A 'transition economy' - probably not a good name
Key is 'looking after people and planet' NOT driven by money
In a resource-short world, how do we create an economy to concentrate on what's needed?

Creating a vision that evokes 'YES!'

- The wrong game: In the money-making rat race, competing against everyone else
- The right game: Joining with others who are looking after each other and the Earth

Developing systems that appeal to people's heart
Optimised/organised/arranged for service/wellbeing and including natural world?
Not optimised/organised/arranged to make money?
Especially: a local currency as heart of a community exchange
Probably cannot take off before a financial crash

The money system as vampire squid?

Seen this clever cartoon: here are first 5 seconds
Actually, we’re so used to money it clouds our minds, think it is much more real than it is.
Want to expose and remove some myths.
No Money? Need a job?

• NO!
  • Need access to goods and services
  • A way to serve the community in return

Mind clouding?
All you hear on the media is the need to preserve jobs, even if it means doing something destructive.
Actually, what people need is the goods and services that they can get through money
And a way to serve the community
There can be lots of ways this can be arranged other than through jobs.

Cost?

• Real cost is not the money cost
• Real cost:
  • resources
  • environmental impact
  • labour: time, quality, conditions
  • social impact

Another mind cloud:
Cost is really important. It determines what we get, what is produced.
But money cost is not the real cost.
Real cost includes resources, environmental impact, labour: time, quality, conditions
social impact

The money myth

• Myth: barter was the original form of exchange. Money was invented to improve it.
• Reality (for most of human history): mutual support or ‘generalised exchange’.
• Generalised exchange is not trade!
• Money was used with strangers, barter used when money collapsed!

And some big myths: Do you know David Graeber’s book? Much earlier work too.
Barter as the original form of exchange and money improved it, because need for ‘coincidence of needs’
Actually, for most of human history, no money no barter: mutual support
Communities hunt and gather food, build shelters, look after children together because it works better.
We are the ultimate cooperative ape: language, culture evolved as our niche.
So, some organising principles for our Transition Economy
As an example, take the Community Farm I’m part of. It is designed to
do the best to provide good, organic local food, and it struggles with money.
The supermarket is really a ‘themed marketing opportunity’ – food but also appliances, anything else

We talk about the local economy, the regional and further connection is also vital.
Again using the Community Farm as an example, here we are visiting two similar projects.
We were clearly supporting each other, it wasn’t a market relationship.
We’ve had a lot of help from Making Local Food Work who organised those meetings.
We’ve become a legal charity, with help from Co-ops UK. They just did it for us.
So, we’re highlighting the importance of working together with similar enterprises.

Principle 3 – Niches.
Our transition enterprises will be stable, economically resilient, if they have loyal committed customers or members or whatever. As a co-op, our members are owners. Then they are not in competition with similar enterprises. We and the other farms have clearly distinct members.
Another example, we have a pig project and also a food hub. The pig project complained that a local pig farmer was undercutting them. But she is ‘one of us’ serving people and planet, not profit.
We worked out the clear distinction: the pig project was for people who wanted hands on contact with the pigs.
Transition Economy 4 - Use generalised exchange where possible & then local currencies

- Generalised exchange simpler, more flexible, fewer arguments
- Use local currencies to create a sense of community

Here are some of our helpers, who don’t get paid, except for our grower.
There is not question of ‘more hours so more food’. They are contributing to a community project.
Much simpler. Wouldn’t be viable without that.
Local currencies can be used to create a sense of connection and community.

Transition Economy 5 - Use information to maintain quality and stability

- Public reputation based on feedback from customers and supply chain
- Show ‘real costs’: (resources used, social & environmental impact, labour: time, quality, conditions, social impact)
- Transparency on money (open books)

Money shapes our decisions in dysfunctional ways. We can rebalance that with information:
Reputation rather than price
Real costs to shape decisions
Where money is used, keep open books, so people know noone is being exploited.

A local currency as the heart of a community exchange

- People are used to money, so give them better money
- Embedded in a community exchange that creates a ‘Transition Economy’
- Franchised like the Argentine Red Global de Trueque!

And I’ve been playing with ideas about local currencies. The Eco as a universal name?
If there is an economic crash, people used to money will want money, so we can give them better money.
And use it as more than just promoting the local economy: as a vehicle for the broader principles of a transition economy.
So, embedded in a ‘community exchange’ that embodies those principles.
Perhaps create kits to make them easy to start anywhere, like in Argentina.
A local currency as the heart of a community exchange

Some mockups of social network software to do this. Friends and friends of friends with whom you might be happy to do generalised exchange: favours not for money.

Community pages to link everyone, keep them involved, show where help is needed, what’s on offer.

The equivalent of a market place of Transition Enterprises, adding reviews to build reputation, showing real costs. A choice of conventional currency, local and ‘service’ perhaps not quantified.
A local currency as the heart of a community exchange

Online accounts, that offer possibilities of feedback and reviews.

Summary: A Transition Economy...

- Looking after people and planet
- Locally based, globally connected
- Collaborative, mutual support
- A new social contract
- A nervous system for Gaia!

Summarising: If we can get this going it will actually be a new social contract, change the nature of society completely. Could see it as a nervous system for Gaia!