

"Community Empowerment through **Democratic Money** " S. Destinie Jones, MPhil

Warm up: --Please stand up, and follow me back in time... to Seminole, Okalahoma. The month is March, the year is 1933, and every bank in the country is closed. How will we eat? --*Enter Locally Issued Money.*

Local currencies, or **Green Money** are forms of money created by communities for circulation in the community. Green Money, like Time Dollars, do four things for democracy.

1. They *equally revalue the time of all workers*, and facilitate the revaluing of unpaid work, such as caretaking and washing dishes! .
2. They *return monetary decision-making directly to local communities*:
 - When issued on the basis of locally produced goods or services, they **create** money, *empowering communities* through interest-free loans and local projects;
 - They encourage *buying local*, thus **keeping** resources in local communities and reducing supply and distribution chain travel distances, thereby reducing carbon emmissions;
 - Local currencies *incentivize long-term growth and investment* in local institutions.
3. They *build community* by encouraging neighbors to support one another.
4. They *build democracy* by allowing greater levels of inclusion to members of the local community in the decision-making processes of those local currencies, while General Purpose Money, such as the US Dollar, tends to have far more closed (non-inclusive) and less transparent and less publicly accountable decision-making processes. This lack of inclusion shuts out most of the direct stakeholders from governance, crippling democracy, and preventing most money users from having a voice in money, which so vitally affects all of our lives.

Modern Local Currencies being issued here in Washington, DC:

Anacostia Hours, issued and accepted in Mt. Rainier, MD and accepted by some DC businesses

<http://www.anacostiahours.org>

Potomacs, exchanged and accepted at local businesses in Petworth, DC

TakomaTime, a Time Bank¹ issuing Time Dollars all across Washington, DC

<http://www.takomatime.org/faqs/>

The Catalyst Bank, a Time Bank issuing Time Dollars in DC and VA

<http://community.timebanks.org/group.php?mode=curren&sid=f0f0291be3a33d7b7729da4e03f57948>

¹ With thanks to Deborah Hittleman Flank for information on both Time Banks listed here...

Money has different functions. You can lend it, you can spend it, or you can save it. *Too much spending*, as we see from the current financial crisis, creates problems, but *too much saving* also creates big problems. **Separating** those monetary functions solves some of those problems.

Time based currencies, such as “Time Dollars”, which emphasize the Storage of long term Value, may be less flexible than printed note or ‘scrip’ currencies in transactions involving goods, but forms of money which emphasize Storage of Value (SoV) ensure that value held locally will remain in the local community over a long period of time.

Governance of Money (SoV)	Economic Benefit of Money (SoV)
Each Time Bank adds new money to the local economy when a member decides to donate time to another member of the Time Bank.	Each hour donated to a Time Bank adds to the overall amount of money stored for the long term in a local community, adding new resources to that community.
Time Banks encourage community members to attend Time Bank meetings, allowing economic priority-setting participation by all members as part of the community.	Hours stay in the local community, keeping more resources in the community, thus they stop the draining of local resources to distant areas (so the wealth is no longer accessible to the community).
Storing value in the local community gives citizens a greater stake in local institutions, and works to ensure transparency and accountability in all its projects.	Since an hour never loses its value as an hour, storing their value as time in the local community encourages long term local economic growth.

With Time Banks, like TakomaTime here in DC, time really is money:

“The most popular, ..., in terms of frequent transactions are pet sitting and rides to Costco, airports, and doctor’s appointments. A visitor from a New England timebank was able to arrange rides to and from the Air and Space Museum at Dulles.

It’s a great way to meet your neighbors and have things done that you might not think of spending money on. You can try it out. Thinking about learning Japanese? Have a private lesson to see what it involves. Need to know whether to put in that new kitchen if you are selling your house in three years? Call for a consultation. It offers access to many things that you might hesitate spending money on this month, and is also a way to share your skills with your neighbors. Helping others is a basic human characteristic. It feels good.”

When local institutions, like churches, join Time Banks, the time donated by volunteers in the church can be recognised, rewarded, and revalued out in the wider community. Volunteer time can earn TimeDollars, which each volunteer can then spend on services available in the Time Bank. Thus both the church or other local institution, and the individuals benefit directly.

With Green Money, more people can *create, keep, and grow* their own resources, to the benefit of the entire community, by *building, using and investing in* local community institutions.