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IDEAS FOR DEBATE: ELEMENTARY MONETARY CONCEPTS AND STORYLINES PART 1: REMEMBER THE GAME!

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1. IDEAS FOR DEBATE

IJCCR accepts short pieces of writing of no more than 2000 words concerning an idea or reflection that a scholar wants to share with the IJCCR community and the world while they have not yet done any thorough research about it or have no systematic field experience related to that idea that would allow them to write a proper research paper. We aspire that Ideas for debate will help scholars and practitioners to share their ideas with the community at an early stage and receive precious feedback that might allow them to proceed with submitting a full paper at some point in the future. (from website, maybe not to publish or maybe link?)

The Ideas for Debates section has been announced in this journal for a long time but has been sparsely filled with content. As a new editor, I would like to change this and take the opportunity to reopen this section, even if I start with some personal contributions and hopefully inspire others to join later. However, this requires a different understanding of the position of this section within a scientific, academic journal:

One of the primary tasks of today's academics seems to be writing scientific articles and getting them published in preferably in well-ranked journals. In doing so, it is particularly important to always take existing works as a starting point, to cite them and, if possible, to always stay within the framework of the prevailing topics of discussion. Free ideas and thoughts are difficult to accommodate. The compulsion to back up everything meticulously and to support every argument solidly means that important freedom is lost. Ideas may be declared as sole opinions and rejected, and non-saying studies that only focus on details, but are supported by a flood of quotations, may be praised as formally excellent articles. There is much to criticize here, especially in the social sciences and economics. This trend is particularly disturbing in our field of new currencies and monetary systems. Most existing scientific ideas and concepts from mainstream are still awfully insufficient or based on sheer dogmas and invalid beliefs, so why to cite them again and again? Better ideas and concepts are needed on how to understand what money is about and why we, as humans got involved in this overrunning money-story at all. We need to change the prevailing mind-set of dull "money is what money does" definitions quite urgently and look for fresh and more appropriate concepts and ideas for money that are suitable for the recovery of our stumbling economy. As our journal does this for more than twenty years now the aim of this section, then, is to present more outstanding, more philosophical and more socio-technical thoughts and ideas that can provide impetus, perhaps provoke, or simply suggest new ways of thinking about the issue of money and currencies in human society. In this sense, this section is meant to be complementary to the many excellent research papers published in the main body of the journal.

2. ELEMENTARY MONETARY CONCEPTS AND IDEAS. PART 1: REMEMBER THE GAME!

Money is clearly a collective or even systemic matter, isn't it? Yes, but both in daily life and in academia, money is often treated as it would be a personal or peer issue and collective aspects of money were neglected or pushed aside.

A well known game can reveal better how money works collectively: Monopoly. This game was in his original form as "The Landlords Game" meant to teach some truth about land ownership and money (Martignoni, 2018). It was a game that should make it easier to see "the cause of industrial depressions and of increase of want with increase of wealth" (George, 1935) in the privatization of land and its ultimate remedy to make land common property (George, 1935, p.328).

Even in its present corrupted form, Monopoly could do so if we look closely. The game shows in simple terms the connection between the privatization of common goods, money and wealth distribution. At the beginning of the game one needs some luck in the race for the conquest and occupation of the virgin landscape of a city. To be the first at the beginning is already a good strategic position in a play that drives the initial social equality (everyone has the same wealth, no one owns land or houses) towards the final inequality. Then as a second move, it is very important to secure as much valuable property as possible as soon as possible for oneself. Thereby cleverness and luck are of course helpful and needed. Third as soon as other participants start to pay for using one's property and hotels, he/she gets more capital to quickly buy more property and build houses and hotels, which in return will

force the other participants to pay bigger amounts to him/her. At the regular end all others got broke, and the winner, collecting most of the wealth in his/her pocket will simultaneously be the main or even only land and real estate owner. He or she got the monopoly.

The game interestingly shows that money is not at all a means of exchange but a means of taxation, customs, tolls and compulsory levies to the authorities ("state") and the owners. It concentrates on these essential money flows and leaves out the non-essential level of consumer goods and services altogether, which in daily life make us believe that we get something of equal value for our money (exchange idea). Sure, also in the game we would still imaginarily sleep in a nice room in the hotel in Park Place and get breakfast to sweeten the massive levies, but as I said, that is mainly a distraction. As there is a limited certain amount of money allocated in the game – otherwise we shouldn't call it money – it is obvious to know that money is the key to win. Important observation: if money is in one's hands it cannot simultaneously be in the hands of the others. So, it is good to have as much of it as possible. Money inside the game represents the right to decide what and where to spend it. But it is much better if all others do not have the ability to choose freely where and how to spend their money, due to the circumstances they will meet during their journey through life (represented by the player's path on the board). The second key is therefore to carve the circumstances and force others to spend their money on expensive tolls and transfer-taxes. With the power of money one can indeed change the circumstances and bend the rules by using the underlying dogma of private property. The formerly open and free way will then be closed and prohibited unless one pays to pass. This is not only an issue of the monopoly-game but a very deeply rooted core of today's capitalist and monetary system. One can buy with money real estate and by this is allowed to exclude all others from that piece of land. If this land is of value, meaning also others would like to use or possess it, then the owner can impose "a fee" on every visit, use or transfer on or of his property and force others to pay. A constant source of money-flow could then be established, and others have to start to work to be able to pay. The game shows this connection between property-rights and money as a means of paying for property rights that thus mutates into a ransom that has to be paid not just once, but on a multiple or even ongoing basis (rent). The monetary system of the 19th and 20th century itself was tightly bound to this idea. Most credit was given to mortgages exactly because land and houses were the key to capitalist wealth and capitalist money. That means the idea of a "fiat" money was or still is not correct¹. Most money in circulation was or as in the case of Switzerland still is covered by credit-contracts based on real estate.

Table 1: amounts of credit and money-supply by the end of 2021.

	Switzerland (Billion CHF)	Germany (Billion EUR)
Amount of all mortgages provided by banks:	1'173 ²	1'485 ³
Aggregated Money M3:	1'157 ⁴	3'838 ⁵

The slightly odd thing with Switzerland is that even more mortgages were spoken, than money "exists". That might have to do with different statistical measures and reporting instances, but also reflects the enormous prices for real estate in Switzerland. In Germany, as a part of the Euro-System, on the other side, the mortgage cover only around 40% of M3 today. Other types of credit, stocks, bonds or derivates pile up to the rest. So financial industry shifts this original binding more and more.

Our regular legal tender money is still strongly pinned to land & houses. Credits for the real production and for the producer-consumer-circles are comparably neglectable.

This makes a very important point for community currencies but is seldom recognized. The sheer idea of "complementarity" is based on a focus to money that is used for consumer-producer-topics. Especially LETS-systems and mutual credit systems exclude the whole massive land and property question. But could you win in monopoly by adding a second currency useful for consumption or production of goods and services? Probably not, because the much bigger power-system of property-business is then not touched. This is proven also by the WIR-system in Switzerland, which is backed by mortgages to a very high degree (443 Mio. CHW, Bank WIR, 2022) but on the other side

has also exceptions like Sardex⁶ in Italy which has a really astounding turnaround (about 31 Mio. Sardex in 2019 according to Fleischmann et.al. 2020) without any backing by mortgages.

After many nice and colorful community currencies were born, got to a size of around 100 to 200 people and died later away I think it might be urgent now to include the learnings of the Monopoly-game. Property rights as well as community taxations must be a part of the design of new and better currencies. It is time to think bigger and play the game better than speculators and selfish winners. We must reverse the "Great Transformation" (Polanyi, 2001) when landlords expropriated the commons and forced people into the proletariat and poverty. Through purchase or donation from insightful owners, land, houses, and production capacities must be divested from the ruling system and converted back to local common property. But for this to go ahead, the monetary system associated with this ownership must also be detached. This is where new community currencies come in, with an appropriate design to be used in the organization and management of the commons. This second step is very important, because the ruling monopoly does otherwise erode the commons or hijack them as soon as possible, what has been happening in lots of cases, e.g. in the cooperative movement that mostly converted back to regular capitalist forms. So changing money plus changing the property system together are tasks that arise simultaneously. This requires detailed discussions, intelligent research, and dedicated tests. Such work we would be happy to host and publish in this journal.

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ENDNOTES

1 This might have changed in the last 30 years as financial capital separated completely from the real world and things like quantitative easing started, where money is created ways more «fiat» than before.

2 <https://moneypark.ch/news-wissen/hypotheken-und-zinsen/hypothekarmarkt-schweiz-2021-kantonal-banken-legen-massiv-zu/> accessed 23.04.2023

3 <https://www.pwc.de/de/finanzdienstleistungen/banken/der-grosse-baufinanzierungs-boom.html> accessed 25.04.2023

4 [https://data.snb.ch/de/topics/snb/cube/snbmonagg?fromDate=2021-01&toDate=2021-12&dimSel=D0\(B\),D1\(B,S0,ET,GM1,S1,GM2,T,GM3\)](https://data.snb.ch/de/topics/snb/cube/snbmonagg?fromDate=2021-01&toDate=2021-12&dimSel=D0(B),D1(B,S0,ET,GM1,S1,GM2,T,GM3)) accessed 23.04.2023

5 <https://tradingeconomics.com/germany/money-supply-m3#:~:text=Money%20Supply%20M3%20in%20Germany%20averaged%201286.90%20EUR%20Billion%20from,Billion%20in%20January%20of%201969>. accessed 25.04.2023

6 Sardex now uses the term Sardex Pay as their name <https://www.sardexpay.net/> accessed 25.04.2023