

**Private and complementary currency systems: purposes, principles, practices, and performance.**

**Abstract**

This presentation will describe the essential nature and function of a currency and sound principles of currency issuance, circulation, redemption, and extinction. It will provide a brief overview of a few notable contemporary and historical cases with an assessment of their design features and operational practices and their actual performance. It will identify the reasons why almost all of the contemporary exchange alternatives have had, at best, only modest success in achieving their stated objectives, and will describe the more far reaching goals of financial, economic, and political empowerment that private and community-based exchange alternatives that are properly designed and managed are capable of achieving.

It will argue the crucial importance of shifting the money creation process and the allocation of credit away from global mega-institutions and toward producers and providers of real value by enabling them to monetize the value of their goods and/or services as they spend their own private currency vouchers into circulation, either individually or collectively, and by organizing themselves into small, localized and independent self-governing credit clearing circles that allow them to pay one other without using political fiat money and without the burden of interest payments attached to working capital loans borrowed from banks. It will describe historical and current entities that have been successfully demonstrating the feasibility of such credit clearing systems and suggest modifications and enhancements that will enable them to achieve their enormous revolutionary potential. It will propose a strategy and structure for networking localized alternative exchange systems together, so as to enable the process of reciprocal exchange to break out of the straitjacket of the present flawed, exploitative and destructive global systems of money, banking, and finance, and open the door to a new world of peace, justice, economic equity and a dignified life for all.