficulty and hashing algorithms are discussed as underlying principles of the crypto currency design.

As successful crypto currencies, Slater listed Bitcoin - the “most used” - and Dogecoin - an innovative “currency of appreciation”. What truly formulates their success? “A good PR behind them”. Scotcoin a crypto currency that belongs in the category of national/regional cryptos, is another “great idea”, and so is Aurora, “because you can actually do it on a national scheme”.

However, the main point of his critique was that as much as effective PR is crucial to the currency implementation process, it cannot make up for the lack of substance in the designed product - and that applies to crypto currencies as much as to anything else.

Cryptocurrencies: Designing Alternatives

When designing community's cryptocurrency, one should decide who and what it is for and whether it's "the best tool to serve the purpose". What follows in the process is a need of a suitable payment infrastructure - cryptos cannot be used in a shop, outdoor settings, or as Matthew puts it, "in a real situation"; instead, "you have to go back to your PC". All these aspects need to be taken into account and so need the issues of governance, law, tax and privacy.

Later, Slater asked the audience to take a step back and reconsider classic functions of money, such as the store value (something that "shouldn't go down to zero all of a sudden"), the medium of exchange and the measure of value. "A little deflation isn't too bad if you hold money for a long term", but if you plan to exchange and it's an equal value "we can just say it's the same" even if the currency as such is different.

"Bubble gum is yours because you paid for it"

In his presentation Slater also discussed the difference between commodity money (controlled by wealth) and credit money. The first one is backed up by gold in the bank and if you want to buy something you have to get the money (cash) first. The other is "harder to redeem" and "requires trust" on both parties.

Finally, he moves on to the project of Ethereum, which according to him resembles the next generation and the idea behind it is that ordinary people will have a chance to buy and sell virtual commodities and execute credit contracts with lawyers. With a significant interest in communities it allows certain "protectionism", limiting ownership by restricting access to account creation (as he explained during the discussion panel afterwards) and assuring fixed exchange rates.

Matthew Slater - Video - <http://vimeo.com/90734582>

Max Haiven - The Dark Arts of Reimagining Money

By Maya Livio

The *Reimagining Money* project explores the aesthetic and cultural aspects of money through research and presentation of a variety of media. Initiated by Max Haiven, Assistant Professor in Art History and Critical Studies at the Nova Scotia College of Art and Design, the project positions money as "a medium of the imagination," a means of collectively visualizing our

network of social relations. In his MoneyLab talk, Haiven posited that alternative currencies add facets to that imagination by providing avenues for reshaping our social structures, and for working outside the boundaries of state power.

Haiven warned, however, against a purely utopian view of alternative currencies, using Marx's criticism of the Paris Commune as a cautionary tale. When the Paris Commune tore down the Place Vendome Column commemorating Napoleon I, its members chose not to tear down the Bank of France, anticipating that they would later require its resources. Marx viewed the Commune's merely symbolic gesture as a missed opportunity to make concrete material interventions, and Haiven urged those conference attendees working to reimagine currencies to avoid making the same mistake.

A component of the *Reimagining Money* project is an investigation of what Haiven has dubbed the "dark arts of finance." He addressed these "arts" in three sections, first surveying the current status of art's commodification, then moving to an examination of the aesthetics of money, and finally reviewing artworks that activate money's relationship to the medium.

Taking stock of the present state of the art market, Haiven called attention to major art institutions adopting financiers for their boards, and artists adapting their work to meet market demands. He also gestured to the myriad tools that have emerged to quantify art's value, such as ArtRank, a site that attempts to advise investors on which artists to buy or liquidate.



Max Haiven at MoneyLab

Haiven then discussed how the aesthetic qualities of money open up possibilities for its reimagining by confronting viewers with the tensions between money and art's values in contemporary culture. He illustrated this point with the work *nasdaq 80-09* (c. 2008) by Michael Najjar, which visualizes the rise and fall of the stock market through manipulated photographs of Argentinian mountain peaks.

Finally, Haiven listed examples of artworks that use the medium itself to highlight art's complicity in the economic system. He suggested several methods that artists employ to these ends,

including repurposing art's perceived prestige, as in the work of Barbara Kruger, or creating objects explicitly designed for purchase by the elite, such as Damien Hirst's recent projects.

Haiven maintains a Tumblr collection of artworks that utilize these approaches that, in addition to his other work, provokes further questioning of our relationship with money, and of money's role in our relationships with one another.

Max Haiven - Video - <http://vimeo.com/90734578>

Eli Gothill - from the Muslim Trade Routes to Twitter's #PunkMoney

By Matthieu Foucher

At the crossroad between social media activism and performance art comes Eli Gothill and his project #PunkMoney.

Gothill, a young software developer and a blogger on the future of money, started his experiment in October 2011, a short time after the beginning of the Occupy protests. His motivation, he admits, was first of all a political one.

His project occurred to him after he started questioning:

“Can people create their own money? Do they only have to rely on centralized money to exchange?”

Based on this thought process, he decided to conduct an experiment about how anyone, from a Twitter account, could be able to create money.



From premodern China and Muslim Trade Routes to Twitter

“In the early ages, people were using anything they could find to create money. It is only later, in China, that paper was introduced. Above anything, money was based on a relation of trust”.

More than anything, his reflection focused on one specific kind of money: credit money. As he later explains, the origins of credit money can be found in the history of Muslim Trade Routes. Back then, credit mostly constituted of paper promises issued by merchants to one another. Above all, it relied on one’s honor and reputation.

“It was first of all a contract between two persons who trusted one another. Then, if you broke your promises, your reputation would become so bad that this prevented you from cheating.”

Building on these reflections, Gothill wondered if one could create money on a media as ubiquitous as Twitter. Though the use of a social network so often associated with Silicon Valley neoliberalism could appear odd, it’s Twitter’s transparency that made it the perfect platform for Gothill’s experiment.

Basic rules

Gothill explains:

“#PunkMoney is a promise currency anyone can create, transfer and redeem on Twitter”

As credit at its origins, it is based on an honor system and relies on trust rather than coercion, as current state money does.

Click here to watch [Eli Gothill on PunkMoney at Digital Money Forum 2012](#) from PaymentsGeek on Vimeo.

Thanks to its simple set of protocols and gestures that can be used by anyone, nobody specifically owns PunkMoney.

Live demonstration

As his live demonstration shows, his idea is actually quite simple: by making their promises public, people feel more obliged to fulfill them.

“@Bob, I promise to buy you a beer #PunkMoney”

-@Sally

Why is Twitter so well-suited? It provides a unique identifier as well as a precise timestamp.

But besides those basic rules, PunkMoney can also use other optional ones:

-One can specify an expiry date (i.e.: “in one week”)

-One can indicate that the promise is “NT” (non-transferable)

Once a promise has been kept, it has to be redeemed by the recipient. Easy! Bob, after he has finished his beer, just has to favorite Sally’s tweet to acknowledge that redemption.

But let’s admit that, for some reason, our Bob here doesn’t want to get a drink with Sally and would rather transfer his credit to someone else. He can easily do so by tweeting the following, making Alice the new recipient of Sally’s promise:

“@Sally transfer @Alice #PunkMoney”

-@Bob

Further vision

To develop his concept, Gothill also worked on a tracker, an open source tool that anyone can deploy to a live server. By listing to the #PunkMoney hashtag, it can list most current transactions.

PunkMoney, as a decentralized, peer-to-peer currency, has no unit of account. “It is designed to encourage the flow of gifts rather than market-based transactions” and enables community building.

“The vision is of a fully decentralized money network for friends, communities and movements.”

Above all, it's casual money which reminds us that money, rather than something universal, should be considered like language: just one way among others to enable relationships, something that everyone should be able to use and that isn't owned by any.

Eli Gothill - Video - <http://vimeo.com/90734577>

Lana Swartz - Venture Capital for the Alternative Innovations in the Money Space?

By Patricia Szumacher

Optimistic Necrocapitalism

Lana Swartz stepped into the money field in 2011, at an event sponsored by parties involved with a “traditional alternative economic practice” debating the future of money and how to better organize it. While participants were organizations working with alternative currency, sharing economies and such, all speakers were start-ups or marketing gurus from the Silicon Valley, an aspect Swartz found very interesting. At that time, she had “one foot in feminist economics” and “the other in social media and cultural consequences and critique of the network society”, and was amused to discover that these areas weren't considered as integrated by the attendees of the event. What she noticed instead was a coexistence of certain optimism, vision and idealism in 2011 alongside necrocapitalism - quite a contradiction that inspired Swartz to conduct further research aimed at gaining an understanding of that phenomenon.

America on Ecstasy

In a manner of associating national ethos with certain time periods, she looks for explanation while taking us back to “2008-ish”, naming that year’s four interesting trends in the United States. Firstly, The iPhone era - undermined by the “powerful computers” carried around in the pockets, then the M-Pesa mobile payment system - “one of the earliest and most successful ones”, followed by global financial crisis and the election of president Barack Obama. What these four had in common is that they “animated the imagination for what money could be” in terms of “medium of exchange” or “store value”. iPhone covers all of it and M-Pesa “demonstrates it in action”. Global financial crisis on the other hand “undermined our sense of legitimacy of and trust in the global economy”. For many figures in Silicon Valley the 2008 was the first time that politics came to play as a possibility of making a difference. “They had this rush of hope and belief and optimism, which was then instantly dashed”. It is like “America took an ecstasy one night and then woke up with no serotonin left” provokes Swartz, claiming that despite the downside effect people do want to feel the rush again, they want to believe it is possible. It is clear that the three of the above-described factors make the money sector more and more attractive, also today.

Times of Disruption and a Trust Currency

Swartz then loops back into the theme of the innovation in the money space at which point she introduces “disruption” as another crucial term for consideration. There has been a general disruption caused by the rise of the Internet with its information transparency and the disruption of the global banking industry caused by new players and platforms in the money system. “In the end, money may be just one of many ways to measure and exchange flows of value, and financial institutions may similarly be just one of many channels for that flow”. As we have been aware of the online identity and history on the web influencing online trust, we are somewhat familiar with a notion of “a trust currency”. What would be profitable for us, states Swartz, is a “central hub” of exchange where we would be able to swap our valuable skills or the trust currency that we build up within the community for something that we can’t create ourselves.

Techs avant-garde

It seems that techs from Silicon Valley in San Francisco are making the most out of this lifestyle; they see themselves as an avant-garde for these new services of exchange. Swartz presents tweets posted by Google employees that encapsulate that attitude. One of them was posted by the employee “tremendously active in the Occupy Wall Street movement in the US” that suggests Google is capable of running the government better than the people responsible for it at the time, especially in terms of providing better workers treatment. Despite the abundant criticism in response to it, there were voices supporting this declaration, one of them even stating that “techs live freely, opulently, and with no need of money”. Techs get a free transport; they make use of Airbnb and other sharing services and platforms and reputation points. “It’s a good life - for some” concludes Swartz; for others, those services become a target of “a tremendous activism or a kind of anti-Silicon Valley-activism”, as in the example of the San Francisco Google busses transporting Google workers, but using public stops and causing delays of the public busses.



The “tension between what we used to call public and private” is “at the heart of what we really need to think about here” argues Swartz and she aims to provide not only the topic for an academic discussion, but mostly a design challenge. She advises that attention and action need to be taken when building new systems, as well as looking closely into “alternative economic practices” and the innovations in the money space that are being funded by Venture Capitalists. The mix of communitarian and libertarianism - when encountered by today’s Silicon Valley actors in the payments field - was often subject to “sloping off the communitarian aspect and maintaining only the libertarian side”. Swartz points here to the main gatekeepers of the venture capital in the Silicon Valley, such as PayPal, whose co-funders are interested in building independent nations on oceans; their administration would be subject to internal laws, but this hints towards the bigger, more state-like initiatives that corporations have. Currently, mentioned Swartz, PayPal is using public software infrastructure owned by the government to make the

transfers of its clients - hence, it is a private company using public rails, much like Google's buses.

Then, to show the other side of the story, she points to the Diners Club, the pioneering credit card system that in 40' and 50' granted black Americans the memberships - although there was no way of assuring those members would not be refused (by white Americans) the services they wanted to pay for with the card for some made up reasons. Swartz highlights that there are some aspects that liberal democracy and state are effective at, even in the time of the sharing economy, like "enforcing the rights of the underprivileged" while privatization creates the areas for potential discrimination. Therefore, she calls the audience not to dismiss all the things and rights we have worked to gain for centuries, but also to avoid making the same mistakes: "when the Internet emerged, the market was supposed to be free but the outcomes emerged that do not make it free at all" she reminds. She concludes that simply "some things are too important to be left to the business models".

Lana Swartz - Video - <http://vimeo.com/album/2799328/video/90734579>

3. Press coverage of the MoneyLab conference

The MoneyLab event was covered by both journalists and participants (speakers and visitors alike) in a wide range of media outlets, Articles were often reviews of the event. The articles were shared on social media and thus helped widen the reach of project to new, international audiences.

Below are transcripts of the most significant media coverage of MoneyLab: Coining Alternatives, accompanied by the articles' original links.

In each other we trust: coining alternatives to capitalism

By Jerome Roos, conference visitor (published online on roarmag.com)

Beyond God and state, it's money that rules. Can we still imagine alternatives? And what role will recent innovations like Bitcoin play in the struggle?

One doesn't need to subscribe to Gilles Deleuze's somewhat obscurantist post-structuralism to recognize that the French philosopher made at least two extremely prescient observations. First, his hypothesis in the early 1990s that Foucault's disciplinary society, with its schools, prisons and mental asylums had ceased to be the paradigmatic mode of governmentality under neoliberalism and was instead giving way to a nascent "[state of control](#)." Second, his related observation that in this emerging control society the money-form assumes renewed centrality within the reproduction of capitalist power relations. "Beyond the state," Deleuze wrote, "it's money that rules, money that communicates, and what we need these days isn't a critique of Marxism, but a modern theory of money as good as Marx's that goes on from where he left off."

Interestingly, Deleuze tied these two observations together with the chains of debt, which he considered to be the “universal condition” of capitalist control. In his widely-cited [Postscript](#) of 1992, he wrote that “man is no longer man confined, but man in debt.” I was reminded of these prescient words when I attended the fascinating [MoneyLab conference](#) in Amsterdam last weekend. Organized by the Institute of Network Cultures, the event brought together a smattering of intellectual superstars like Saskia Sassen and Franco ‘Bifo’ Berardi, alongside a diverse and international group of scholars, artists, activists, hackers and heterodox economists, including past ROAR contributors [Max Haiven](#) and [Brett Scott](#). The central aim of the groundbreaking interdisciplinary gathering was to explore “experiments with revenue models, payment systems and currencies against the backdrop of ongoing global economic decline.”

With panel discussions on “the monetization of everything”, “dismantling global finance”, “beyond Bitcoin”, “a critique of crowdfunding” and “designing alternatives”, the organizers of the conference set the tone right: in a world dominated by finance, a thoroughly indebted world in which money has effectively assumed the function of a universal signifier under which all aspects of social and natural life are rapidly becoming subsumed, we desperately need to start exploring radical alternatives to the capitalist money-form — not because alternative currencies are somehow a panacea, but because the state and the banks clearly aren’t going to do it for us. Despite major technological advances made in recent years, right-libertarian innovations like Bitcoin just won’t cut it. And so there is an urgent need to dissect, discuss and discover new ways of valuing work, time, nature, community and the fruits of our collective labor.

In addition to strengthening the emerging international network of scholars, hackers and activists working on a critique of finance and the development of alternative currencies, payment systems and revenue models, perhaps the most important thing about the MoneyLab conference was that it happened at all. In fact, just half a decade ago, very few people were seriously talking about money. Today, there appears to be a veritable surge in awareness (at least among intellectual and activist circles, but increasingly among the general population as well) of the nature and importance of money, and the critical role that alternative currencies and mutual credit systems could play in subverting the state-finance nexus and liberating ourselves from capitalist control.

Thanks in large part to Occupy’s critique of global finance, the publication of David Graeber’s influential [Debt: The First 5,000 Years](#), a resurgent interest in a non-dogmatic re-reading of Marx, and the tireless (albeit not very revolutionary) advocacy of heterodox monetary reform groups like [Positive Money](#) and the [New Economics Foundation](#), the money question finally appears to have been liberated from the suffocating scene of anti-Semitic conspiracy theorists, right-libertarian gold bugs and anarcho-capitalist “currency cranks” to which it had hitherto largely remained confined. At last, an international project is starting to take shape to research and experiment with concrete alternatives, laying the groundwork for a world in which the means of production are held in common and both the form and creation of money are subject to direct-democratic control by newly empowered communities of users.

While it would be impossible to fit the many relevant topics discussed at the conference into a single post, I want to shine a light here on what I considered to be some of the most important points raised by participants, along with some additional thoughts they helped inspire (I apologize in advance for missing out on countless other interesting observations). In the coming weeks and months we will hopefully be revisiting the money question on ROAR in greater detail. As always, we welcome contributions on the subject (contact us [here](#)).

1. Money is debt

One broad point of consensus among participants in the MoneyLab conference was their adherence to a heterodox theory of money creation that has been referred to as the “[credit theory of money](#).” Spearheaded in the early 20th century by British economist Alfred Mitchell-Innes and more recently popularized by anthropologist David Graeber and heterodox think tanks like Positive Money, the credit theory of money can be said to revolve around two main assertions. First, money’s historical origins lie not in its function as a medium of exchange, smoothing out the inefficiencies of barter (as Adam Smith and even Karl Marx had asserted), but rather in its function as a unit of account for various social obligations. Money, in other words, originated in debt — or, perhaps more appropriately, in the debtor-creditor relation. Money should therefore not be seen as a *thing*, an object or commodity, but as a *social relation*. In fact, it is a power relation between unequals, one that forever pitches debtors against creditors. In [The Making of the Indebted Man](#), Maurizio Lazzarato even goes so far as to claim that the debtor-creditor relation is the fundamental class relation, and capital the “universal creditor”.

2. Private banks create money

The second assertion of credit theorists of money — echoed by many participants at the MoneyLab conference and recently confirmed by a [widely discussed paper](#) by the Bank of England — is that every time a bank extends a loan to a customer it actually *creates money* in the process. The sheer simplicity of this statement often invites incredulity. Surely private banks can’t just create money from scratch? Isn’t money created by central banks, acting on behalf of the state? The answer is yes: central banks do create money, but the money they create is either credit extended to private banks or *cash* — and cash nowadays only constitutes a very small percentage of the total money supply. In the US and the UK, paper money and coins constitute roughly 3% of the largest monetary aggregate (in the Eurozone the amount is closer to 10%). The remaining amount is “virtual” credit-money that exists only as numbers on a screen. Most of this money came into existence through a basic accounting trick in which a bank simply credited a customer’s account and created the deposit in the process.

Mainstream skeptics often argue that this money is still technically created by central banks by extending credit to private banks, which then “multiply” their deposits upwards to generate additional money. In this classical Keynesian theory of money creation, [vehemently defended](#) by Paul Krugman, central banks still control the total money supply. Recent evidence has challenged this view, however, and the Bank of England (BoE) paper — while not denying that

central banks still play an important role — unambiguously states that “Money creation in practice differs from some popular misconceptions — banks do not act simply as intermediaries, lending out deposits that savers place with them, and nor do they ‘multiply up’ central bank money to create new loans and deposits.” It is rather the other way around: private banks take the initiative by extending credit and only look to attract additional deposits *after* the fact. As the BoE puts it: “Whenever a bank makes a loan, it simultaneously creates a matching deposit in the borrower’s bank account, thereby creating new money.”

3. Finance is not just about money

The above account clearly illustrates that finance is not just about money — or at least not about money *as a thing*. Banks are not simply intermediaries that match savings and investments and efficiently redistribute capital through the economy in search of the highest yields. While finance has allowed for the monetization of everything, Saskia Sassen [correctly insisted](#) in her talk that, “if you reduce finance to money, you are missing the key aspect of the plot.” Sassen rather defines finance as a *capability*; and not necessarily a benign capability at that. Finance is the capability of selling something you don’t have; or going back to what we said before, creating money and allocating credit without actually possessing it prior to extending the loan. This endows finance with vast structural power and enormously destructive potential: just think of the 44% of Greek households that now live below the poverty line, or the 9 million American families and the nearly half a million Spanish homeowners who have been evicted from their homes since the financial crisis began in 2008. As Sassen put it, modern finance, with its debt instruments, over-the-counter derivatives and endless innovations, is all about “enormous complexities producing simple brutality.”

4. It’s time to start “hacking” money

From this, it is clear that, to liberate ourselves from debt bondage, truly democratize society and create political and fiscal space for radically emancipatory alternatives, the public-private duopoly of money creation — what David Harvey [has referred to](#) as the state-finance nexus — urgently needs to be dismantled. The idea that this can somehow be done without taking on capitalism is a dangerous illusion. There is no such thing as a “real” productive economy that somehow exists in isolation from the “virtual” financial economy. Contemporary capitalism is thoroughly financialized in nearly every respect. To take on finance is to take on capitalism; and to take on capitalism is to take on the capitalist state. At present, we clearly do not have the tools, nor the strength, to fundamentally challenge this state-finance nexus, let alone destroy it and replace it with something else. But some of the more privileged among us do have the opportunity to start *subverting* global finance in playful and creative new ways.

This was the subject of Brett Scott’s talk about “[hacking the future of money](#),” in which the South African activist argued that we need to apply a hacker ethic to the way we interact with finance: beginning by disassembling small parts, studying their internal functioning and their relationship to other parts, and then trying to tweak core components in order to explore the outcomes of such interventions. What would happen, for instance, if we took interest out of the equation?

What would happen if we moved towards full reserve banking? What would happen if our currency included an automatic demurrage fee (a tax on hoarding money) that could be redistributed in the form of a basic income? Needless to say, “hacking” finance in these small ways will not be enough to undermine its structural power as such; but “opening up” money and tweaking its core components will be an essential first step in deepening our understanding of its inner workings and finding ways to subvert its destructive potential (and even wield its creative capabilities) with revolutionary intent.

5. Money is one of the keys to autonomy

Alternative currencies, while certainly not a panacea, can play an important role in building autonomy from both finance and the state. Of course complete autonomy is impossible as long as the hegemonic mode of production and the dominant money-form remain thoroughly capitalist, but that shouldn't stop us from starting to make cracks in the facade of financial domination by developing concrete alternatives in the here-and-now. Countless experiments are already taking place around the world to develop worker-run cooperatives, autonomous healthcare clinics, solidarity economies, and so on. But as David Harvey has [rightly observed](#), these laudable projects will ultimately be short-lived if they continue to depend on capital and/or the state for their economic survival.

One of the fundamental contradictions that autonomous and cooperative forms of production tend to run into is that they usually require some form of investment to get started and keep going. As long as worker-run cooperatives are required to turn to private banks to finance themselves, they will be subjected to the same structural exigencies as ordinary firms: they will need to achieve a surplus (i.e., generate profit) in order to be able to repay their loans plus interest, and therefore are forced to either reproduce capitalist forms of competitive market behavior or face the consequences and go out of business (the [recent bankruptcy](#) of some Mondragón cooperatives in the Basque Country is a case in point). Here, alternative currencies and mutual credit could play an important role in severing the dependence of worker-run cooperatives on private finance and the cycle of capital accumulation more generally, thereby recovering a sense of collective agency and productive autonomy.

6. Money is bound up with trust

Since money is ultimately a social relation rooted in a common understanding and a mutual recognition of our obligations towards one another, successful currencies fundamentally depend upon *trust*. Not coincidentally, this is also the Latin root of the word credit: *credere*, to believe and to trust. In this sense, the credit crisis of 2008 — of which we continue to feel the ramifications today — is properly a crisis of trust: mistrust about the ability of borrowers to repay their loans, mistrust about the real value on the balance sheets of financial institutions, mistrust about the willingness of bankers to stick to their side of the bargain, mistrust about the intentions of the state with respect to our pensions, public services, life savings, etc. This observation is not intended to “psychologize” capitalism (clearly the roots of the crisis are systemic), but rather to expose a fundamental paradox that lies at the heart of its financialized form.

After all, is it not a defining feature of Wall Street's mafia culture that we should trust no one? *Fidite nemini* seems to reign supreme as the competitive capitalist's dogma of distrust. Did not Ayn Rand espouse the virtues of egoism and denounce the evils of altruism precisely because man was supposed to trust in himself, and himself alone? In today's hyper-individualistic society, our trust in humanity and one another is rapidly becoming displaced into a childish sense of trust in the two avatars of neoliberal governmentality: credit-money and the security state. Look at a \$20 bill or flip a coin and you will find the inscription: "In God we trust." But what God? Giorgio Agamben was entirely right when he [recently remarked](#) that "God did not die; he was transformed into money." Isn't it precisely because we are so uprooted from any meaningful sense of community, so deeply suspicious of the people and the world around us, that we are *still* willing to display unquestioning devotion to an abstract higher being that we don't even fully understand — in this case Mammon, the deity of avarice? Money, then, is both what ties us together and what tears us apart. As the young Marx put it:

If *money* is the bond binding me to *human* life, binding society to me, connecting me with nature and man, is not money the bond of all *bonds*? Can it not dissolve and bind all ties? Is it not, therefore, also the universal *agent of separation*? It is the coin that really *separates* as well as the real *binding agent* — the *chemical* power of society.

Of course, the displacement of trust and faith into the money-form is nothing new. When credit-money and fractional reserve banking first emerged in proto-capitalist 15th century Florence, withering away the community of believers that sustained the power of the Church, the reactionary Dominican friar Girolamo Savonarola famously organized a "[bonfire of the vanities](#)" to protest the evil encroachment of money upon the love of God. For much the same reason, Dante reserved a special place for the miser in the fourth ring of hell, while the usurer would be forced to walk on burning earth under a rain of fire until the end of time. Thanks to capitalism, the Church lost its monopoly on "virtue", and money rapidly became the master signifier of value. The displacement of human faith from God into money clearly reaches its apotheosis in the symbiotic development of modern finance and the nation state. As Marx observed, sovereign debt (and private trust in the willingness of government to honor this debt) played a central role in that process. "Public credit," he wrote, "becomes the *credo* of capital. And with the rise of national debt-making, want of faith in the national debt takes the place of the blasphemy against the Holy Ghost, which may not be forgiven."

7. Alternative currencies face a question of scale

The somewhat more abstract discussion above directly feeds into the next point, which was another important observation made by a number of crypto-currency critics at MoneyLab, including [Franco 'Bifo' Berardi](#). One of the main challenges that alternative currencies face is the question of scale — which in turn has some very important implications for the question of trust. On the one hand, we have a proliferation of local currencies, some already quite deeply rooted in their communities, where ordinary people seek to re-appropriate and re-embed money within a different matrix of common values in order to facilitate the satisfaction of important social needs and desires. These local currencies sometimes hark back towards a somewhat

romantic notion of territoriality that seeks to re-ground human relations within the material life-world of really-existing human beings, thereby counterpoising a tangible sense of human sociality to the virtual and abstract realm of credit default swaps and complex derivative contracts that characterize modern finance. One thing these local currencies have in common is that they are all principally based on trust.

It is clear, however, that local currencies will never be able to challenge — let alone replace — globalized finance capital as such. At most, local currencies will develop into significant *complementary* currencies that can be added to a wide-ranging mix of monetary instruments. If we are to devise some kind of alternative to global capitalism, however, we will have to start thinking either on a much larger territorial scale (i.e., globally) or transcend territoriality altogether by developing non-local currencies (whereby *non-locality* refers to a concept in quantum physics according to which two objects, separated in space and with no perceivable intermediary between them, can nonetheless stand in direct contact with one another). The latter is the realm of crypto-currencies like Bitcoin: a peer-to-peer digital currency that can put a Kenyan farmer in direct contact with her customers, and an American college student or Wall Street banker in direct contact with their drug dealer, without any intermediation by a bank or state. The peer-to-peer technology behind Bitcoin is quite revolutionary in this respect. What we are witnessing is a very exciting proof of concept: *we can actually create money without the need for states or banks!*

8. Cryptography (alone) won't set us free

But, as Bifo importantly stressed [in his talk](#), the principle of automation that lies behind crypto-currencies like Bitcoin hides a great risk: by explicitly rejecting the need for trust among the community of users as a fundamental feature of its technological design (a distributed public ledger called the “blockchain”), Bitcoin threatens to remove the last residues of our social bonds from the money-form, thus transforming it into the ultimate agent of separation. Precisely because it is decentralized and non-local, Bitcoin cannot operate on the basis of a trust principle as local currencies do. Instead, it is designed on the basis of the same Randian principle that animates bankster culture: *fidite nemeni*, trust no one! Now that we have been so thoroughly abandoned by God, finance and the state, an anonymous army of cyber-libertarians proposes a new icon to worship: cryptography. And so our faith becomes displaced into the sophisticated source code behind the new forms of digital money.

Money, then, becomes *automated*. Once programmed and set free, the currency is supposed to live a life of its own. Of course critics can “fork off” from the source code and create their own alternatives, but the principle remains the same: anonymous cryptography replaces trust as the measure of our sociality, thus removing the last-remaining bit of humanity from the equation. Bitcoin therefore does not solve capitalism’s crisis of trust; it merely *radicalizes* it by insisting that nothing and no one can be trusted — only code. One member on the Bitcoin Talk Forum [instructed](#) his fellow enthusiasts thus: “Don’t trust the exchanges, don’t trust online wallet services, don’t trust your anti-virus software, and don’t trust anybody online.” While he was entirely right, it should be clear that this deepened sense of social paranoia is nothing but

capitalist schizophrenia on steroids. There is absolutely nothing liberatory about the automation of distrust. A society in which people have completely ceased to trust one another is simply the perfection of Ayn Rand's egoist dystopia — a nightmarish manifestation of a hyper-individualistic worldview gone haywire.

As my friend Rutger Kaput, a philosopher at Oxford University, pointed out to me after the conference, in times of universal deceit, simply trusting in one another actually becomes a revolutionary act. To be sure, romantic longing for the local communities of old will not derail the inexorable slide into financial dictatorship. But a world without trust is not a world worth living in. As Quinn DuPont [convincingly argued](#) in his talk, cryptography may have an important role to play in the struggle against the control state. But if we start fetishizing it, believing it can somehow replace trust as the glue of our social bonds, we will only end up deepening our sense of alienation from our fellow human beings. After all, without trust, what is to become of our sense of common purpose? The fundamental contradiction that Marx observed, between money as the ultimate social bond and the universal agent of separation, will only be further amplified. Bifo was therefore right to argue that, in the automation of distrust through cryptography, neoliberalism finally finds its avatar — its perfected manifestation.

9. Bitcoin is NOT a revolutionary currency

To this, we must add the observation — rightly repeated at MoneyLab — that, aside from the moral problems that come with its amoral technological design, there is also a crucial issue with Bitcoin's *monetary* design, which is essentially conservative in nature. In fact, Satoshi Nakamoto, the mysterious Bitcoin founder, was clearly influenced by orthodox monetary theories and right-libertarian economic ideas, not least those of arch-neoliberal Friedrich Hayek, who was already calling for the "[denationalization of money](#)" back in the 1970s. Most importantly, Bitcoin is effectively designed to function like gold: it is created exogenously, through a complex algorithmic process of "mining", and circulates as a commodity. New coins come into existence at a predetermined rate and with a set cap on the total money supply. This means that, when the amount of users and transactions within the Bitcoin system begin to expand, the money supply won't be able to keep pace — eventually producing deflation. The fact that Bitcoin are infinitely divisible shows that Nakamoto was acutely aware of this fact and deliberately coded deflation into the system. (Deflation is a decrease in the general price level of goods and services, and was the scourge of the gold standard that destroyed millions of lives during the Great Depression.)

But while ordinary workers suffer from deflation, which aggravates unemployment and puts downward pressure on salaries, it's actually a boon for the wealthy. After all, if you hold a large amount of savings, the purchasing power of your money appreciates with every day that the general price level falls. This means that deflation incentivizes hoarding by materially rewarding the accumulation of money. With deflation, the rich get richer by *doing absolutely nothing*. Rather than throwing their money into circulation, as the worker would do when buying her basic necessities or as the "productive" capitalist would do when procuring machinery, raw material and labor power, the hoarder will hold on to his gold or Bitcoins as long as possible. Deflationary

monetary regimes like Bitcoin and the gold standard therefore feed into an ever greater concentration of wealth and power. No surprise, then, that Bitcoin features its very own ultra-wealthy elite. As of July 12, 2011, 97% of Bitcoin accounts contained less than 10 bitcoins, while just [78 entities](#) were hoarding over 10,000 each. Stanislas Jourdan [asked](#) the right question in response to this data: how would such a highly concentrated and deflationary form of money ever help the Greeks?

10. Crowdfunding is NOT the “anarchist welfare state”

Hearing some of the speakers at MoneyLab, another danger I think we need to beware of is the romanticization of crowdfunding as a revolutionary revenue model that will somehow set artists and other creatives free from the stifling necessity of grant-applications and private gifts and loans. One speaker, a self-declared “crowdfunding consultant”, kept talking about “[crowdfunding your dreams](#),” while another referred to Kickstarter as “the anarchist welfare state”. The danger here is that we end up idealizing necessities and mistaking them for solutions. In the age of austerity, where grants and subsidies are increasingly being cut and the money that’s still allocated tends to become more and more concentrated in projects with greater perceived market value and name recognition, crowdfunding is often the only option left for creative projects that — despite possibly being valuable — simply do not possess any obvious exchange value, and hence cannot compete for scarce subsidies or investments.

Another risk is that, by narrowly emphasizing the crowdfunding success stories, we end up reproducing certain ideological mechanisms that sustain the hegemonic definition of success as an entrepreneurial virtue — obscuring the exploitation intervening in the process. Is the idealized vision of “[crowdfunding your dreams](#)” not a brilliant way of reinventing the American Dream for the emerging creative class? A quick glance at the IndieGoGo website reveals the sad reality behind crowdfunding: on the front page, we are presented with numerous successful projects, unwittingly generating a creeping expectation among prospective crowdfunders that “if they can do it, we can do it too.” However, scroll a little further into the different campaign categories and you will see numerous projects that will never even come close to making their target. Insofar as these projects generate any revenue at all, they are effectively raising money for the platform and perk fulfillment agencies. At rock bottom, those who do not possess marketing skills and access to large and wealthy networks are marginalized anew. The “anarchist welfare state”, then, is not really all that egalitarian — and the surplus it generates ultimately ends up in the private pockets of the platform owners.

Besides, it turns out that the “crowd” in crowdfunding often doesn’t really exist. The vast majority of [Kickstarter’s revenue](#) comes not from the “big hits” (which merely help draw attention to their brand, serving as a sort of marketing ploy) but from the massive amount of smaller projects. These small projects, in turn, depend crucially on family and friends to reach their set targets. What this means is that the so-called “anarchist welfare state” is in fact community support transformed into a source of profit for the crowdfunding platforms. The mutual aid of your family and friends ends up being conscripted into the process of capital accumulation. Crowdfunding, in a word, exploits a necessity (for creatives to find new ways of raising funds in the age of

austerity) in order to enclose a common solution (mutual aid) and turn it into a commodity. Where the traditional welfare state retreats, the community steps in, and a private company subsequently manages to wring profit from our altruism.

11. It's crucial not to fetishize money!

The observations above therefore seem to point in the same direction: while coining alternatives to the capitalist money-form will be key to building autonomy from the state-finance nexus and regaining control over our lives, there is a grave risk that our professed solutions end up being conscripted into the logic of the present monetary and financial system and turned into yet another source of speculation, appropriation and accumulation. It is therefore absolutely crucial not to fetishize alternative currencies and revenue models. Building autonomy and challenging the state-finance nexus requires a multidimensional struggle that targets all levels of capitalist social relations. If we fail to reclaim the means of production, bring democracy into the workplace, organize ourselves at the national and global level, develop new models of decision-making, rebuild trust in our communities and beyond, find ways to defend ourselves from state repression, etc., alternative currencies will ultimately be little more than an impotent expression of an admirable but ultimately harmless desire for social change. Our long-term political project is to break the power of capital and radically democratize society from below. If we lose sight of this broader horizon in which the quest for monetary alternatives is ultimately embedded, we are doomed to fail.

12. The real challenge is to redefine value

While in the coming years the money question is likely to assume central importance in the emerging anti-capitalist movement, we should also be extremely careful not to fall into the messiah syndrome that sometimes characterizes recent “converts” to the cause. Upon first realizing that money is created by private banks, and that interest-bearing debt continuously feeds the need for economic expansion at the heart of the capitalist system, many people have a eureka moment — *I've figured it out! Money is the root of all evil! Let's create an alternative currency and change the world!* — that temporarily blinds them to the other fundamental contradictions of the system (a theme taken on by David Harvey in his [forthcoming book](#)). It cannot be emphasized enough that money is just an element (a core element to be sure, but just an element) in a process of valuation and a mode of production and accumulation that is extremely complex and that cannot simply be reduced to its constituent parts. For one, a crucial challenge — one that forever lurks behind money's superficial forms — is the one raised by Max Haiven in his presentation and his new book, [Crises of Imagination, Crises of Power](#): we now need to start collectively re-imagining and materially re-defining not only *what value actually is*, but also *what it is* that we value.

Here, at last, we reach the terrain of politics: How can we arrive at common decisions on what is to be valued? Do we value personal bonds or do we value anonymity? Do we value community or do we value individuality? Is there a way to bridge these apparent opposites or dissolve their inherent contradictions, or will they forever be in conflict? What do we value about ourselves?

What do we value about others? What do we value in nature, in work, in leisure? And how can we embed these values — both moral and economic — in the very money-form? Ultimately, if we are talking about creating a radically different society, the question of value will have to somehow be detached from money. Exchange value is one thing; use value, as Marx pointed out, is quite another (not even mentioning the cultural, aesthetic and ecological importance of *non-use* value). Would it be possible to organize society on the basis of use (and non-use) value, rather than exchange values? What would such a society look like? How do we get there? Would we even be able to trust in each other's good intentions and our sense of common purpose as we squabble and fight over the possible answers?

At this point, nobody knows — but at least we have finally started asking the right questions. In a thoroughly monetized world in which human beings have ceased to count for anything, *that*, at least, has got to count for something.

Jerome Roos studied *International Political Economy* at Sciences Po Paris and the London School of Economics and is currently a PhD candidate at the European University Institute. He is the founding editor of ROAR Magazine.

The original article can be found here: <http://roarmag.org/2014/03/moneylab-conference-alternative-currencies/>

In each other we trust: coining alternatives to capitalism was picked up and commented on by other various voices, a few examples:

<http://survivingcapitalism.blogspot.nl/2014/04/in-each-other-we-trust-coining.html>

<http://lifewithoutmoneybook.blogspot.nl/2014/05/coining-alternatives-to-capitalism.html>

<http://degrowthcanada.wordpress.com/2014/04/22/in-each-other-we-trust-coining-alternatives-to-capitalism/>

<http://radiopatapoe.nl/?p=2304>

http://www.opednews.com/Quicklink/In-each-other-we-trust-co-in-Best_Web_OpEds-Alternative-Currency_Alternative-Financing_Capitalism_Capitalism-Failures-140401-979.html

MoneyLab: Questioning the monetization of everything

Erin B. Taylor

The 2007-2008 financial crisis revealed serious fissures in the global financial system. Between housing foreclosures and the failure of large banks, few people seemed to escape its effects. Some people approached this crisis as an opportunity, hoping that it would trigger a serious public conversation about the shape of finance and its effects on human beings in the world today.

Indeed, the wave of occupy movements that followed the crisis appeared to herald this conversation. But despite the fact that even Alan Greenspan admitted that he got it wrong, a truly widespread public discourse never appeared.

There are, however, many spaces in which conversations about our financial system are indeed taking place. Academics, activists, financiers, artists, and others have invested time and energy into critiquing the financial system and exploring possible alternatives.

MoneyLab: Coining Alternatives is an attempt to bring all of these people together. An initiative of the Institute of Network Cultures (INC), MoneyLab is not your ordinary academic conference, nor are its sessions necessarily generating the kinds of perspectives you might expect from an event whose title includes the word “alternatives.” Viewpoints are broad and diverse, making discussions intensely interesting.

Day one of the event began with a panel called “monetization of everything.” Geert Lovink opened the panel on behalf of the INC, paying homage to the lab’s predecessors, especially David Chaum, who founded Digicash in 1990 and forming a cryptographic research group in the Netherlands. Lovink told us that the purpose of MoneyLab is to reflect on the general situation and look at concrete alternative revenue models.

Saskia Sassen gave the first paper. She began by arguing that finance is not about money. Instead, she said, finance is a capability. When you look at various financial products, such as derivatives and GDP, it becomes clear that this money never really exists. To try to understand finance in terms of money misses the point.

From what I interpreted, examining finance in terms of power may also fail to capture the whole picture. Financial institutions and central banks hold a monopoly over money creation, but Sassen argues that finance has lost the ability to govern itself. Does this mean that nobody is really in control? How do we engage with such a system?

Stefan Heidenreich and Ralph Heidenreich, the creative German brothers, were up next. They argued that money ‘alternatives’ such as Bitcoin are not really alternatives at all, because they work exactly the same way as ordinary money—that is, as tokens of exchange that the Bank of England has admitted to be forms of debt. Moreover, alternative currencies might be developed with rebellious intent, but they generally remain subordinate to fiat money and incorporated within its logics.

Stefan and Ralph are trying to break this money model by developing an entirely different system in which a matching algorithm assigns value to things being exchanged based on a wide range of factors. The idea is to overcome the “monetization of everything”—reducing everything to a single price—instead valuing things in multiple dimensions.

Last but not least, we had Bill Maurer with a fascinating talk about the plumbing of transactions infrastructures. These days, there are so many experiments with payments that it’s like a “wild west” out there. But are they alternatives? To what, and for whom?

To explore this question, Maurer delved into the history of wildcat banking in the United States and the ultimately successful efforts of the US Federal Reserve to contain it. Declaring himself a

“Fedofile,” Maurer argued that the Fed’s achievement was not only to contain banking, but also to develop a “rail” along which transactions could happen across borders.

Today, in the world of private infrastructures for value transfer, we have new networks, the internet, and also the mobile carriers. These are building new rails or building portals into existing rails. These initiatives aren’t entirely novel, as they reproduce the way that money works as a “decentralized ledger.” But who controls that ledger?

Here, we return to Sassen’s inference that along with power and control (such as through monetary policy) comes a level of chaos. Greenspan didn’t know what was happening with the proliferation of derivatives. Did he understand the effects of monetary policy? Maurer argues that the Fed are indeed well-versed in digital currency innovations. But what does that mean for us?

I was left with the feeling that we need to analytically differentiate the players in finance, their powers, and their interactions. We have investment bankers inventing financial products, states with fiscal policy, reserve banks with monetary policy, companies looking for ways to tap into money flows, and ordinary people experimenting with ways to move beyond them all.

All these players have their own vested interests. To explore how alternatives can be coined, it’s not enough to simply pit the common people against the machine. We need to understand all the elements and the economic, social, and personal incentives that drive them. Like the Heidenreich brothers’ model of valuation, we need a multidimensional understanding.

The original article can be found here: <http://erinbtaylor.com/moneylab-questioning-the-monetization-of-everything/> . Erin Taylor further wrote three more articles on the MoneyLab conference:

1. *Mobile money and the social good of financial globalization* (<http://erinbtaylor.com/mobile-money-and-the-social-good-of-financial-globalization/>)
2. *MoneyLab: Is mobile money an alternative?* (<http://erinbtaylor.com/moneylab-is-mobile-money-an-alternative/>)
3. *MoneyLab: Is money the issue?* (<http://erinbtaylor.com/moneylab-is-money-the-issue/>)

Laboratorio sulla moneta: dalla scarsità all’abbondanza? Rapporto sul Money lab, Amsterdam 21-22 Marzo 2014

By Tiziana Terranova

This review of MoneyLab is written in Italian. The original review can be found here: <http://www.euronomade.info/?p=2029>

IMTFI at MoneyLab: Coining Alternatives in Amsterdam

By The Institute for Money, Technology and Financial Inclusion

The Institute for Money, Technology and Financial Inclusion was well-represented at the MoneyLab: Coining Alternatives conference, organized by the Institute of Network Cultures, March 21-22 in Amsterdam. Bill Maurer (Director of IMTFI and Dean of Social Sciences at UCI), Taylor Nelms (PhD candidate in Anthropology and Research Assistant at IMTFI), IMTFI research fellow Erin Taylor (Postdoctoral Research Fellow at the University of Lisbon), and friends of IMTFI Gawain Lynch and Lana Swartz all gave presentations. Maurer and Swartz presented on emerging payment systems, while Taylor, Lynch, and Nelms reviewed developments in the world of mobile money, including research conducted by IMTFI research grantees.

(See the full program for the conference [here](#).)

Those presentations can be [viewed online](#) through the Institute for Network Cultures. In addition, you can read reflections on the conference written by Erin Taylor on her website:

- [Mobile money and the social good of financial globalization](#) (about Erin's paper)
- [MoneyLab: Questioning the monetization of everything](#) (about the first panel of the conference, including Maurer's presentation)
- [MoneyLab: Is mobile money an alternative?](#) (a summary of the mobile money panel)
- [MoneyLab: Is money the issue?](#) (about the conference as a whole)

Finally, Erin has also written up [a summary of a walking tour](#) taken by conference attendees through the financial history of Amsterdam, led by payments expert and finance historian Simon Lelieveldt.

Be sure to visit the [MoneyLab website](#) for future developments!

The original article can be found here: <http://blog.imtfi.uci.edu/2014/04/imtfi-at-moneylab-coining-alternatives.html>

Exchanghibition Bank Dadara at MoneyLab

By Daniel Rozenberg

During the recent MoneyLab:Coining Alternatives conference in Amsterdam on the 21st of March, Dadara talked about the various Art as Money projects, and for the first time revealed a new upcoming Money project that deals with Time. Time to revalue Time, and stop seeing it as Money, but truly as the precious gift that it is (*video embedded in the original text*).

The original post can be found here: <http://blog.artasmoney.com/author/exchanghibition/>

In Art We Trust

By David Garcia

The Kunst Reserve Bank was one of a number of projects presented at MoneyLab a conference, held last month in Amsterdam that launched the latest research thread from the Institute of Network Cultures. The conference was set up to consider “digital experiments with revenue models, payment systems and currencies... and critically explore, map and probe the politics, inner-workings and governance of these alternative digital-economic forms”. But not everyone who presented was on (digital) message. Among those who took a defiantly tangible approach to the money question was Ron Peperkamp, artist and CEO and brain-lord behind the Kunst Reserve Bank.

As so often Warhol paved the way long ago for a knowingly cynical take on the special status attributed to art when he declared that “Making money is art, and working is art and good business is the best art.” In the 1962 Warhol took the art of making money, literally, with the Dollar Bill series of silk screen prints on canvas entitled 200 One Dollar Bills. Forty-seven years later, in November 2009, the same piece expected to fetch between \$8 million and \$12 million, in the end reached a record \$43.8 million

Not many artists have been able to trump Warhol’s position of uber-capitalist and cynical realist of contemporary art though many have tried. Yet Kunst Reserve Bank might be an unwitting contender for the role. One of the real achievements of this art bank is that it is not immediately obvious whether it is a genuinely radical experiment, a brilliantly conceived Ponzi scheme or an interesting but conceptually flawed piece of conceptual art. Even if it is all this, as I suspect, it is still a remarkable achievement, in part because unlike most artistic experiments, the artists have created the possibility of failure (bankruptcy). It is thus a genuine experiment. It benefits from its fatal flaw and so it has the qualities of its defects.

To begin with the bank actually exists as a physical entity with the three basic components required for some of the economic first principles of primitive accumulation or hoarding of value. They have a teller, a safe, and a mint. With this mint they create the coins. It is a fairly basic but well thought through and rigorous process. Every month an artist, some well known others less, is selected to design 4 coins, and every coin is issued for one week only in exactly one hundred copies. The offer is only available for one week. The Art Reserve bank thus creates coins that have an artistic value and are issued in a limited amount.

As this is not legal tender (in other words, it’s not really money), how does the purchaser trust the value of these coins? That’s because, and this is what gives the project traction, you can go back to the bank and you can exchange your coins at any point for the original cost with an annual rate of 10% a year - non-compound interest. One would have thought that this would make the incentive to return the coins very high after all the 10% rate of interest outstrips and actual retail bank. But Peperkamp and his associates argue that the incentive to keep the coin is also very high because, as a piece of art, its value may appreciate at an even faster rate. So far very few coins were returned. Nevertheless, the coins are showing up on e-Bay with a demand

price of 150 euro. When the people of the Art Reserve Bank noticed this, they decided to integrate this type of trading into the project itself. As a result, if you visit their website, you will find their 'dealing room', where the coins are traded among the public. From this process they estimate the current market value of the coins. Every morning, like the Libor exchange rate, they cut off the top and bottom bids to arrive at an estimate of the actual trade value of the currency. This means that they act as good little capitalists, and let the exchange rate of the art currency be set by the market.

So what security is there against a large number of holders of the currency arriving to demand their money back? The answer is that for every 100 euro that people pay for the coins, 10 euro is put in the safe. This represents their reserve capital. 90% of the income goes into maintaining project (the costs of minting the coins and other elements of the infrastructure are quite high). So it's a gamble that the "intrinsic value" of the coins will outweigh the impulse to make a quick profit and convert the value of the coins back into "real money". If there were to be an actual 2008 style Northern Rock run on the bank they would go bankrupt. There would be no bail out. Real banks have only a capital reserve of 3% which makes the Kunst Reserve Bank triple A rated; Peperkamp jokingly declared, "it conforms to the Basel norms to at least 2040 ". In many ways this is one of the most interesting aspects of the project as a mirror of the fractional banking system as it currently exists. A reminder that the bank doesn't store our money in their safe. The final dimension of cunning that accompanies the project is that it is not open ended, but finite. After 5 years the bank will be closed and the project concluded. At that point there will be 25,000 coins in circulation, which according to Peperkamp is the critical mass to begin imagining a transition. The suggestion at this point is that the currency could start to circulate rather than just be hoarded - this way it can become the "universal equivalent" and signifier of value we call money.

In some ways the questions that hang over Kunst Reserve Bank are also at work in the overall logic of the MoneyLab conference, the risks of looking at money as an isolated moment outside of the system of relationships that is the wider political economy. The "money form" is but a single moment in the creation and circulation of value as it moves from the money form to the commodity form to the labor form. The systemic role of money is the very opposite of the 'intrinsic' value that this project seeks to re-inject into money. Money should flow, that is why it is why it is called liquidity. Unlike labour power, land or commodities, money is the least lumpy and most mobile expression of value. The Kunst Reserve Bank emphasizes the opposite impulse; the desire to hoard value. Peperkamp inadvertently revealed a key weakness when he declared in his presentation that the bank only selected "good artists to create the coins". Sadly this loyalty to a traditional forms of connoisseurship, that mysterious process through which value is conferred transmuting base metal into artistic value, separates Peperkamp from Warhol's cynical realism in which economic or exchange value is seen as the true source of arts' potency. Unlike Peperkamp, Warhol never spoke about quality. By seeking to maintain arts' status as a 'super commodity' whose mysterious value accumulates over time, Peperkamp weakens the project as both experiment and as art.

In his presentation Peperkamp went on to claim a special status for art as exhibiting features that make it unlike other commodities. He exemplified with gadgets such as laptops or iPads, which unlike art begin to lose their value at the moment of acquisition. The selection of gadgets in which swift obsolescence is a key part of the business model is misleading. We are surrounded by commodities whose exchange value may appreciate or depreciate over time, from cars to furniture. The long term value of the objects that surround us are no more or less predictable than any artwork.

This is not to dismiss this project. Its flaws are generative rather than fatal and make it more significant than many boring success stories. More than most, Peperkamp and the others who are behind the Kunst Bank have taken considerable material risks and have done so without public subsidy. Within its own terms, it is both a rigorous and ethical piece of work leading us to ask important questions about just how the world of finance became so detached from the everyday world. It has the potential to expose systemic and malign contradictions in a fresh and original way. But in the end the central contradiction is serious. By emphasising the 'intrinsic artistic value' of the artifacts, Peperkamp renders the project complicit with the status quo. He further intensifies the commodity fetishism that lies at the heart of the dilemmas we all face. Its apparent sophistication is to a degree limited to surface appearance. The project most closely resembles a limited edition fine art prints, that take the deceptive appearance but not the actuality of money. In the end the coins too are locked into the desire to be seen as art in order to be able to function as the universal signifier of value which is money, and so these coins (whether valued and collected or not) are destined to remain just art.

The original article can be found here: <http://new-tactical-research.co.uk/blog/art-trust/>

MoneyLab: Power to the People

By Hogeschool van Amsterdam

This article is in Dutch. The original article can be found here:

<http://www.hva.nl/nieuws/2014/03/24/moneylab-power-people/>

There have been several mentions about the conference on Obsolete Capitalism, as follows:

Tiziana Terranova @ MONEYLAB Amsterdam 21st March 2014 - link:

<http://obsoletecapitalism.blogspot.nl/2014/03/tiziana-terranova-virtual-money-and.html>

Brett Scott: Applying the Hacker Ethic to the Financial System (a short excerpt) @ MONEYLAB, Amsterdam, 21st March 2014 - link: <http://obsoletecapitalism.blogspot.nl/2014/03/brett-scott-applying-hacker-ethic-to.html>

MoneyLab - Brett Scott - Applying the Hacker Ethic to the Financial System @ Moneylab (21March2014) - link: <http://obsoletecapitalism.blogspot.nl/2014/03/moneylab-brett-scott-applying-hacker.html>

Franco Berardi: Money, Language, Insolvency @ MONEYLAB, INC/Amsterdam, 21st March 2014 - link: <http://obsoletecapitalism.blogspot.nl/2014/03/franco-berardi-money-language.html>

4. Program of MoneyLab: Coining Alternatives Conference

The MoneyLab: Coining Alternatives was an international conference with bazaar, workshops, art & performances, that took place on the 21st and 22nd of March 2014, at the venue Lab111 (Arie Biemondstraat 111, 1054 PD Amsterdam, The Netherlands).

Friday, March 21

Doors open, coffee and tea

09:00 - 09:30

Session 1: The Monetization of Everything

09:30 - 11:00

Tea break (at Lab 111)

11:00 - 11:15

Session 2: Dismantling Global Finance

11:15 - 13:00

Lunch break (at Lab 111)

13:00 - 14:00

Session 3: Critical Art Practices

14:00 - 15:40

Tea break (at Lab 111)

15:40 - 16:00

Session 4: Mobile Money

16:00 - 17:30

Parallel event on Friday: Crowdfunding workshop

(held in the Cinema Hall at Lab 111)

Organizer: teach2fish.nl

“By igniting leadership, you can ignite crowds” - Karim Maarek, founder of [teach2fish](http://teach2fish.nl), is a creative trainer and advisor with a big heart for others' passions and enterprises. He has developed numerous crowdfunding, community building and personal leadership programs and is especially interested in accelerating sustainable and creative ventures, via the crowd. He defines crowdfunding nowadays increasingly as crowd campaigning and crowd caring because money is just one part of the equation. Moving crowds has three main components: excellent

preparation, a damn good story and passionately seeking connection. The intensive course “Crowdfund your Dream!” is the flagship product of teach2fish.

The workshop was held four times on Friday, as follows:

09:30 - 10:30 (beginners class)

11:15 - 12:15 (advanced class)

14:00 - 15:00 (beginners class)

16:00 - 17:00 (advanced class)

Saturday, March 22

Doors open, coffee and tea

09:30 - 10:00

Session 5 : Bitcoin and Beyond

10:00 - 11:45

Tea break

11:45 - 12:00

Session 6: Alternatives Bazaar on Stage

12:00 - 13:00

The list of participating organizations is listed in the ‘Parallel events on Saturday’, see below.

Lunch break

13:00 - 14:00

Session 7: Critique of Crowdfunding

14:00 - 15:30

Tea break

15:30 - 16:00

Session 8: Designing Alternatives

16:00 - 17:45

Parallel events on Saturday:

1. **Crowdfunding workshop** (held in the Cinema Hall at Lab 111)

Organizer: teach2fish.nl

The workshop was held during two time slots on Saturday, as follows:

10:00 - 11:00 (beginners class)

16:00 - 17:00 (advanced class)

2. Alternatives Bazaar

09:30 - 18:00

A number of organizations involved with alternative finance/currencies were present throughout the day, expecting visitors for acquaintance, discussion, exchange of ideas and advice during the breaks or sessions. Each organization presented a different type of exhibition, from books and flyers to visual installations and experiments.

The participating Alternatives Bazaar organizations were:

Bitcoin Automated Teller Machine - developed and built by two students from Enschede who believe in the power of this new technology. The machine is built to bring the cryptocurrency to people without the need of any technical knowledge. Getting into Bitcoin has been made easy with only three steps. The visitors of the Bazaar could learn first-hand how to use a Bitcoin ATM.

Noppes (www.noppes.nl) is an Amsterdam-based alternative currency that is used to exchange goods and services for 20 years. It is also the name given to the group of hundreds of people who trade through this digital unit without interest. Noppes is a slang for “Nothing”. Noppes users, or “Noppers”, value personal contact, a small environmental footprint and some independence from the international banking system. Knowledge, services and goods are exchanged the way they would be in large families or in a village where neighbors help each other out, knowing that the help will be returned. Noppes is completely independent of subsidies and/or sponsors.

Qoin (www.qoin.org) is a pioneering social enterprise based in Amsterdam, providing consultancy on all aspects of setting up community currencies worldwide. Qoin supports public authorities, businesses, financial institutions and citizens to realize their goals around the social economy, entrepreneurship, environmental responsibility and healthy government finance through community currencies. Community currencies are money at service of people and the planet. They are instruments designed to fulfill specific social, environmental or economic objectives. Qoin has contributed to the development of community currencies including the Bristol Pound, Brixton Pound, Makkie, TradeQoin and WeHelpen.

Art Reserve Bank (www.kunstreservebank.nl) is a monetary experiment set up by artists and economists to test the viability of a new reserve currency. Since 2012 every week a new coin is designed by the current artists. This currency is minted in public with the bank’s own coin press, that is now based in the city centre of Eindhoven. Every coin is issued for one week only. The exchange rate varies and is set by the trade value of the coins already in circulation. At the MoneyLab Bazaar you are able to buy the latest design.

Share NL (www.sharenl.nl)

ACTIVITIES

COMMUNITY : informs and inspires individuals

COMPANIES : connects and represents entrepreneurs who are engaged in the sharing economy

CONSULT : consults corporate organizations and governmental institutions
&

CO.LAB : facilitates through knowledge, research and publications

CONFERENCE : brings together entrepreneurs, corporate & governmental institutions

CONCEPTS : co-creates innovative concepts

SHARING ECONOMY - 'One of the 10 ideas that will change the world' - TIME

The Next Nature Network (www.nextnature.net) explores how our technological environment has become so omnipresent, complex, intimate and autonomous that it has become a nature of its own. At Moneylab they present their proposal for an ECO currency, a monetary value that makes environmental value explicit.

Timebank CC (www.timebank.cc) is a tool, accessible to everyone, to help, work and cooperate with each other. Users can exchange skills and services using time rather than conventional money. One Timebank Hour equals exactly one hour of work. The services for which Timebank mediates range from piano tuning to programming web applications, from bicycle repair to business consultancy. Timebank.cc is an independent association founded in 2013. It is an open platform that facilitates and encourages user-initiated projects on parallel economies. With users mainly in The Hague, Amsterdam and Lisbon, the community has grown into an active network of over 1200 users.

geheimagentur / Theatre of Research (www.geheimagentur.net)(www.fundus-theater.de)

For geheimagentur and Theatre of Research there was one thing about the financial crisis that seemed more important than everything else: to learn that banks in fact create their own money. Alongside the respective criticism on the topic, they were also jealous that banks could do this. Therefore, they turned their ambitions to making the same thing ourselves. Yet how could they learn to create their own money? They got advice from the most successful community bankers in the world: from Banco Palmas Brasil and those from the NEF (New Economic Foundation) in London. They started their own banks: the SCHWARZBANK (in the bankrupt city of Oberhausen) and the KINDERBANK (in Hamburg, where one of five children has to deal with poverty). Now, three years later, geheimagentur & Theatre of Research want to share their experiences and to search for an alternative digital currency, that might work for the trans-European network of real democracy activists.

All the participating organizations pitched their projects/ideas/activities during Session 6: Alternatives Bazaar on Stage.

3. Film program loop

11:00 - 16:00 - held in the Cinema Hall at Lab 111

TRANSFORMONEY 2.0 - A film by Daniel Nogueira and Dadara

MON3Y as an 3RRROR | MON3Y.US - Curated & happened by Vasily Zaitsev (M0us310n.net)

BITCOIN CLOUD - Film by Artistic Technology Research // Tarasiewicz/Gurresch/Repp // (www.bitcoincloud.at)

SLIDES FROM THE MONEY AND ART LIVING ARCHIVE - Curated by Max Haiven, Assistant Professor, Nova Scotia College of Art and Design (moneyandart.tumblr.com)

4. After-party at the Nieuwe Anita

20:00 - 02:00

Speakers, organizations, the audience - all were invited to join for an after-party at the Nieuwe Anita venue (Frederik Hendrikstraat 115, Amsterdam).