

—Course description and syllabus

“Society is Exchange!” – Frederic Bastiat.

"All the perplexities, confusions and distresses in America arise not from defects in the Constitution or Confederation, not from want of honor or virtue, as much as **from downright ignorance of the nature of coin, credit and circulation.**" – President John Adams, from a letter to Thomas Jefferson (1787-08-25), in *The Works of John Adams*

“Just as the political monetary system trends power toward the state, so the system based on true money will release the natural forces that trend society toward private initiative, enterprise and democracy. **Pending this fundamental reversal, all resistance to statism is futile.** As long as the only available monetary system is political, exchange, that process by which the social order functions, will never accomplish its natural purpose, the development of prosperity and freedom.” – E.C. Riegel, *Flight From Inflation*, p. 73

Course Objectives

The objectives of this course are to:

1. Provide course fellows with the necessary conceptual foundation required for the design and implementation of effective and sustainable mechanisms for the exchange of economic value.
2. Dispel fallacious myths about money and banking.
3. Provide course fellows with a thorough understanding of sound principles of money, credit and circulation.
4. Involve course fellows in a survey of current and historical examples of private and complementary currencies and other methods of providing liquidity and the monetization of value.
5. Involve course fellows in the creation of a knowledge base and other resources that can be of ongoing value to other researchers, students, and social entrepreneurs.

Course Format

This course takes a **participatory, collaborative, problem-centered** approach to exploring the process of reciprocal exchange. Course fellows are expected to conduct research into specific topics either individually or in groups and to provide written or oral reports of their findings as departure points for class discussion. Various sources will be consulted, including pertinent books, articles, websites and audio-visual materials.

Course Prerequisites

This course is designed especially for social entrepreneurs and enthusiastic agents of change who are ready to co-create a new sustainable and convivial economy, and serious students of currency and exchange. Fellows who enroll in this course are expected to have (1) a strong interest in exchange innovation and economic sustainability, and (2) a basic knowledge of complementary currencies and exchange alternatives based on either personal experience in using or operating such alternatives, or having studied contemporary and historical literature on these topics.

Students should have read at least the following:

The End of Money and the Future of Civilization, by Thomas H. Greco Jr.

Flight From Inflation, by E.C. Riegel

Topical Outline

The essence and role of money

What is the essential nature of money? How has it evolved over time? What is its fundamental purpose?

Why is money so important? How does conventional money come into being?

Banking

What are the fundamental functions of banks? What role do **central banks** play in national and global economies? Do we need central banks?

Reciprocal Exchange

What is *reciprocal exchange*? How does it contrast with other forms of value transfer?

Liquidity

What is meant by the term *liquidity*? What are the conventional and potential sources of liquidity?

Monetization

What is the meaning of the term *monetization*? How does the process work?

Basis of issue, backing, and foundation

What are the proper bases of issue, backing, or foundation for a currency? What bases are improper and why?

Credit

What is *credit*? What is the difference between *exchange credit* and *finance credit*? What are possible sources of credit? Who benefits from giving or receiving credit?

Alternative currency models

What are the various ways in which a currency can be issued? What are the advantages & disadvantages of each model? What are the most successful historical and current models? How can they be improved? Who is qualified to issue a currency?

Credit clearing and “offset”

What is meant by *credit clearing*? How does it work? What’s the difference between barter and credit clearing? What’s the difference between *private credit* and *collective credit*? What is co-responsibility? How do currencies collectivize credit?

Value measurement and units of account

How can value be measured objectively? What is an appropriate accounting unit for quantifying value, credit, and other claims?

Saving and investment; value storage and capital formation

How can we store value and preserve capital over time? How can we provide for the creation of new productive capacity (capital formation)? Debt, equity, and shared revenue models. What are the interrelationships between the exchange function on the one hand, and the savings/investment function on the other?

Intermediation and disintermediation

Use of financial intermediaries vs. direct saving and investment. What options currently exist?

Usury and interest

What is the distinction between *usury* and *interest*? What is their role in money and the exchange process? What are the effects of interest on community and the general economy?

Demurrage

What is demurrage? What is the purpose of demurrage? Is it useful or appropriate to apply demurrage to a currency or to accounts in a credit clearing exchange?

Inflation, deflation, and currency debasement

Definitions, causes, and cures. What is the purpose of legal tender laws?

Depressions. The nature and causes of economic depressions.

What are the fundamental causes of economic depressions? How can they be avoided?

Exchange Networks

How can different currencies and credit clearing exchanges be effectively networked together?

Inter-trading across trade exchanges; Balance of payments/trade.

How can imbalances between trading partners be avoided or resolved?

Broader implications of innovative exchange mechanisms.

What are the potential economic, social, political, and ecological effects of exchange innovations?

Implementation and proliferation of innovative exchange mechanism.

What are the most promising implementation strategies? What are the current and potential impediments and obstacles to their deployment and proliferation?

Course methods, output and results

This course can be conducted over a full academic term or as an intensive “short course” of 2, 3, or 4 weeks. (Short courses spanning less than 3 weeks will need to be considerably abridged and are less likely to achieve all of the course objectives).

In addition to attending regular periodic class meetings, course fellows will create and maintain a wiki that will document the class activities and progress, and serve as a repository for the class’ research findings and recommendations, and develop business plans for launching new currencies and exchange systems.

—Required Reading List

Greco, Thomas H. Jr., [*The End of Money and the Future of Civilization*](#).

--[*Money: Understanding and Creating Alternatives to Legal Tender*](#).

--[*Taking Moneyless Exchange to Scale: Measuring and Maintaining the Health of a Credit Clearing System*](#).

International Journal of Community Currency Research 17 (A) 19-25.

Riegel, E.C., [*Flight from Inflation*](#).

--[*Private Enterprise Money*](#).

--[*Valun Mutual Money Plan*](#) (with commentary and critique by Thomas H. Greco, Jr.

Westrup, Alfred B., [*The New Philosophy of Money or The Tragedy Of Economics*](#).

Rittershausen, Heinrich, *Unemployment As A Problem Of Turnover Credits And The Supply Of Means Of Payment* (Part A). <http://monetary-freedom.net/reinventingmoney/ritt-unemploymenta.html>.

Zander, Walter, *Railway Money and Unemployment and Further Remarks Concerning Railway Money with Special Reference to the Position of the American Railways*. http://monetary-freedom.net/reinventingmoney/zander-railway_money_unemployment.html.

Christensen, Clayton, *The Innovator's Dilemma*.

Heath, Chip, and Dan Heath. *Switch: How to Change Things When Change Is Hard*.

Gladwell, Malcolm. *The Tipping Point*.

Recommended websites

Beyond Money. <http://beyondmoney.net/>.

Reinventing Money. <http://reinventingmoney.com/>.

New Approach to Freedom. <http://www.newapproachtofreedom.info/>.

Additional Reading List

Swabey, Rev. Henry, *Usury and the Church of England* at <http://cesc.net/scholarweb/swabey/serifweb/>.

Christensen, Clayton, *The Innovator's Solution*.

Gladwell, Malcolm. *Blink*.

--*Outliers*.

Selected items listed at <http://reinventingmoney.com/library/>.

To be specified later, if needed

- Measurable Student Learning Outcomes
- Specific policies for testing, grading, and assignments, credit vs. non-credit tracks, etc.
- Course calendar/schedule – what will be discussed in each class session or weekly; due dates for assignments; quiz/exam dates, if any.

Brief Bio

Thomas H. Greco, Jr. is an independent scholar, author, educator, and community economist, who, for the past 35 years, has been working at the leading edge of transformational restructuring. He is the author of numerous books and articles and is widely regarded as a leading authority on moneyless exchange systems, community currencies, financial innovation, and community economic development, and is a sought after speaker internationally. He has traveled widely in Europe, Asia, Australia, and the Americas, lecturing, teaching, and advising. He has been a speaker at numerous conferences and has led many workshops and colloquia in 14 countries.

Mr. Greco has extensive teaching experience, including 14 years as a tenured member of the faculty in the College of Business at Rochester Institute of Technology where he taught various courses including probability, statistics, and decision sciences. He is known as an effective teacher, using innovative methods such as simulations, case studies, personalized and self-paced instruction, group projects, and other experiential approaches.

More background can be found at <http://beyondmoney.net/about/>.

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