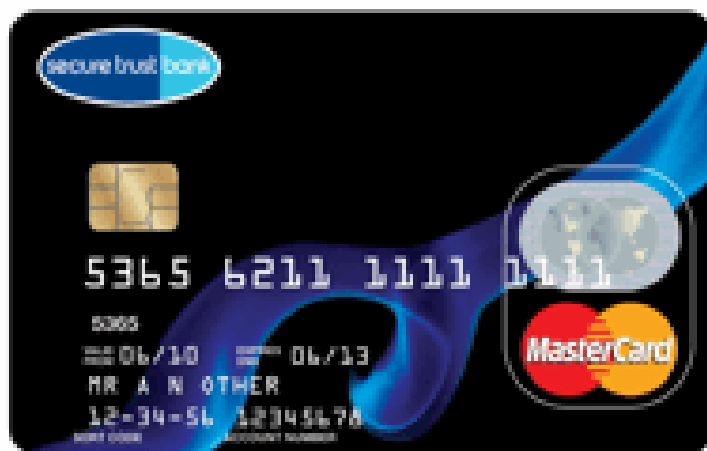


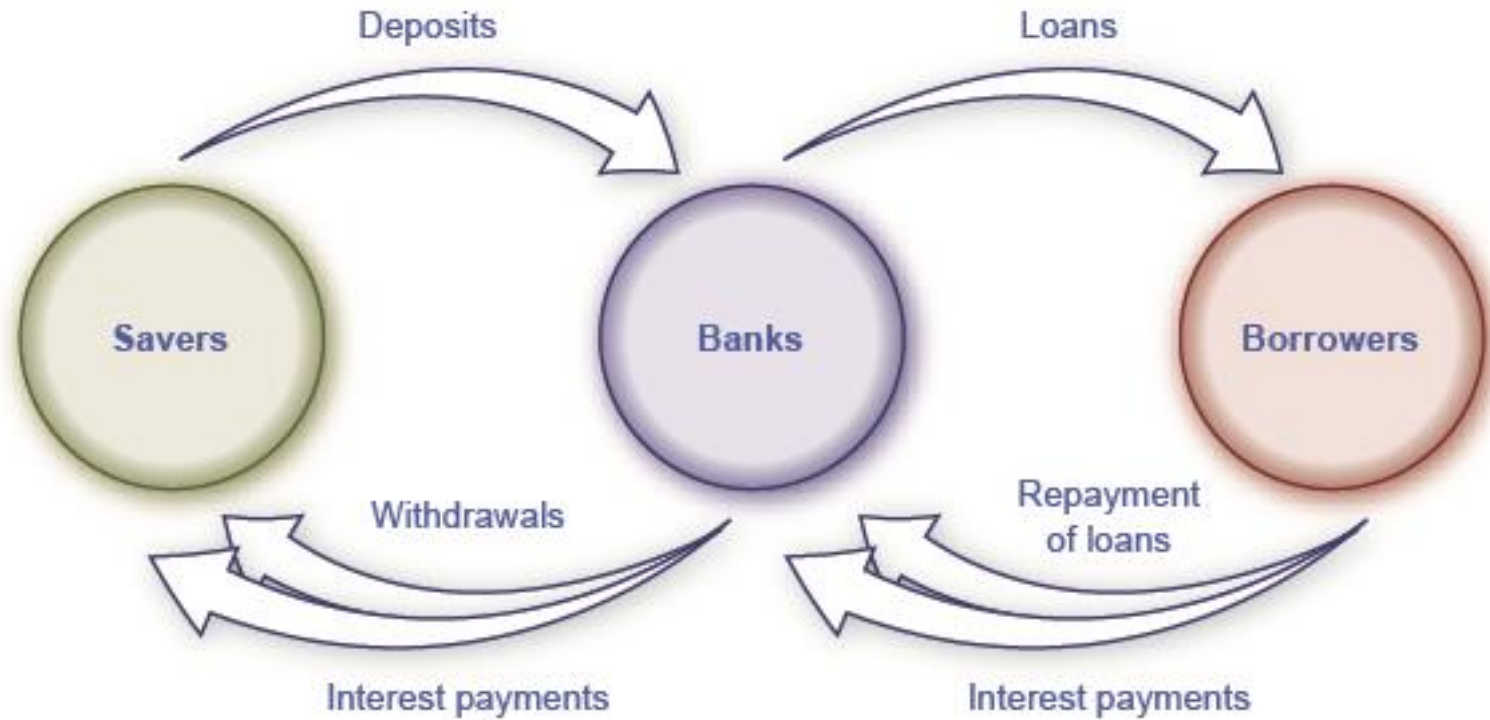
@suitpossum

THE STANDARD MONEY STORY...



THE “STORE OF VALUE”

GOES WITH THE STANDARD BANK STORY:
Banks as mere intermediaries...



... and payments separate from lending

PayTech 2016

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that drives digital transformation in the financial services sector worldwide. The increased digitalization of money and payments the last couple of decades means that the vast majority of money in circulation today exists as information, which flows through networks of hardware and software. This 'transubstantiation' of money into data has had major implications on the way we process economic transactions but also think about the different practices of value exchange. In response to these developments, this conference seeks to investigate how

examines the media of economic exchange, and

REASONS TO BE SUSPICIOUS OF THE STANDARD STORY



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In a fictional 'ancient' world dreamed up in the 17th & 18th century by liberal philosophers who were already used to the world created by money

Money is not something that has to be 'invented' in order to facilitate exchange between strangers holding pre-existing specialised goods. It is the very thing that creates the potential for there to be strangers trading specialised goods in the first place

THIS IS ANOTHER WAY OF SAYING THAT MONEY *CREATES MARKETS*



MONEY IS NOT A STORE OF VALUE. IT IS A **CLAIM** ON VALUE





On-the-spot exchange of a good or service for an abstract credit - a claim or token representing the ability to obtain an amount of goods in the future (expressed in numerical units believed to abstractly represent universal value)

The claim can be represented in different ways

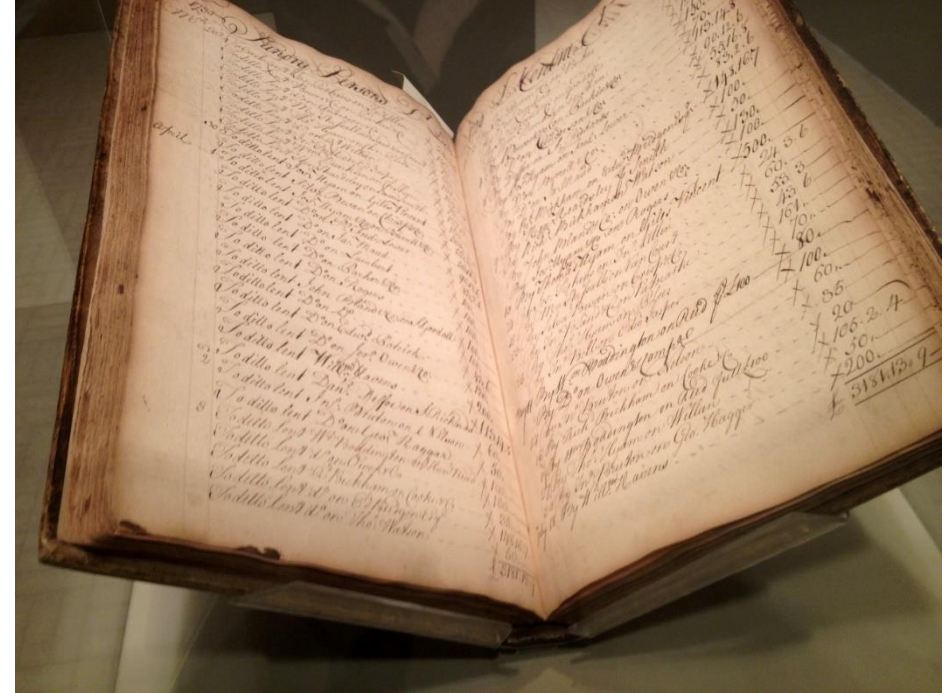
Bearer instrument vs. ledger system



Bearer instrument – literal physical representation of monetary units

‘Getting rich’ means accumulating the notes

Literally moves around (Needs physical transportation)



Ledger system – written representation of monetary units

‘Getting rich’ means accumulating a high score on an account

Ledger just needs secure communication system and trusted intermediaries

The modern ledger: COMMERCIAL BANK MONEY





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And, you thus cannot (easily) separate the credit creation process from the payments process

Conclusion: Money stays much the same. What is changing is how we interact with the ledgers...

... and, the power dynamics of that process