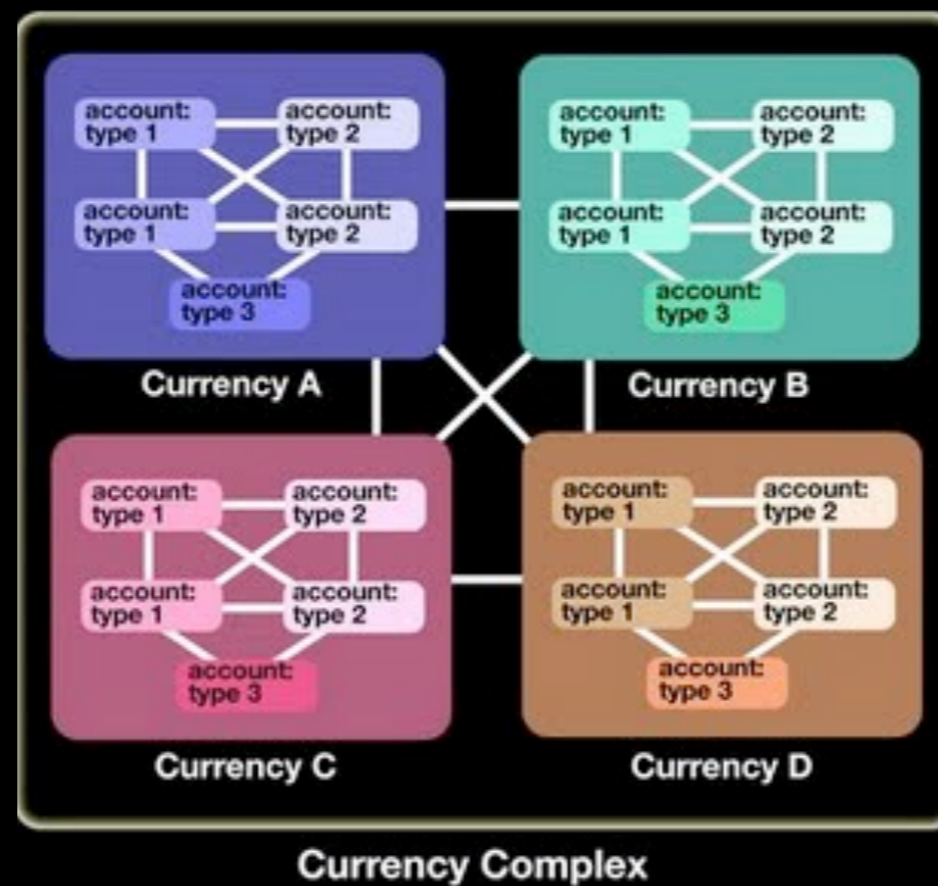


Monetary Rhizome

It represents all the Post-Modern alternatives for overtaking the Modern paradigm, a.k.a. Capitalism based ONLY on (bad performing) monopolistic bank-debt money.



Monetary Rhizome



A Rhizome because it enables to connect parameters belonging to different domains of existence (economic, ethic, social, etc) by valuing them through different currencies.

A FOSS case: Cyclos



- Cyclos offers a complete on-line banking system with additional modules such as e-commerce.
- The Cyclos platform permits a de-centralization of banking services.
- The objective has been to create professional software that is easy to use and maintain, secure, and highly customizable.

Commercial Credit Circuits (C3)

Problem: in Uruguay, after the crisis in 2008 Small- and Medium-sized Enterprises - which give employment to 70% of the national workforce - started to experience a shortage of credit and most of them were condemned to closure. They were paid in 90 days, but they had to pay their suppliers *within* 30 days.

Commercial Credit Circuits (C3)

Problem: in Uruguay, after the crisis in 2008 Small- and Medium sized Enterprises - which give employment to 70% of the national workforce - started to experience a shortage of credit and most of them were condemned to closure.

Solution: Bernard Lietaer and “Social Trade Organisation” (STRO) developed business-models which culminated with a financial innovation that STRUCTURALLY ADDRESSES this precise challenge: UNEMPLOYMENT.

The process uses insured invoices or other payment claims as liquid payment instruments within a business to business (B2B) Clearing-Network.

Commercial Credit Circuits (C3)

Payment Claims are a

--- COMPLEMENTARY CURRENCY ---

- **CURRENCY**: an agreement within a community to use something as a means of payment (Lietaer 2001).
- **COMPLEMENTARY**: they are used in parallel with - *as complements to* - conventional money.

Advantages of C3

WIN-WIN FOR ALL

Workers are continuing to work.

Businesses do not close.

Insurances increase their portfolios with a low-risk and cheap instrument.

Governmental agencies who accept the C3 currency increase their income: Uruguayan ones accept them in payment of taxes.

CULTURAL Credit Circuit (C3)

**IT IS POSSIBLE TO SET THE SYSTEM AT
DIFFERENT SCALES AND DOMAINS:**

- CULTURAL SECTOR -

- ICT -

- COMMONS COMPANIES -

CULTURAL Credit Circuit (C3)

**IT IS POSSIBLE TO SET THE SYSTEM AT
DIFFERENT SCALES AND DOMAINS:**

- CULTURAL SECTOR -**
- ICT -**
- COMMONS COMPANIES -**

**IF PUBLIC FUNDS ARE LACKING, THE CULTURAL SECTOR
CAN SIMPLY TRADE WITH A PAYMENT MEDIUM
DIFFERENT FROM THE CONVENTIONAL ONE.**

HOW?

CULTURAL Credit Circuit (C3)

(For example)

If a Cultural Institution needs money for the value of 10,000 Euros, but the Ministry of Culture is willing or able to finance only 7,500 overnight while the other 2,500 will be credited in - say - 120 days,

then the Cultural Institution may open an account on the clearing-network managing the complementary currency with a value of 2,500 Cultos (1 Culto = 1 Euro and Cultos are only digital).

CULTURAL Credit Circuit (C3)

If a Cultural Institution needs money for the value of 10,000 Euros, but the Ministry of Culture is willing or able to finance only 7,500 overnight while the other 2,500 will be credited in - say - 120 days,

then the Cultural Institution may open an account on the clearing-network managing the complementary currency with a value of 2,500 Cultos (1 Culto = 1 Euro and Cultos are only digital).

Such 2,500 Cultos are a *Value Claim* which must be insured: if the Cultural Institution goes bankrupt, the risk of exposure for all the actors dealing with the Cultural Institution will be secured.

CULTURAL Credit Circuit (C3)

Among the actors trading with the Cultural Institution there will be those who will be paid in Cultos. At this point who gets paid in Cultos has three choices:

- 1) Go to the bank and cash the Cultos by paying a high bank fee to cover the interest costs that the bank will incur in, if it does not wait that the Cultos reaches maturity after such 120 days.

CULTURAL Credit Circuit (C3)

Among the actors trading with the Cultural Institution there will be those who will be paid in Cultos. At this point who gets paid in Cultos has three choices:

- 1) Go to the bank and cash the Cultos by paying a high bank fee to cover the interest costs that the bank will incur in, if it does not wait that the Cultos reaches maturity after such 120 days.
- 2) Keep the Cultos until maturity and cash them with no banking fee.

CULTURAL Credit Circuit (C3)

Among the actors trading with the Cultural Institution there will be those who will be paid in Cultos. At this point who gets paid in Cultos has three choices:

- 1) Go to the bank and cash the Cultos by paying a high bank fee to cover the interest costs that the bank will incur in, if it does not wait that the Cultos reaches maturity after such 120 days.
- 2) Keep the Cultos until maturity and cash them with no banking fee.
- 3) Make them circulate into the Cultural Credit Network.

CULTURAL Credit Circuit (C3)

THE IMPORTANT POINTS ARE:

- Cultural institutions and (THE PERSONS BELONGING TO) related networks will continue their economic activity by virtue of a complementary currency, CULTOS.
- If accepted in payment of taxes - AS IT IS THE URUGUAYAN CASE - The Ministry of Culture and related public agencies will experience an increase in their income.

CULTURAL Credit Circuit (C3)

IF THE CONVENTIONAL CREDIT LINE IS NOT FUNCTIONING PROPERLY, IT *DOES* MAKE SENSE TO INSERT A SECOND LINE INTO THE CONVENTIONAL MONETARY SYSTEM IN ORDER FOR IT TO EASE CRITICAL PRESSURES.



<http://dyndy.net>