

The Design and Utility of a Co-operative Currency

Duncan Wallace

This is a proposal for a presentation on the idea of a Co-operative Currency.

After giving a brief introduction to the nature of money (focusing in particular on Modern Monetary Theory) and providing a short outline of the history and value of contemporary complimentary currencies, the presentation will focus on a proposal for a Co-operative Currency.

The proposal would roughly be the following:

An institution could be created, owned and managed by co-operatives in common. The institution would print or digitally create a Co-operative Currency which would be lent out at very low rates or at a discount in order to make it attractive. Co-operatives would be the only organisations where the Currency could be spent.

While borrowers would loan Co-operative Currency, the loan would be denominated in AU dollars and so almost 100% of repaid loans (minus the cost of currency creation) would be profits for the issuing institution. This would create a reserve of cash which would be used as co-operatives in common saw fit.

This would have the following two benefits: First, a Co-operative Currency could only be spent at co-operatives and so would increase the volume and velocity of money flowing through the co-operative sector of the economy. It would also mean that more money would be flowing *in* to the co-operative sector than out, improving the terms of trade of the co-operative economy as against the rest of the economy.

Second, it would improve access to capital since capital could be printed for free instantly. A Co-operative Currency would not be a complete solution to access to capital problems - most obviously since it would not be possible to use it to pay taxes - but allowing co-operatives instant access to a Co-operative Currency would at least ensure a foot in the door in terms of future access to state-backed capital.

Conference Themes: Exchange, money, work

Bio:

I am a law student at the University of Melbourne and am in my final year. I have a BA (Hons) in Philosophy, Politics and Economics from the University of Manchester and a Postgraduate Diploma in Economics from the University of Melbourne.

I am currently working as a tutor in the Australian Indigenous Studies department of the University of Melbourne and am a Research Assistant to Associate Dean Jeannie Patterson at Melbourne Law School.

I have published in the area of accounting and co-operatives and have been engaged as a co-operatives consultant by the Business Council for Co-operatives and Mutuals.

My research interests include institutional design and political and metaphysical philosophy.