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Private Non-Bank Money – a Way for Theorizing CCS

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7th Biennial RAMICS International Congress.
The Future of Money: Democracy, Localism and Inclusion
6-9 Nov 2024 Rome (Italy)



UNIVERSITY OF NATIONAL AND WORLD ECONOMY
The Spirit Makes The Power

PRIVATE NON-BANK MONEY – A WAY FOR THEORIZING CCS

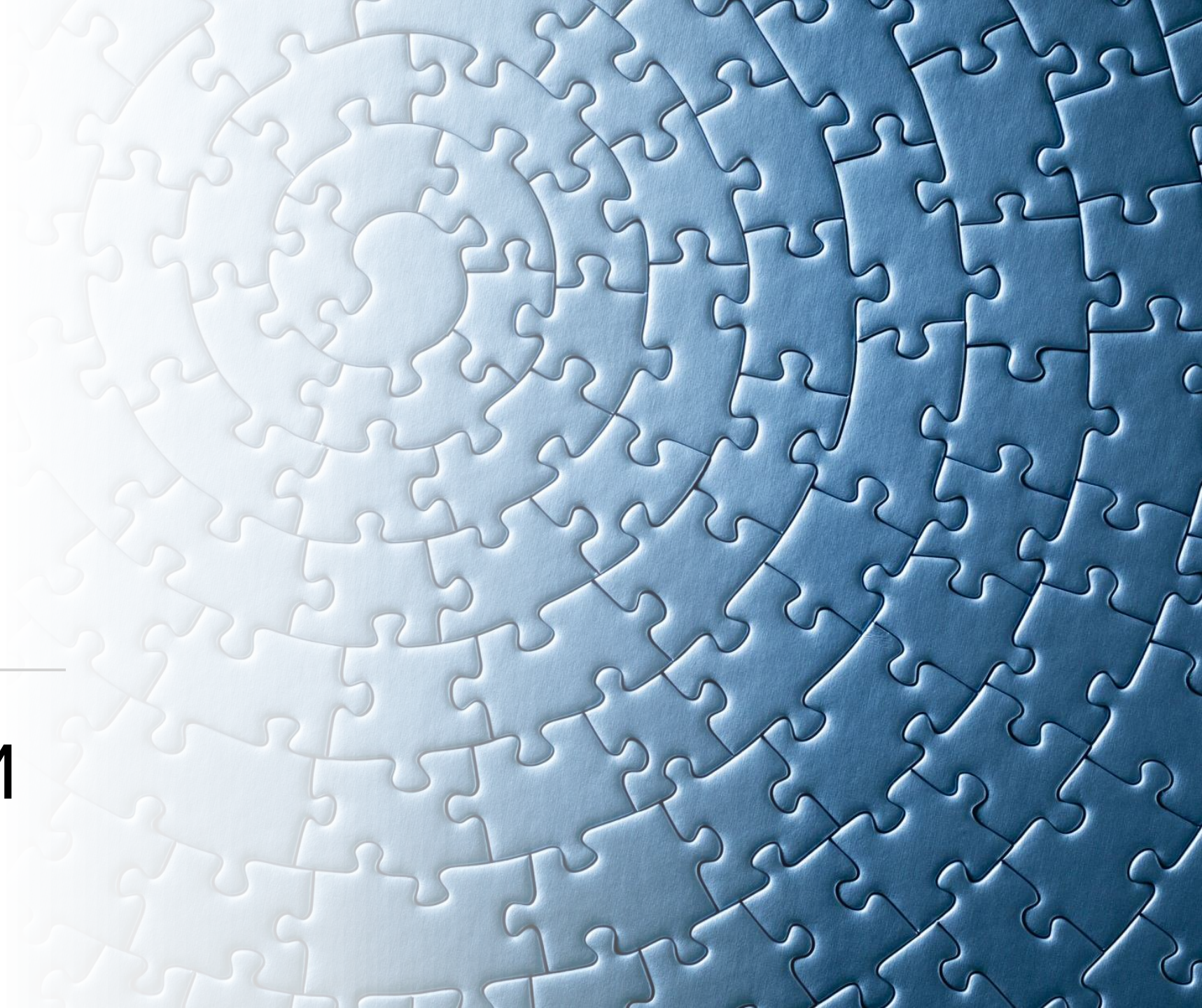
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1. The starting point

LOST IN TRANSLATION

(Keeping the big picture)



PART 1

THE PROBLEM in Life

1A. Start again from the very beginning

What *problem of people* we refer to?

- *POVERTY and INEQUALITY*

What does create the *problem*?

- The DISTRIBUTIVE SYSTEM as a whole
(*prices, taxes and interest rates*)

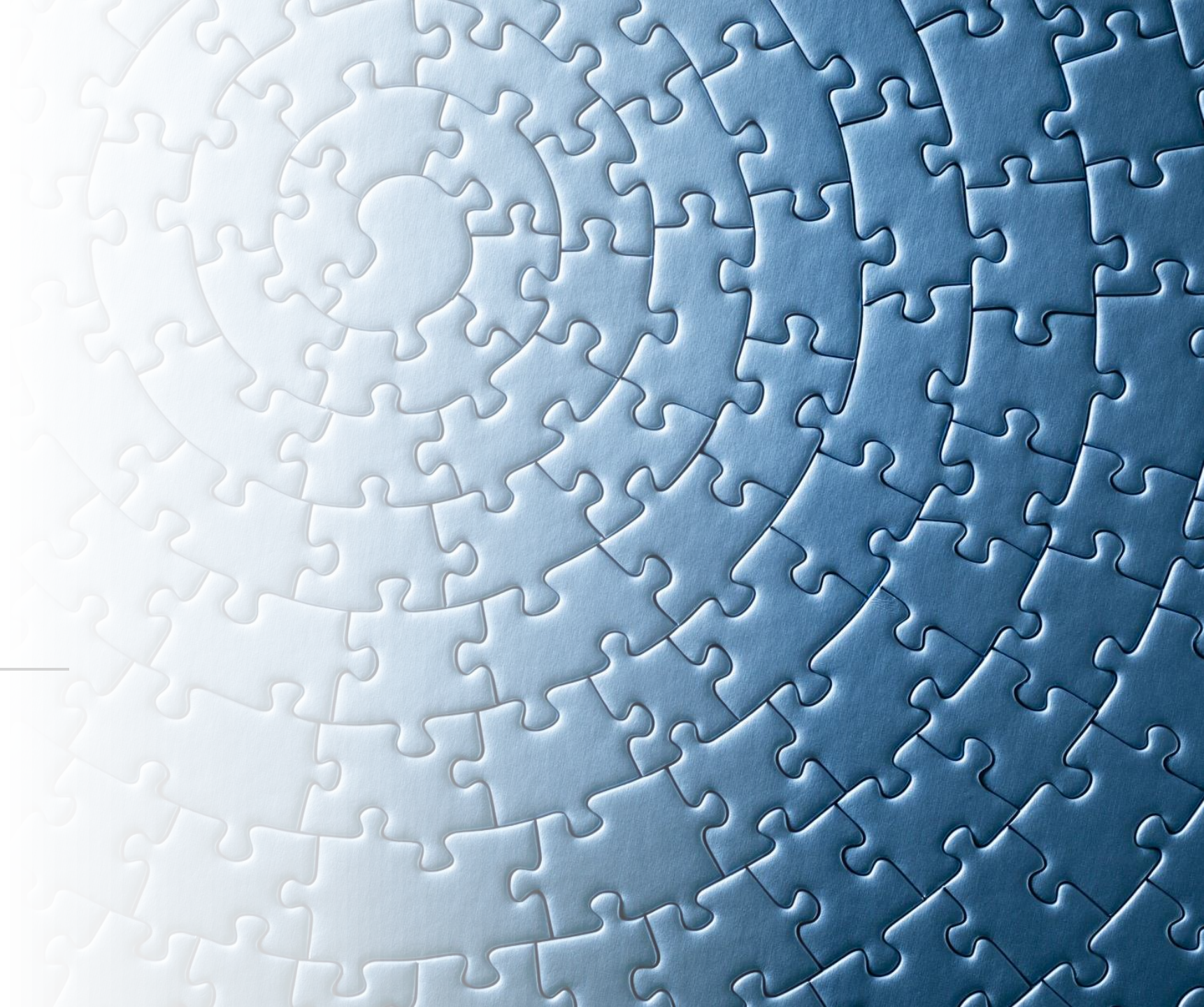
How it *happens*?

- *By CURRENCIES (MONEY).*
Money as infrastructure of the power of the authority
(*state or ..*)



PART 2

THE PROBLEM In Academia



2. About Money Again

Money is *a total social fact*. (Bruno Théret)
But not only a social fact.

Money *is an artefact*. *But not only...*

Money gives power to the *authority* (*the state or to another authority*)

How?

And who does give this power to money?

2A. Money – misconceptions about it

Conventional believe: Money is a measure of value

but

Money *is NOT* the measure of value. *Because* ...

2B. Money

Money *IS THE VALUE*. Just another name.

The *statement is: MONEY IS A SYSTEM of VALUES.*

Money and value are one and the same thing.

Because ...

3. The Value

(just like the weight or the length, or the height)

- is the *numerical* measure of *worth*;
- is the *relative* measure of *needs*;
- IS **monetary** measure of the *yield (resources, costs)*;

IF there is not **monetary unit**, there is no measure of the cost, **there is no value...**

3A. The Constellation.

Value as monetary form turns into income any form of benefit or utility

- Value as monetary measure of:
- *cost*
- *income*
- *gains*
- *earnings etc.*

3B. Value ...

- Makes everything homogeneously **uniform** –
and allows to pile up all types of needs **to look UNIFORMLY.**
- The monetary form is a **mixture** of all natural forms
of needs and resources

IN THE NATURE

- there IS NOT Immortality MONEY
- there IS ONLY **ENERGY, METABOLISM,** and **LIFE CYCLE.**
and **NOTHING EXISTS FOR-EVER**

4. The Measure

- To say that Money is a measure of value – it's like *to measure the measure*.
- Value exists because of monetary **unit**, not the opposite.
- Value **IS** **monetary fact**, not the opposite.
- It is impossible to measure value, because *value is the measure*

4. The Measure -2

THE ESSENCE OF VALUE

IS TO BE A MEASURE

AND TO SERVE AS A MEASURE

VALUE is the measure of money

4A. VALUE and/or Money

- Money and Value are imaginations of the same kind.
- The first is the UNIT (money),
next comes the SCALE (value and prices)

5.Currency and/or Money

- Currency is a **real fact** not imaginative.
Even the digital currency is more real than money.
- Currency is a pure **collective** public common good.
It is social by default.
- Currency is THE ***collective public mechanism of distribution of wealth*** (prices, taxes and interest rates)

5.Currency and/or Money – working definition

- ***CURRENCY*** is

a ***collective public mechanism of distribution of wealth***

(prices, taxes and interest rates)

- ***MONEY*** is

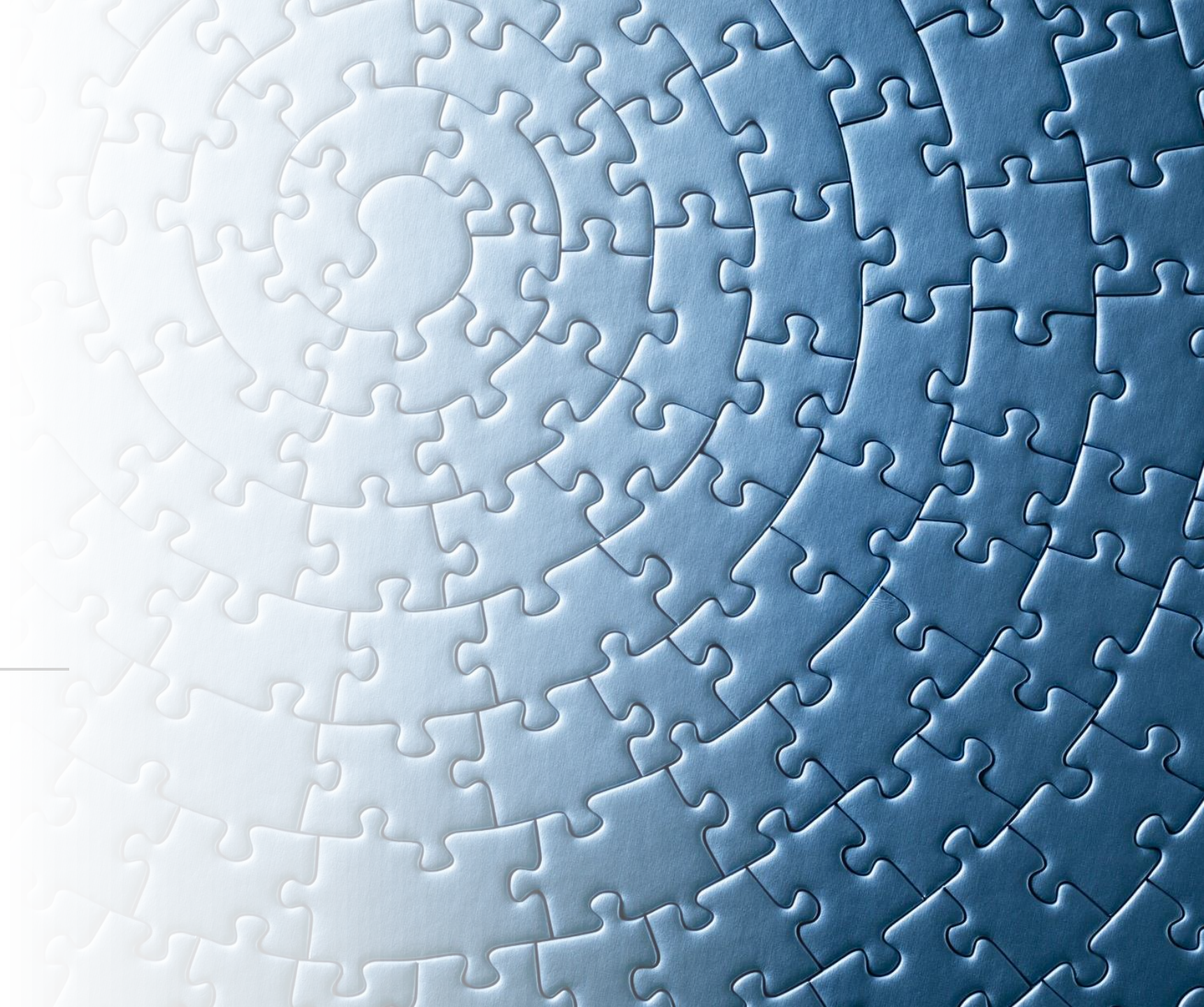
a ***normative mechanism of keeping the Value***

(gold for example) (*Bernard Lietaer*)



PART 3

THE PROBLEM In *Ontology*



6. *On philosophy of language*

1. All the time when we talk about money we, actually, talk about currency as a specific projection of money (value).
2. Money stays hidden and the currency is exposed.
3. But the exposition is only one of all shadows.
4. That's why we hardly ever could give a valid definition of money with its multifaceted essence

6. On philosophy of language - 2

5. All the time we observe one or more of these shadows.

6. We observe currencies – one quite **changeable shadow.**

(like the words in language – represent the images of ideas)

7. AND we **permanently change** the currencies.

8. And we have called “money” the general form and all forms of currencies.

7. On the education

1. In theory the subject is quite complicated.
2. It produces **cognitive fallacies** about what money **IS** and how it **WORKS**.
3. There is a little “mess” from many misconceptions such as:

7A. On the education -2

Examples:

- By answering of “*what money does*” (B. Lieataer)

we don't understand the essence of it. The focus is on the functions.

- By answering “*what does money mean?*”

we don't understand the properties of it. The focus is on the image.

- By answering “*why do we need money?*”

we don't understand the benefits of it. The focus is on the consumption.

8. About the agency circuit

1. Every contemporary monetary system is over the control of the **BANKING system** which collaborates with a contemporary democratic **STATE**.

2. Every contemporary democratic state collaborates with the mechanism of the **free MARKET**.

3. Every contemporary free market collaborates with the mechanism of **MONEY**.

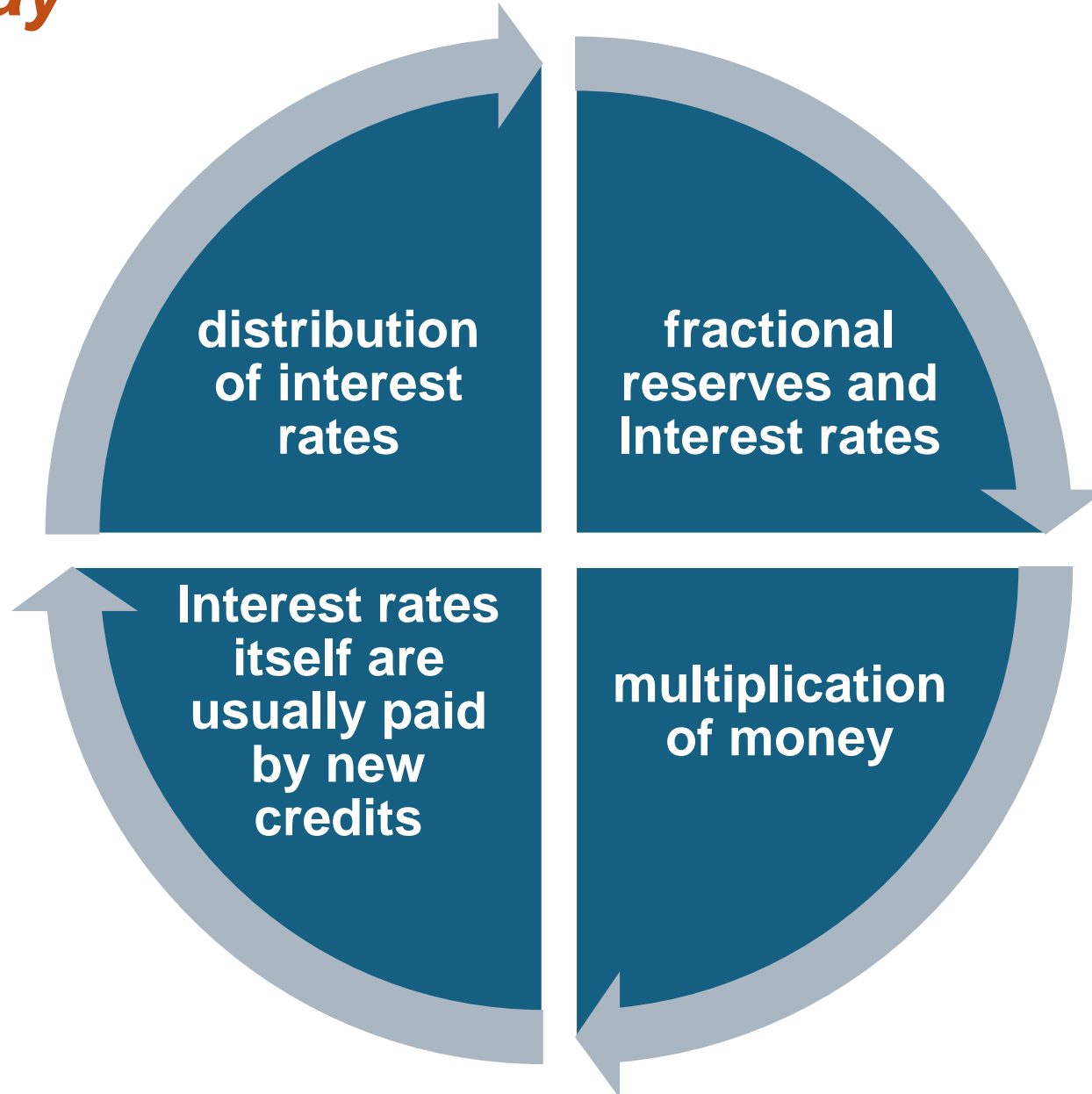
9. About the Rules

- 1. Every contemporary banking system works by using:**
 - fractional reserves**
 - Interest rates**
- 2. Fractional reserves rule allows multiplication of monetary mass itself – provided by the credit policy.**
- 3. Interest rates itself are usually paid by new credits.**
- 4. The distribution of interest rates are being controlled by the bank system.**

10. Money today

**Ostensibly
STATE**

but in fact



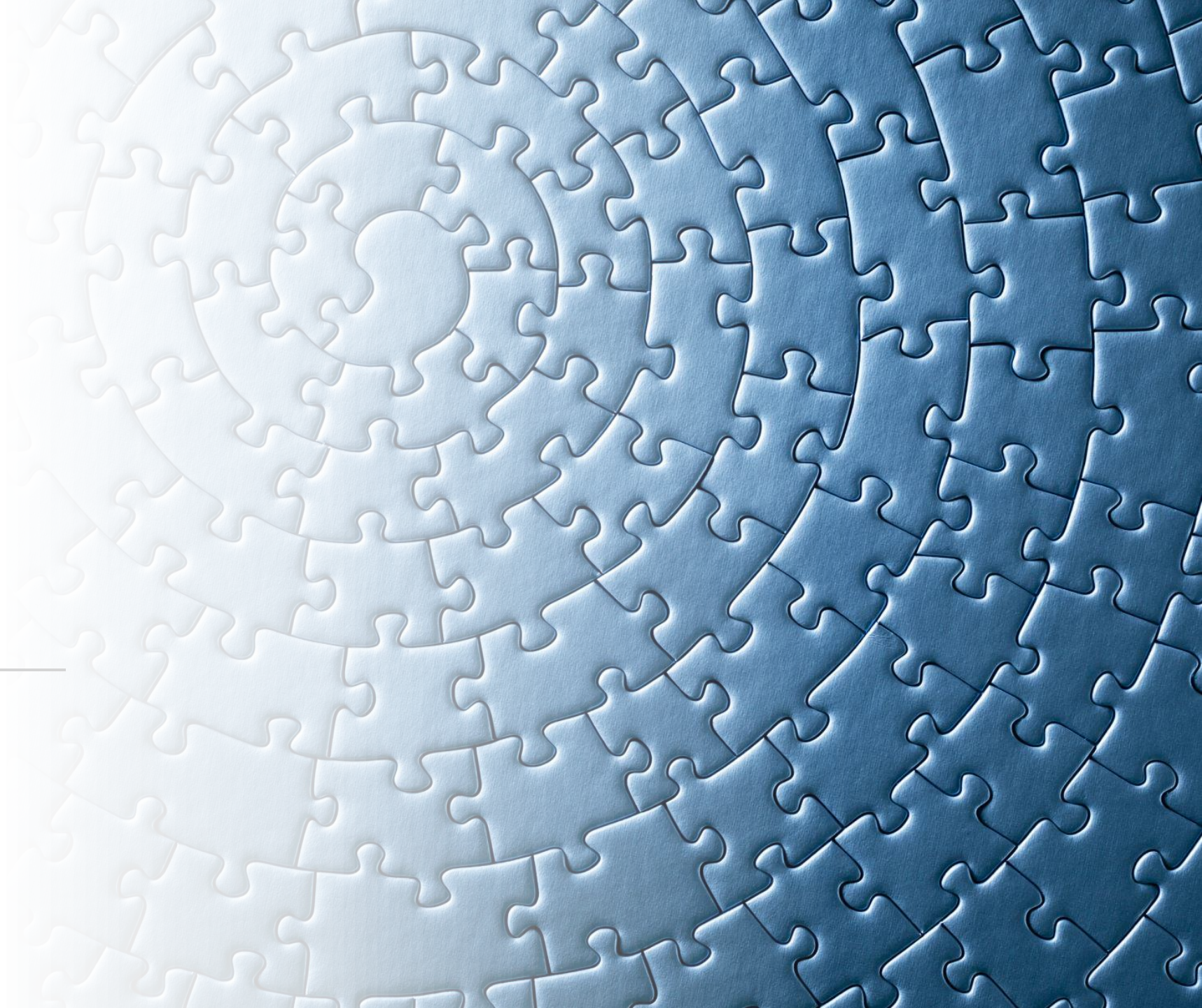
**PRIVATE
BANK
MONEY**

11. Monetary system today

Distributes the wealth

by **constraining** and **controlling** the access to currency

1. Directly – by interest rates
2. Indirectly – **by permanently changing of:**
 - Credit policy
 - Financial instruments and markets
 - Investments policies
 - Definitions
 - Rules and regulations
 - Legislation



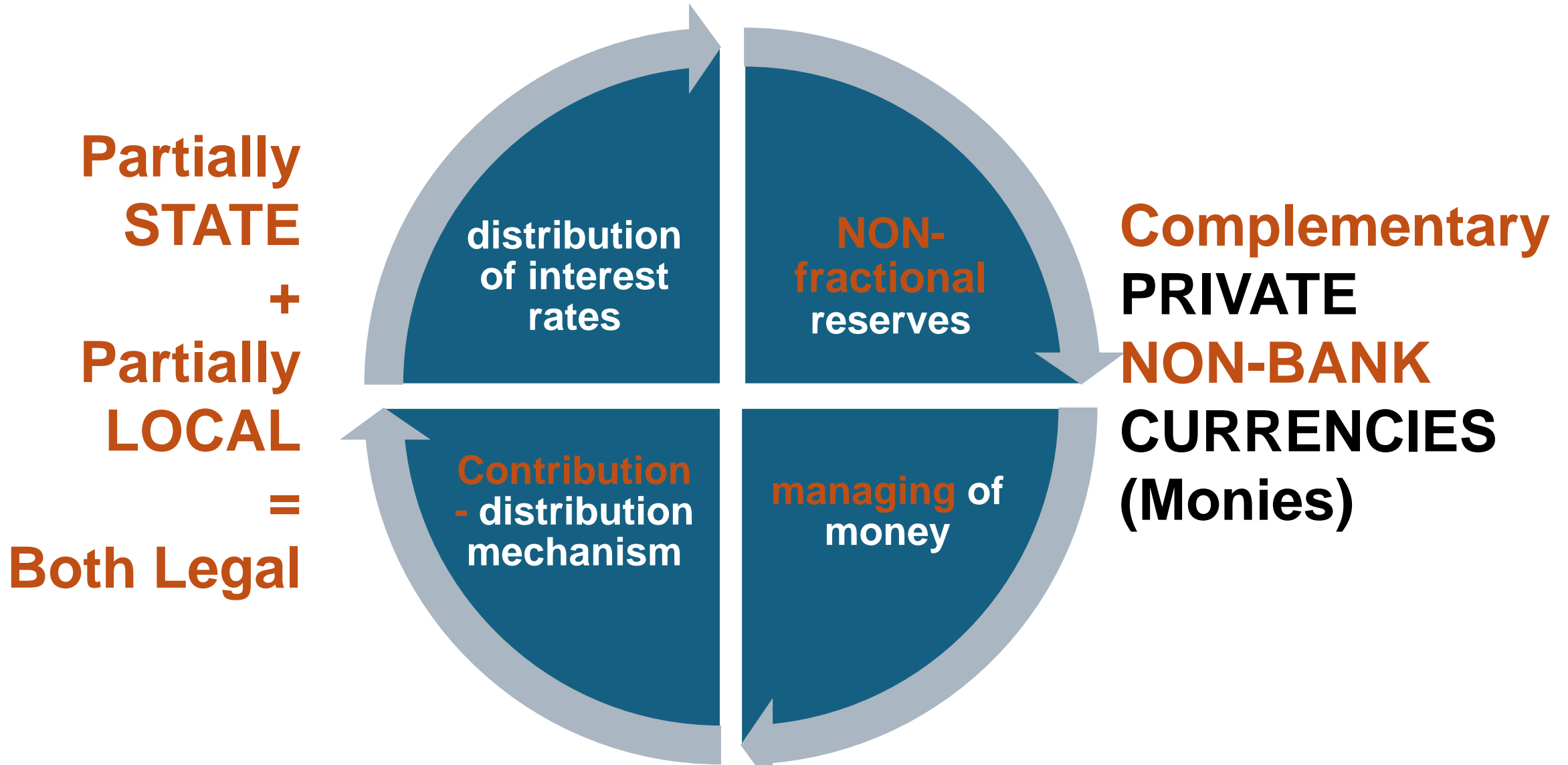
PART 4

THE DECISION

In theory

12. Monetary system of the future is now

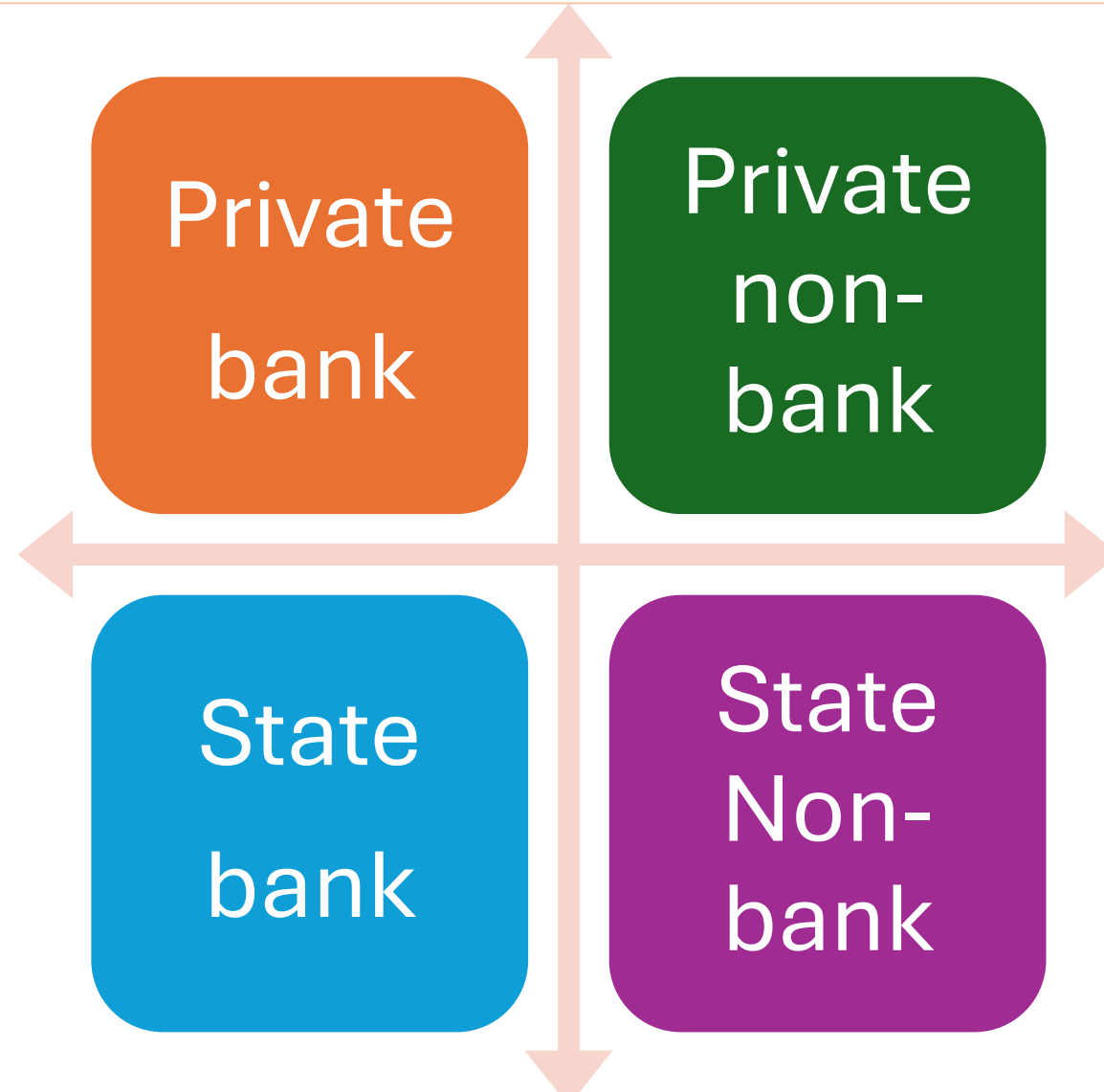
“The future never comes” (Peter Drucker)



13. Private Non-Bank Money/Currency

1. **NOT** just CCS
2. **NO** fractional reserves and interest
3. Serves to distribute the contribution by a **constant measure**.
4. It is collectively consensual (democratic) distribution of wealth.
5. All the rest is a matter of negotiation and should stay changeable.
6. Multicurrency monetary system-
private and state; bank and non-bank

13A. Matrix of currencies



13B. Functions of Private Non-Bank Money/Currency

1. Functions serving the market exchange

- Accounting value
- Exchange the products
- Settlement of debt

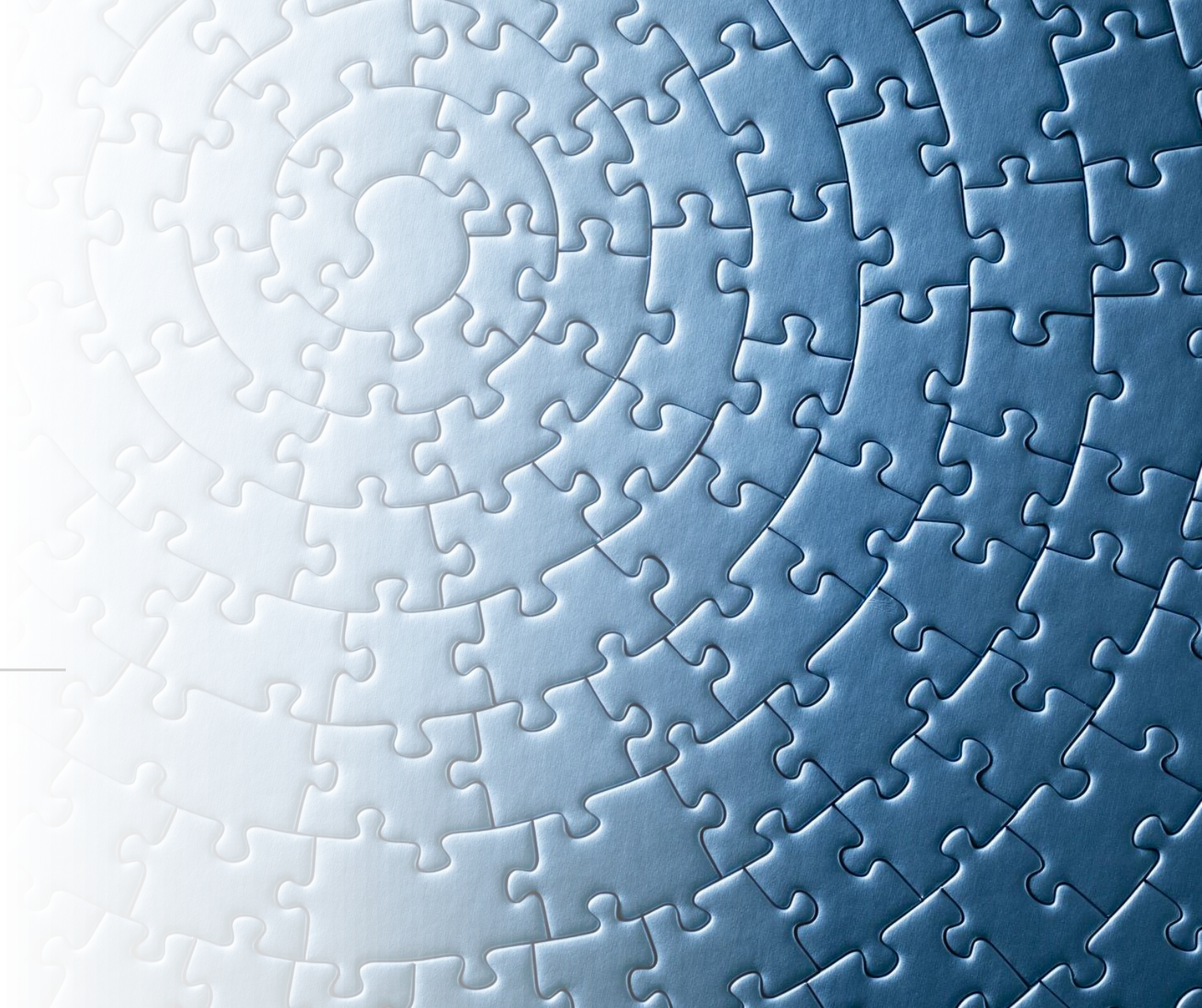
2. Balance recovery functions

3. Free (from agencies) and Fair distribution of wealth*

4. Community development oriented

14. Distribution

- Distribution as a **process** of value communication and as a **result** of value communication.
- As a **process** - by the system of prices, taxes and interest rates
- As a **result** - capital and property accumulation and platform for the next cycle of distribution of ownership



PART 5

CONCLUSION

15. Theorizing CCS

Means to :

- **distinguish** them from other forms of currencies
- **expose** the properties and characteristics that are designed for a **FAIR DISTRIBUTION** of goods, wealth and income reducing poverty and social inequality

15A. On Power and Control

1. Most beneficial need of money - purchasing **power**
2. Control – commons authority
3. PNBM – **DIRECT POWER** / Not **representative power**
 - people-....- central bank-trade (private) banks
4. Low **transaction cost** distributive mechanism

15A. On dichotomies in language

1. **Private – public** To be accepted as a currency it must be public (state or fiscal institutional forms are also public)
2. General distinction “**individual – collective**”
(corporate group is also individual - legal entity)
3. “**Bank – non-bank**” on the basis of the distributive mechanism
that's why ...



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THANK YOU!

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