



OUR ECONOMY

A COLLECTION OF PIECES
RE-IMAGINING THE ECONOMY



A PALAVRO COLLECTION

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A collection of pieces re-imagining the economy

Our Economy:

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Arkbound
Rogart Street Campus
4 Rogart Street
Glasgow, G40 2AA

www.arkbound.com

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INTRODUCTION

Human civilisation has existed on the planet for over 10,000 years. During that time, countless complex societies have risen and fallen, each with their own unique characteristics. What we call “the economy” is something that encompasses the production, consumption and distribution of resources within a society. For present human civilisation, as a result of globalisation, the economy spans the entire globe and many consider it to be best defined by money. However, in reality, money is only a small aspect of the greater economic system. This system also comprises many other kinds of “capital”, including the social and natural.

We are increasingly becoming aware of two major drawbacks with the present economy: widening inequality, both within and between nations, as well as a growing environmental emergency. Under the economy we know, the Earth’s limited resources and carrying capacity for human needs actually have no limits. As some have observed, this illusion is “the creed of the cancer cell”. Market-based economics likewise contains no restraints on the accumulation of wealth for any one individual or nation, even as others sink to the bottom as a result of exploitation.

The environmental emergency facing the planet—defined by climate change, biodiversity loss and pollution—is something that is inherently economic. Despite many decades of knowing the perils, fossil fuels are still the blood that drives the economy. It is not through failure of imagination or means that things aren't different, but rather lack of will. Those who benefit from the present system are the same ones who hold the greatest wealth and power, including having significant influence over politics. Most of the global economy is derived from, and dependent on, the fossil fuel industry, together with its many offshoots. Even though this has only been the case for a tiny sliver of human history, less than a century, the impacts on the natural world are unprecedented. In just 50 years, we have increased the amount of greenhouse gases in the atmosphere seven times over, razed roughly 25% of native forests, and now produce enough plastic every year to fill New York City's Central Park as high as the Empire State Building.

As the environment suffers, so do communities. Division, often stoked by inequality and a lack of funding to public services, emboldens extremism. Measured and reasoned policies give way to sensationalism, further stoked by a partisan press that invariably happens to be controlled by the same interests behind fossil fuels. The momentum, across Europe and the world at large, is palpable.

Things do not have to be this way. Between and behind all this, we must continuously re-imagine other possibilities—both old and new. All too often we are presented with alternatives by those coming from “higher” positions—academics or policy makers, who have no experience of living in situations of disadvantage and exclusion. Whilst their insights can be invaluable, and their knowledge helps to build the foundation of something different,

without the lived experience of ordinary people, it can never hope to be embraced and enacted.

This book is the outcome of a series of workshops held in Glasgow in the summer of 2024, which had the aim of discussing how the economy could work better for everyone, as well as developing the creative writing skills needed for writing convincingly about a potential future economy. There are contributions from both the participants of the workshops, as well as from those who facilitated them. Every chapter presents a new perspective, or simply a creative imagining, of what is, and should be, *our* economy.

A CARE-CENTRED ECONOMY

By Hannah Webster and Ruth Hannan

“We are all dependent on each other, and only by nurturing these interdependencies can we cultivate a world in which each and every one of us can not only live but thrive.” - The Care Collective

What is a caring economy?

Care is all around us. It’s woven through our everyday lives; it’s the squeeze of a hand after a difficult day, solidarity on a picket line, a weekly shop for a loved one. But, in spite of this, care is so often absent from conversations about the systems and structures that surround our lives.

Despite care’s presence in the fabric of our lives, it is rarely acknowledged in wider societal structures that are designed to govern our lives; the policy silos or “systems”—the most dominant of which we usually group under the banner of “the economy”. Contrary to their perceived purpose, such systems often foster structural inequalities and insecurities that undermine our ability to care, leaving us to fight for what is—at its core—the most human of experiences.

Our economy is a complex system and as such, it does not take any single or fixed form. Across nations and localities, the structures and sentiments that shape a caring economy might change. Any caring economy will instead be defined by shared principles and commitments to care. European think tank Hot or Cool propose three ways to identify a caring economy, describing it as one where care is “celebrated as the basis of well-being”, “shared fairly, valued and given status” and where “care activities are supported with time and resources”.¹ These principles may appear simple but as many existing socioeconomic systems are designed around patriarchal norms and capitalist economic models, a fundamental shift must happen.

Crucial to this shift will be an acknowledgement that care is not an individual activity, but a collective act of community shared between us all. We tend to individualise acts of care, allowing them to exist out of sight, tucked away in the places we live. This acts to obscure the scale of care existing within our communities, leaving those who care to become isolated and overstretched. Individualising care serves an agenda of austerity, reducing the size of our collective infrastructure to a bare minimum. The cost of care—emotional, financial, physical—is therefore left for us to manage alone; parents are left making choices about whether they are able to eat as well as their children, carers are forced to choose between work and care. In the UK, half of unpaid carers say that their own health is adversely affected because of their unpaid caring role and 80% of unpaid carers report feeling lonely as a result of looking after a loved one.²

1 “Caring Societies: Care Centred Transition,” Hot or Cool, <https://hotorcool.org/hc-projects/care-centred-transition/>.

2 “Carers Trust responds to new data showing brutal health impact of being an unpaid carer,” Carers Trust, 18 April 2024, <https://carers.org/news-and-media/news/post/379-carers-trust-responds-to-new-data-showing-brutal-health-impact-of-being-an-unpaid-carer>.

According to the Joseph Rowntree Foundation (JRF), those who have a relationship to care (whether it be those caring for a child, disabled people who may rely on others for care or unpaid carers supporting another adult) have higher rates of poverty than their peers.³ Shifting to a caring economy speaks to addressing structural inequalities in our society, shifting our wider socioeconomic model to one that centres care so that the woven-in inequalities can be unpicked.

Why is a care-centred economy needed?

In the UK, a record 2.8 million people are out of work due to a long-term illness or disability and there are over 5 million unpaid carers, of which 600 people a day leave work to care for someone.⁴ As we have previously identified, those with a relationship to care are more at risk of poverty compared to their peers. At present, much of the focus on care is directed towards “support” for these groups as opposed to addressing the underpinning and systemic inequalities baked into our socioeconomic model.

These challenges exist at the same time as record-breaking global temperatures are reinforcing increasingly pessimistic projections about our climate.⁵ Our extractive economy is providing care for neither people nor the planet. These challenges are intertwined, playing out in homes, neighbourhoods and nations. As Civic Square outlined in their 30C Neighbourhood report, we cannot merely address the symptoms of a broken

3 “What pushes unpaid carers into poverty?,” JRF, 12 July 2024, <https://www.jrf.org.uk/care/what-pushes-unpaid-carers-into-poverty#>.

4 “INAC01 NSA: Economic inactivity by reason (not seasonally adjusted),” Office for National Statistics, 17 December 2024.

5 “A right to paid Carer’s Leave,” Carers UK, <https://www.carersuk.org/news-and-campaigns/our-campaigns/a-right-to-carer-s-leave/>

6 “Weather tracker: May sets new global temperature record,” The Guardian, 10 June 2024.

system; we must reimagine and redesign society as a whole to build a more hopeful future⁶. Care and its relationship with our lives is critical terrain for this work. Not only must we support those with greater caring responsibilities, we must also shift our mind-set toward systems that care about people and the planet, rather than profit and productivity. This work is expansive, offering a radical and hopeful alternative to ongoing challenges.

Across political debates, questions of care tend to be answered with “silver bullets” that ultimately deliver very little change. Political responsibility for care, for example, solely exists within the space of the health and social care sector in the UK. In reality, care weaves throughout our lives, interacting with our built and natural environment, our work, neighbourhoods, the ways we travel and live our lives. Our approach to care, therefore, needs to be viewed through a whole-economy lens; moving beyond narrowly focussed “support” for those who currently care, towards a society where we all care and are able to thrive through the care we give and receive.

Introducing systems thinking

Change on the scale we are allowing ourselves to imagine here will require us to actively embed care in the design of systems that surround us. Our economy, for example, is no single thing. It is made up of local, national and global infrastructure, institutions and incentives.

To unpick and rebuild a more caring, equitable and sustainable economy, we need to interrogate the different leverage points at our disposal. In systems thinking, an iceberg is often used as a metaphor for the system we are trying to shift. Above the surface we might find the day-to-day challenges people face, which

⁶ “Neighbourhood Public Square”, Medium, 22 December 2024, <https://medium.com/neighbourhood-public-square>.

are visible to everyone. In the case of care, this might be the disproportionate risk of poverty faced by unpaid carers. When we design solutions to address this, looking only at this level will obscure the structures and mind-sets that uphold this risk. This misdirection of efforts will act as resistance to any attempt to address this experience at the surface.

The iceberg model instead encourages us to delve deeper. Firstly, we may look at the structures just hidden from view that hold up the inequalities we see. For unpaid carer poverty, structures like the benefit system design or norms in the way we work might drive this risk of poverty. In the UK, Carers Allowance (the benefit for those who are out of work or full-time work because they care) is one of the lowest benefits in terms of income across the UK. The benefit equates to roughly £2.30 per hour for someone who cares full time. This is a design feature of the benefit system which—combined with work limits for those in receipt of the benefit—holds people in financial precocity when they care.

Exerting influence and change at this structural level is a longer-term response to poverty, but leaving a legacy of change and ensuring future decisions leads to a more caring economy requires us to dig deeper rather than simply designing out the problem. Without addressing this deeper level, any solutions will eventually defragment. As Lawrence and Buller write: “while the crisis in care is rooted in capitalism’s broader devaluation of reproductive labour, this is not its only cause. The interlocking forces of fiscal austerity, marketisation, and financialisation have transformed how we organise and reward care work, enabled by the turn to private ownership and provision of this vital need”⁷.

Quite quickly, we can see that the ability of each of us to ⁷ Adrienne Buller and Mathew Lawrence, *Owning the Future: Power and Property in an Age of Crisis* (Verso, 2022), page 84.

care—for ourselves, each other and the planet—is shaped by the dominant neoliberal model, characterised by profit-driven activity, individual ownership and wealth extraction.

A New Narrative for Care

To move towards a care-centred economy we must rethink care. It only takes a look at how long we have been talking about care being “in crisis”, yet successive governments have done nothing to address this. One of the reasons is the need to move away from narratives of crisis to ones of optimism; to the shaping of a new narrative of care starting from this place.

We suggest that care is a collective experience which has become individualised. If we return to caring collectively, we might enable the way we shape our communities, public services, and relationships with work to change. Emily Kenway, author of *Who Cares*,⁸ is doing some great work in exploring and compiling resources on the different faces of a 21st Century “commons of care.”

Kenway’s work adds nuance to the case that we must stop considering care as a minority experience and instead see it as something faced by the majority. In part, this means acknowledging the breadth of different caring relationships we all hold, but it also means considering care as a universal part of human nature. Unpaid carer Laura Barnes talks about there being three relationships we can hold with care, as we are all one or more of “unpaid carers, soon-to-be-unpaid carers, or the people requiring the care”.⁹

Increasing our understanding of care in this way requires a reframing away from care as something which happens in

⁸ Emily Kenway, *Who Cares: The Hidden Crisis of Caregiving, and How We Solve It* (Wildfire, 2023).

⁹ Hannah Webster, “Designing systems that care,” *Resolve Poverty*, 23 May 2024.

addition to our economic lives, and towards care as something which is foundational to it. The “We Are the Economy”¹⁰ campaign builds from the starting point that the economy fundamentally exists to meet all our needs. Through this lens, care—be it social care or the acts of care that we all demonstrate daily—should be seen as the motivation of our economy, not just a way to perpetuate productivity.

And finally, we must consider what it would mean to move care away from a descriptive activity to something of which we all have experience, and from which we draw expertise. Our understanding of the world around us has sharpened and focused through the care we give. We need ways of democratising decisions about our lives that build on this experience and expertise.

What practical shifts need to happen?

Many have tried over the past few years to change things, whether that be through Acts of Parliament, awareness-raising, or making changes to how services are provided. Yet, there is a flaw: these are all offering only limited fixes to a system that fundamentally doesn’t care. For those of us at the deep end of care, the system is still in the shallow end. Our social and economic models need to change. They must centre care, value it, and enable it so that all of us can live good lives as much as possible; lives that will not be made harder by wider society and the economy we live in.

Alongside other organisations, Care Full are exploring what the system *could* look like, and what needs to change for that to happen. If we explore the question of care solely focussing on social care, as opposed to a wider focus on public services as ¹⁰ “We Are the Economy”, We Are the Economy, 2023, <https://www.wearetheeconomy.co.uk/>.

a whole, with the economic model and our societal structures included, we'll never truly shift to something more ambitious. Situating care in one policy silo presents it as only important for the minority; a problem for the state to solve and for families to manage. Instead, we could approach care as an opportunity to create a socioeconomic system that could enable us to live well.

In creating the post-war welfare state in the UK, Beveridge created a revelatory system focused on the challenges of the time—the “five giants”.¹¹ The lesson here is that we need to stop tweaking the edges of our existing system. We need to be bold like Beveridge. We must present a new economic, societal and public service model to respond to the “giants” of our 21st century.

Some foundations of this new society can already be identified out there: Four Day Weeks, Universal Basic Income, Universal Basic Services, windfall and wealth taxes. These examples could be implemented swiftly, and have a positive impact for all of us, not just those connected to care. They could help to form a new economic model that moves away from our current one, which narrowly focuses on GDP, towards a centring on our wellbeing. These solutions span work and social security, moving us away from an approach that focuses on social care as the sole policy area responsible for care. However, to ignore public services would be a mistake. Just as Beveridge’s report reimagined a welfare state for a post-war population, so must we now engage with what a 21st century population needs from its welfare state and public services.

Within our current economy, we’ve accepted that much of the care within our communities be unpaid; be deemed as unskilled;

¹¹ Beveridge identified five “great evils” of the time as: Want, Disease, Ignorance, Squalor and Idleness.

William Beveridge, *Social Insurance and Allied Services*(1942), paragraphs 7-8.

and we have failed to properly discuss any alternatives. The patriarchal roots of our economic norms continue to weave through how we view care, and without shifting these extractive mind-sets we won’t be able to place care more centrally in our lives.

Designing a new economy will only deliver something better if we work with people in a participatory way. It’s likely that some of the answers will sit with improving and investing in public services, though are likely to involve work that goes far beyond the simplicity of shifting the funding model.

The distance between Beveridge’s 1940s and our present day society is that we are now surrounded by care, but also that the systems (our welfare state, our public services) that were designed to help us are woefully inadequate to cope with that 21st century society’s assorted challenges. Renewing this goes beyond a need to fix social care, and beyond a need to fund social care. Those systems and services that were built to support us must be fundamentally redesigned to be full of care.

Of late, a new conversation about care is taking place. It explores care within wider socioeconomic systems, presenting new solutions that go beyond the tried and tested models of awareness-raising and support services. Emily Kenway proposes a “care commons”, which moves care into the space of collective responsibility with solutions that shift liability from the individual to solutions such as co-housing and a developed mutual aid model.¹²

Alongside JRF and the Women’s Budget Group, Oxfam GB are exploring the links between gender, poverty and unpaid care and proposing systemic solutions to address this.¹³

¹² Kenway, *Who Cares: the Hidden Crisis of Care-Giving and How we Solve it*.

¹³ Silvia Galandini and Claire Spoons, *Valued: Breaking the link between paid and unpaid care, poverty and inequalities across Britain*(Oxfam Library, 2024).

In addition to this care-focused policy work, wider new economy movements are proposing new economic models that present opportunities to centre care that take us away from the current GDP model that marginalises care. Recent work by the Centre for Local Economic Strategies (CLES) explored how creating gender equality can deliver stronger local economies.¹⁴

Shifting the System

Whilst we have identified a number of key foundational actions that could see swift and radical change for those with a relationship with care, we must also dig in to undertake the longer term work of creating societal and economic shifts. We must see that at present our current economic model actively prevents us from caring about ourselves, one another and the planet. As such, we must come together in solidarity to challenge this, if we are to be able to cope with the challenges the coming years will present.

Moving beyond exploring “solutions” for care in policy siloes to a place that centres care would enable us to achieve better lives. Caring for ourselves, one another and the planet as a starting point for system design would require a fundamental move away from a capitalist, extractive, neoliberal economic model and an abandonment of GDP as a tool of measurement. This shift may seem huge but it’s likely that the idea of universal healthcare, education and social housing would have seemed a dream a century ago. To make this shift we just need to care.

*

Authors Hannah Webster and Ruth Hannan are the co-founders of Care Full, an organisation creating a space for thinking ambitiously and optimistically about the role of care in our economy.

¹⁴ Leah Millthorne, Victoria Bettany, Tallulah Eyres, and others, Women’s Work: How gender equality can deliver stronger local economies(CLES, WBG, 2023).

I AM MORE THAN THAT

By Dan Perry

I am not yours
to label, categorise,
compartmentalise
into your neat, tidy,
easy to swallow,
narrow,
restrictive boxes.
To be marketised and
exploited.
So go ahead and
slap your rainbow flags,
on every product
from alcohol to sandwiches,
for a month to boost sales.
I am more than
that.

I am not yours
to medicalise,
sanitise,
or cure.
Ask if there is a pill or
if doctor that can do anything,
to remind me
for the hundredth time,

we all drop
or lose things,
bump into objects, or
become unbalanced.
It varies
minute to minute,
second to second,
Stating that
my memory
will get even worse
with age,
thanks for that!
Slipping through
the gaps,
disabled
but not disabled enough.
I am more than
that.

I am not yours
to tell me to aspire
to be middle-class.
I can't swan off on a gap year
like you,
whilst complaining about
your parents' allowance.
Yeah,
I have had to live off a
14 pence loaf of bread
for two weeks,
walking

two and a half hours
each way, to get to
a part time job.
And have been
reported to be
“quite intelligent”
for a shop worker,
whilst dealing with
customers that spat,
cursed and
threatened me daily.
Labelled
a “scrounger, sponger, burden on society”
whilst on benefits.
I am more than
that.

TIME TO EVOLVE ECONOMICS

By Diana Finch

I'd like to start with an admission and a disclaimer for everything that follows. I am not an economist. I've never studied economics. I've never studied accountancy either. When I started out in accounts, I learnt "on the job", and only took an exam to evidence my skills in bookkeeping when this was made necessary by anti-money laundering legislation in 2007. Given all that, it is perhaps presumptuous of me to give my opinion on what is wrong with our economic system, or to critique the functioning of money. Generally, having an opinion on economics and finance is considered the preserve of academics, civil servants, politicians and bankers.

But this lack of credentials is precisely why I feel it is important that I write on these topics. Somebody has to say that the emperor is wearing no clothes, and that voice can only come from someone who is not in thrall to the current economic system.

We non-economists tend to feel unable to join in the discourse on the economy because we fear we will be laughed at by those who really understand it. We are ashamed at our lack of technical

knowledge. If we don't know a hedge fund from a futures market, or wonder what quantitative easing really entails, how dare we comment?

And yet I suspect most of us feel deep unease; we have a sense that something is dreadfully wrong with the economy. We are aware of the growing numbers of people relying on foodbanks. We pass by ever more people sleeping rough as we walk through towns and cities. How is this possible when apparently the UK has the sixth largest economy in the world? If we stand back and think for a moment about the validity of the proposition that we can have never-ending growth of production in a finite world, it seems unlikely. And yet we are told that it is not just possible but essential, and that mining the moon and escaping in spaceships to Mars are realistic steps along the path of forever growth. We know it can't be good that just eight men own the same amount of wealth as the poorest half of humanity (according to Oxfam in 2017). Global warming, the pollution in our rivers and the loss of biodiversity are caused by the increasing industrial production and consumption required to grow GDP. And yet we are told that the economists are the experts, and that they all agree that more economic growth is the only way to fix things.

I like Wikipedia's definition of an economic system: "An economic system [...] is a system of production, resource allocation and distribution of goods and services within a society".¹ There's no mention of markets, or money, or trade. Rather, it frames the economic system as a mechanism to coordinate the allocation of resources to create goods and services, and to distribute these to the people. Economists rarely focus on this big picture. Instead, they hone in on how various policies can shift the market in specific ways to address

¹ "Economic System," Wikipedia, https://en.wikipedia.org/w/index.php?title=Economic_system&oldid=1263064901.

particular problems.

Kate Raworth's "Doughnut Economics"² moves beyond this, and looks at the wider purpose of the economic system. The ring doughnut in her powerful meme is what she says we should be aiming for. This would be an economy that meets everyone's needs (represented by the hole in the middle) whilst not exceeding the planet's ecological boundaries (represented by the space outside the doughnut).

Once we have dared to believe that current economic theory, as put into practice by our politicians and bankers, is not working in "doughnut" economic terms, what can we do about it? It is easy to feel powerless when we can't even talk about economics, let alone challenge the economic masters, or choose to live outside the economic system. This is where economic activism comes in.

Economic activism can take many forms. For example, Mark Boyle gave up using money completely for more than a year, recounting his experiences in his book "The Moneyless Man". Other brave souls have chosen to live off-grid in ecovillages, developing communal ways of meeting most of their needs in harmony with nature. In this way they are able to minimise their reliance on money to purchase goods and services, and in turn reduce their need to participate in commoditised waged labour. In our daily lives, we can all make decisions to limit our negative impact, by thinking carefully about what we purchase, whether or how we travel or commute, how long our showers are, what food we consume, and how high we set the thermostat for our heating (or how low for the air conditioning). But in this chapter I'm going to focus on the kinds of activism that aim to change the functioning of the economy for the wider society, not just

² Kate Raworth, *Doughnut Economics: Seven Ways to Think Like a 21st-Century Economist*(Cornerstone, 2018).

for ourselves or our immediate community. In particular, I'm going to examine the Bristol Pound, as an example of one of the localisation currencies that sprang up in the last decade or so, and that have since dwindled away.

The Transition Network is a global movement that aims to reimagine and rebuild our world, with one area of focus being the economic system. It is the Transition Network that spawned the localisation currencies of the last decade or so, starting with the Totnes Pound and Lewes Pound.

The idea behind these localisation currencies is that if we can trap money in the local economy by focusing on localisation, two things will happen.

First, less money will instantly leave the immediate locality, offering a boost to the local economy. If I buy my groceries from a major chain, some of that money stays in the local economy, such as paying the wages of local staff. However, much of it leaves the city to fund that company's national and international infrastructure and supply chains, while the profits leak away to shareholders all over the world. By contrast, if I buy from a locally owned shop, more of the costs will be met with local labour and supplies, and the profits will stay with the local business owner, who is likely to reinvest them in the development of their local business.

Second, if we bring production and consumption physically closer together, less transportation will be needed. Environmentally this is a good thing, as transportation is one of the main sources of carbon dioxide emissions.

The way these currencies worked is that sterling could be exchanged (usually at a rate of one to one) for the "town pounds". This money could then only be spent with business members of the scheme. To qualify for business membership,

the business had to be local, as determined by a set of rules. In turn, businesses were encouraged to spend that money on other local businesses, changing their suppliers to favour other local businesses.

The Bristol Pound launched in September 2012. It was the first of these sorts of currency to operate at a city-wide level, the first to have digital and paper money from its inception, and the first to be accepted in payment of local taxes. As a result, it quickly gained worldwide attention from alternative currency enthusiasts and activists, who were keen to see whether the scheme would deliver the macro impact that had eluded smaller schemes.

Initially, the scheme got off to a great start. There was strong endorsement from the city's new mayor, George Ferguson, who opted to receive his salary entirely in Bristol Pounds. He of course needed to spend that money, and he personally helped convince many shops and businesses to join up, boosting the organisation's own business engagement work. The scheme became very visible in certain areas of the city, such as Gloucester Road and North Street, where there were already many people who were passionate about Bristol's independent nature. You could say Bristol Pound was part of the *Zeitgeist*, and the strapline "Our City, Our Money" resonated with many. As a result, the currency quickly grew to be the largest of its type, with over 2,000 users at its height in 2015, and over a million pounds circulating in a year.

So perhaps the salient question is why did it start to decline within a year of these achievements? The issue was one of scale. Whilst numbers like two thousand members and a million pounds a year sound big for a local currency, this scale of transactions was nothing like enough to generate the income

(from transaction fees) needed to keep the operation going. The initial phases of development had been grant funded, with the hope that the scheme would achieve financial viability before the funding ran out. But six years in, the grants dried up while usage was still far too small to generate enough income. Just to achieve break-even, the scheme would have needed to be fifty or a hundred times its size. Instead of gaining pace, the acquisition of new members had already started to slow down, and businesses had also started to leave. The currency was in a spiral of decline.

To understand why the growth in membership stalled, we need to look at the marketing messages and the value proposition that the Bristol Pound was offering. In effect, the marketing started from the premise that economic localisation was important, and the value proposition was that here was a tool to help that process. This messaging worked really well with people who already felt that localising the economy was important, but it didn't have much impact on anyone else. If you didn't understand the economic argument, or just had more important things to think about than your potential personal impact on the local economy, why would you join? Indeed, it is questionable that the currency actually did much to increase localisation: the people who joined already favoured shopping at local shops, and those who didn't join were not encouraged to start doing so.

As to the businesses starting to leave, this was also related to the marketing. When onboarding businesses, the rationale used was that lots of people would be using the new currency and looking for shops and businesses where they could spend it. Being a business member would provide a marketing boost as their business would be promoted through our directories and website, and increased footfall would surely follow. In reality what many businesses reported a few years in was that there was

little increased footfall from people using the currency. Rather, they noticed that their existing customers started to use the new currency. Furthermore, what hadn't been understood by the Bristol Pound team was the level of hassle the currency imposed on businesses.

First there was the need to set up buttons on the till to ensure that Bristol Pound vouchers and Bristol Pound digital payments could be processed so that the tills would reconcile. Then there was the need to train customer-facing staff on how to validate the paper vouchers and how to ensure that the digital payments had gone through – a task only made more complicated when Bristol Pound launched its payment app in 2018. (Before that point, digital payments had been made through SMS texts.) Each transaction at the till tended to take longer with Bristol Pounds, making queues in the shop longer, negatively impacting on their customers' experiences.

Once you were taking customer payments in Bristol Pounds, there was the further issue that cash flow was more difficult to manage, as some of the company's funds would now be in their digital Bristol Pound account. Most accounting software for small businesses doesn't make it easy to flag suppliers and split accounts payable reports according to local currency membership, so spending the Bristol Pounds was complicated. And whilst it was possible to transfer money from the company's Bristol Pound account into their normal bank account, that process could take more than a day.

Additionally, the Bristol Pound team was asking businesses to change their supply chains and pay their local suppliers in Bristol Pounds. If your company's supply chain is working well, the last thing you want to do is change it! Given the hassles involved in being a member of the Bristol Pound, many businesses were

reluctant to recommend membership to any local suppliers they already had.

At the end of the day, many businesses started to feel that the cost benefit analysis of being a Bristol Pound member did not stack up. The hassle was not adequately compensated for by any increase in turnover. As a result, they started to drift away, either formally closing their accounts, or just telling customers they weren't taking payments in Bristol Pounds any more.

There were other things that played into the currency's decline. Regulatory issues resulted in the organisation not having access to its transaction data, making it impossible for Bristol Pound staff to see where money was held up in the system, and to intervene to release these bottlenecks. Technical problems also arose, caused by having so many components. Just keeping all these elements functioning and communicating with each other was costly and time-consuming, not to mention offering a user experience that was increasingly clunky compared to the new smart-phone payment apps that started to appear from 2014.

I joined the Bristol Pound team as Managing Director in July 2018. By this point, the currency was already two years into its decline. We spent a year shifting the branding and marketing messaging. We improved our offer to businesses by upgrading the marketing we did on their behalf and by providing more networking and business support opportunities. But it was too little, too late. By the end of 2019, I reluctantly told the board that we should start thinking about what would come next, rather than doggedly keeping the existing scheme going.

Our starting point when thinking about a new project was the learnings from the Bristol Pound. First, we needed to have a marketing proposition that would appeal to "normal" people, rather than only those who were already economic activists.

This was essential if we were to operate at a scale where we could be financially viable in our own right, and create impact at a macro scale. Second, we needed to offer an easy and engaging user experience. And third, we needed to create data through the scheme that would evidence our impact, and that would be accessible to us.

We recognised that Bristol Pound had been in essence a tool to change behaviours – in particular, purchasing behaviours. We started to think that if we really want to create environmental and social impact through a new economic intervention, we could be trying to change a much wider range of behaviours. This presented us with a problem. If we created a tool to encourage behaviour change and told people that's what we were doing, only the people who already agreed that the behaviour changes were needed would participate.

This led us to conclude that the marketing message must not focus on the behaviour change. We needed to have a completely different rationale for people to join up, and then encourage them to try changing some behaviours in a fun way. Only then could we hope to engage people in the mainstream and take them on a journey of change. As a result, we started to develop two parallel projects that would come together as Bristol Pay.

First there was the need to come up with an offer that would appeal to a wide range of people and businesses, and that would be viable as a business. The idea we came up with was a non-profit payment platform.

When you pay with a card or phone at a shop, you might have the impression that the money instantly leaves your account and appears in the merchant's account, all thanks to the little device by the till. The reality is more complicated. There are in fact a whole host of third parties involved in that movement

of money. There is the card issuer who provides the service to your bank. There is the merchant service provider, who supplies the physical device the merchant uses at the till. And there are interim steps of batching and clearing payments in bulk. The system is far from perfect—any small business owner will tell you that trying to reconcile the payments into the bank account with till transactions days earlier is almost impossible. But it's good enough for businesses to treat the transaction as if it were an immediate payment, and overall it is less fiddly than counting cash and having to walk to the bank. The merchant pays for this convenience in the form of a percentage charge on each transaction, along with a service contract of some sort for the use of the terminal and software. This cost in effect pays all the third parties for their role in the transaction. This is called an open loop system, as it doesn't matter who you bank with, nor what bank the merchant uses: as long as the card issuer's cards are accepted by the merchant's payment service supplier, the money will move.

By contrast, what we were planning was a closed loop payment system. It has become much easier to develop and operate these since the advent of e-money regulation in 2011. In such a system, consumers and merchants all open accounts on the payment platform. In this scenario, the movement of money between accounts is virtually cost free. No third party providers are needed. The money just moves from the customer's account to the merchant's account within the platform. Consumer accounts might be topped up by a bank transfer, or the platform might use direct debits to draw money into the platform as needed. Such a system operating at scale has the potential to generate significant income. A fee can be charged for payments, to be competitive within the wider payment services industry.

But instead of that money leaking away to third party providers, more is retained by the payment platform. The business model is similar to that of PayPal, however, unlike PayPal, we were planning on giving our surpluses away to the voluntary sector locally. This was our “unique selling point”—ours would be the only payment method that raised funds for voluntary sector services.

We tested out this market proposition with a range of businesses. Small, local businesses loved it—they were keen to be seen to be supporting the local services that their communities relied on. Big chains loved it—they were wanting to prove that they weren't just exploiting the communities where they were based. By accepting and even encouraging this proposed new payment method, they would be able to boast about how much money they were providing to local voluntary services and charities, and thus evidence their commitment to the communities using their shops.

We also tested out the proposition with shoppers. They were all well aware of the increasing reliance on the voluntary sector to provide the support services relied on by their friends and family members, as cash-strapped local authorities increasingly concentrate on only essential services. They were therefore keen to have an additional payment method that they could use to help fund those services.

Alongside the not-for-profit payment platform, the second project was by far the more innovative and potentially impactful one, even though it would be presented as a fun add-on to the payment platform. This would be an experiment in the use of points or tokens to mark positive actions that helped either people and communities or the environment. The idea was a bit like a Fitbit, one of those little devices that is designed to

motivate you to improve your physical fitness. But our platform would encourage you to look after your community and your environment.

What sorts of actions would be recognised? Here are some to give you an idea. Points for car free days would celebrate more environmentally friendly transport choices. Green mile tokens would mark walking and cycling achievements that improve fitness as well as reducing carbon emissions. Three minute shower counters would encourage people to save water and energy in comparison with average shower times of 7 or 8 minutes. The rewilding challenge would recognise each square metre of garden rewilded, thus reducing chemical use, improving water absorption to reduce both flooding and drought, and increasing biodiversity. Other tokens might mark skills and training: how to mend clothes to slow down “fast fashion”; how to cook with local seasonal vegetables to reduce consumption of convenience foods and to reduce food miles; de-escalation training so that people feel able to step in and calm rising tempers.

Thanks tokens would operate rather differently. These would be topped up like a universal basic income, with the encouragement to mark as many acts of kindness as you could each day. Receiving Thanks tokens would make people feel good too, giving a boost to mutual aid projects.

A particular sort of token was envisaged to support local democratic decision making: voting tokens. We would make use of this functionality in running the platform itself, allowing users to vote on which voluntary sector organisations should receive surplus income from the platform this month, or what the next positive action to be marked with a token should be. But, additionally, any group or organisation using the platform would be able to distribute their own voting tokens—to customers,

members, staff etc.—to help them make decisions that reflected their stakeholders’ thoughts. The voting tokens felt particularly important, given the continued decline in numbers of people voting in our political systems, or going along to the AGMs of our community organisations.

Another series of tokens would focus on the circular economy. Re-use tokens could be associated with a piece of equipment (such as a power drill, tent, or party costume). Each time the equipment is lent, passed on or mended, this would be marked by increasing a counter on the token, recognising the item’s increased lifetime use, and the reduction in the need to purchase new things.

We had the idea that your profile page would change according to the tokens you had amassed. If you had received lots of Thanks tokens, perhaps there would be a little graphic of happy smiling faces. If you then stopped receiving Thanks tokens, the number of faces might be smaller, and they might be less smiley. If you were doing well on the short shower challenge, a pretty little stream would appear. If you were doing well on cycling, a graphic of a bike would show, gradually getting more fancy—and if you stopped cycling, the bike would get rusty, fall over and then disappear.

As with apps like Duolingo, you would be able to invite people to be your friends and share your data with them, so that you could “high five” each other. Beyond immediate friends, your personal data would not be visible, but the aggregate data would be. Thus you would be able to see that, say, 3,862 people in Bristol had done the short shower challenge today, creating a feeling of normality and collaboration around reducing water use, and perhaps giving an estimate of the amount of water and energy (and thus CO₂ emissions) saved, showing the real value

of the action.

We felt there was something profound about these tokens. Not only were they a collaborative engagement tool, they were an experiment in non-market economics. The points and tokens could not buy you anything, any more than Monopoly money or your Fitbit steps. But they would be unique identifiers of positive actions taken, and thus a measure of non-financial value. And this for me is important.

I pointed out earlier that the Wikipedia definition of the economy doesn't mention either money or markets. But we have adopted a market economy as the global system of economy. This operates as a de facto governance system for planet earth. Money and markets determine who has access to the earth's resources, what they produce with them, and who has access to the goods and services produced. Frankly it is dreadful as a governance system. Nobody is taking responsibility for the asset register of planet earth, accounting for the removal and degradation of its resources. Nobody is ensuring that people have an equitable chance of having their needs met. Negative "side effects" are not considered to be the responsibility of the market players that cause them. Governments and NGOs are completely unable to fix the problems that the ever-growing economy is making. If we were designing our economic governance system from scratch, we would not have come up with this!

I'm glad that many people are working on ways we can improve the market system—whether through encouraging governments and large corporates to consider the United Nations Sustainable Development Goals, or through the B Corp movement, which puts other purposes ahead of the purpose of creating a return on investment for shareholders. Regulation to control standards in the use of chemicals or child labour are to be welcomed. Carbon

credits aim (but have so far completely failed) to reduce carbon dioxide emissions. These are all laudable things. But with a free market as the underlying governance mechanism, I fear they are all doomed to fail in their aims. And we are left with an economic system pushing us ever further into crisis.

I'm therefore most interested in how we develop a non-market economic system. How would that work? Well, we don't know yet! We've done hardly any experiments in how we could design and implement an economic system that doesn't work with money and markets. In the past, many societies around the world have operated without money and trade, and there is inspiration to be found there. But we need to design and iterate, finding places and sectors where we can experiment with non-market economic solutions. Our token ideas for Bristol Pay were to be one such experiment.

At the end of the day, the earth is one big shared resource that needs to be managed for the long term for the good of all—it is a commons, and we need to develop a commons-based governance system. The hardest thing is getting this work off the ground within the current system, which is controlled by those who have amassed the most power and resources and who are reluctant to accept that for the long-term future of humanity, they need to allow the system that has benefited them to be superseded by a better one.

DREAMING OF HOME

By Erika Villalobos Morales

I have been having those dreams again. I am in the backseat of my parent's car and my dad is driving that same main road in my hometown. We are going nowhere in particular, driving just for the sake of driving. I roll down the window to feel the wind on my face; the air is warm and humid, a typical summer afternoon.

I have been dreaming about my town, the road, and my parents in the front of the car. It is ironic: I've dreamt of leaving that town since I was a kid and now, after leaving, wish I were there.

I moved to Glasgow three months ago. The reason does not matter. The only thing that really matters is that I cannot go back home. I know that when people see me and hear my accent they cannot help but wonder where I am from. I don't mind anymore when they ask, but the problem comes when they ask why I'm here. I don't have an answer. I guess I was looking to have a better life: to have enough money to live comfortably and to feel safe enough to walk alone at night. The latter I sort of have it now, the former not just yet.

*

It was warm and stuffy in the kitchen. The morning prep was the most tedious part of the shift. Both of the ovens were on while we baked potatoes and bread, and two pots of steaming rice and soup were boiling on the hob. I was trying to chop the onions without tearing up, but I felt my eyes starting to burn and get watery. Cass and Rebecca were talking in the background about a girl they found annoying. I could not hear who they were talking about and if the person worked here or was a colleague from one of their other jobs. Then they moved on to talk about their night out and the drugs they did.

“How was your weekend? Did you do anything fun?” Rebecca asked me.

“No, just a chilled one,” I replied. They both looked at each other and continued talking between them. It is not that I did not want to contribute to the conversation, it was more that I felt I had nothing exciting to say. I felt my cheeks going red and went to crack open the only window in the kitchen to feel some fresh air. They turned to look at me.

“Oh no, the onions are too strong! Poor you”, said Cass. My eyes were red and tears were running down my face.

I found this job at a local Italian cafe by chance. I was walking past one day when I noticed they had a sign asking for staff. I went in to ask and a really nice lady took my details and said she would call. I had been trying to apply for jobs online, but nothing came up. So I decided to give the cafe job a try. I got hired as a cook straight away. There were good days, okay days and really bad days. I spent eight hours standing and running from one end of the kitchen to the other. Every time I arrived back at the flat I collapsed on the bed and did not feel like doing anything.

“Hi there, how was work?”

Ana, my flatmate, was standing by the hob while stirring a pot.

“Not too bad,” I replied. “Any interesting stories, any annoying customers?”

“No, not today, thank goodness”.

“Nice! You’d be pleased to hear I did absolutely nothing today”

“Oh, to be young and a student”

“And broke”, she said and laughed.

Ana put some bread in the toaster and served two bowls of soup. “Come, have some. I have a bottle of wine there,” she pointed in the direction of the fridge. I opened it and grabbed the bottle. We sat at the dining table and talked about our day and our plans for the future, which always ended up on nostalgic conversations of home.

“Are you still looking for another job? What are your plans?”

“I don’t know. I got tired of applying and getting rejected.”

“It is quite crushing, isn’t it? Getting so many rejection emails.” She grabbed a piece of bread and dipped it in her soup.

“And they never explain to you why, so I really don’t know what I’m doing wrong.”

“Probably nothing. Sometimes I think they prioritise hiring people from here over immigrants for no reason,” she gave me an ironic smile.

“I know that we came here to start from zero, I knew it would be like that, but sometimes I just wonder for how long I am going to be chopping vegetables and cleaning floors. I mean, there’s nothing wrong with that, but you know...”

“You want another type of job.”

“Yes, like in an office or something like that.”

“Well, you can do it. Don’t give up.”

“Or any job really. I just want to get out of this zero hour contract nonsense.”

“That’s fair. It sounds awful.”

“And you, what do you want to do after finishing uni?”

“I really don’t know. I’d like to stay here but I also worry about finding a job, the visa situation... it’s a lot.”

“I mean, you’ll surely find something, you studied here.”

I went to bed that night much more relaxed after letting it all out (also because of the glasses of wine we had). In the middle of the night, a loud crash from outside the flat woke me up. At first, I thought someone tried to break the door down and I was frightened. I got up and knocked on Ana’s room to try to wake her up.

“What happened? What time is it?” she mumbled when she finally opened her door.

“I heard something outside, I don’t know what it was”.

“I didn’t hear anything, are you sure?”

“Yes, can you come with me to take a look?”

We lived on the top floor of an old grainy building. It was not in the nicest area and we knew that. Ana said that her previous flatmate used the phrase: “a little bit rough around the edges.” It was not necessarily bad or dangerous, but let’s just say it was not the nicest building to live in. The rent was affordable and we realised it breached some security measures (who needs a smoke alarm anyway?). This is what we could afford for now.

When I dared to open the front door to see what had happened, I understood why we paid much less than in other places. A part of the ceiling had collapsed and all the rubble fell on the steps that went up to our flat. My room was next to the entrance and that is why I had heard it so loud and clear. I was shaking.

“Oh wow. That was close, lucky no one was going up the

steps,” said Ana.

“It could have fallen over my head.”

“That’s so scary.”

We tried to contact the landlord the next morning but we couldn’t get hold of him as usual. Ana phoned the agency and I could hear her voice getting shaky as she described the incident. She was getting irritated.

“What did they say?”

“That woman could not care less, I was this close to start shouting at her.”

“What are they going to do?”

“She asked me to email her pictures of the ceiling and then they will send someone.”

Later that day, a tradesman came in to check and I thought that he would immediately start the repairs. He just looked around, said that these ceilings were very old and flimsy, that probably water had built up and the weight of it caused the ceiling to collapse. He said he would go to his van to get the tools he needed and I stood outside waiting for him. He never came back. Ana and I spent that afternoon cleaning the rubble.

*

As the sun started to set earlier each day, we knew that winter was imminent. Nights were getting colder and we had to set times to use the heating: only a few hours in the morning if we both were in, and a maximum of 3 hours on the evenings. Ana sometimes would turn it off before even asking me and I would be sitting in my freezing room shaking with a jacket and scarf on. “It’s to save energy,” she said. The windows in my room were single glazed and it was nearly impossible to keep the heat in.

Sometimes I felt like crying because of how cold the flat used to get.

Those were the mornings I really struggled to get up, to take a shower and go to work. I would stand in the shower wondering what was I doing there. I guess the problem was not how cold it got in the winter, since I thought I would get used to it eventually. The hardest thing was leaving home when it was still dark and to come back when it was dark again. As weeks went by without seeing the sun even once, I could feel the energy leaving my body. “You should start taking vitamin D, you can get it in any pharmacy,” Rebecca told me once when she saw I almost fainted in the kitchen. But nothing worked. I tried it all and I still felt drained and exhausted every day.

My dreams of home intensified during this time. I guess I was struggling to adapt and dreamt of sunny and warm days to cope. When it had snowed or the pavements were covered with ice, I ended up arriving late to work almost every day. I had to walk slowly to not fall and I took double the time to get there. I had to apologise to my manager every single time and even though she said “no worries”, I knew she was annoyed.

The cafe got busier during wintertime, near December and especially near Christmas. I guess people felt more generous or wanted to treat themselves. But it meant that there was more pressure on us in the kitchen and sometimes things got heated. I heard Cass and Rebecca shouting at each other once. Another time, I could feel tension between one of the other girls in the kitchen and I. It was the lunch rush and I was being too slow finishing orders. This girl did not talk to me, was hurriedly moving from one side to the other, putting pans on the hob and getting ingredients from the fridge. I was standing next to the hob when she threw a rash of bacon on a pan with oil and it

splashed the oil onto my face. She looked at me and did not say anything. I thought I saw she smirked but I am not so sure. We got to the end of the shift and she did not speak to me at all. I finished cleaning, grabbed my stuff and left with a lump on my throat.

I never said it out loud, but on exhausting days like that one, I felt like buying a plane ticket and going back home. Thinking about it made me feel liberated: the brief illusion that I somewhat had the choice to leave if I wanted to. That night I dreamt about my childhood holidays with my grandma and my parents. During the summer, we used to go to a hacienda located 40 minutes outside of my town. It was a Spanish house built during the colonial era that got converted into a hotel. It had a garden in the middle and the rooms were laid out around. It also had a pool where I would spend all afternoon diving and swimming. We would gather for dinner at the restaurant where they served three course meals and fresh water drinks made of fruits of the season.

We stopped going when it became unsafe to travel those roads.

HOUSEKEEPING SERVICE

By Herberth Cea

“Do we pick up the rubbish by ourselves or are you guys going to do it?” The student asked when she saw me putting some rubbish in a plastic bag. My forehead was sweating, and I was dragging a heavy cleaning trolley.

“We would appreciate it very much. That would be very helpful for us.” I answered, my tone sounded of irony and disbelief. I could not conceive the lack of empathy and consideration. Apparently, manners and education are not for everyone. I was already exhausted even though it was just noon, and we still had a lot of work ahead of us.

The student only made a surprised gesture as she went back to her room to pick up the rubbish and continue packing her luggage. Probably she will just leave her rubbish bag in the corridor, just like many of her colleagues. The students must check out by the end of the day, after spending the whole semester studying hard, I guess. The corridor is a single mess, rubbish bags everywhere.

Today the supervisor has assigned me to vacuum the rooms and wipe the shelves. All that, of course, in the shortest time possible. Afterwards, another colleague must do the showers

(sometimes it's me), then someone else must clean up the toilets and washbasins. If necessary, another colleague vacuums the rooms once again, whilst another colleague checks to make sure everything is set according to the standards. Vacuuming might sound easy, but it is not. There are some rooms that were never cleaned in the entire semester. The rooms can be a surprise sometimes, many of them are disgustingly filthy and messy, which depends on the cleaning habits of the guest. At the end, rooms must be impeccable—that is all that matters.

The students left their rooms as if the government had announced a State of Emergency where every inhabitant must evacuate the city immediately. Some of the rooms were almost intact, others had students belongings left—things like toothbrushes in the bathroom, toiletries, furniture, pairs of shoes, coats and anything else you can imagine. However, each of them receives a notice months before checking out stating that the room must be cleaned, and it is also in the room rental contract. The same thing happens in the kitchens. From utensils and condiments, we find expired food in the freezer, rotten vegetables, untouched Chinese food dishes with mosquitoes over the table, and unwashed dishes left for days. Once, we even found the remains of a food fight on the roof and windows. All that goes into the rubbish bin, except for a package of chocolates that I found intact and unexpired.

“Are we going to get paid for cleaning this mess?” I asked Juan, my partner assigned for today to vacuum rooms and kitchens. They pay us per kitchen or room cleaned, which should be ready in an hour and a half. So a clean kitchen is an hour and a half of work. Of course, that's the ideal. Some kitchens are so dirty that someone else has to come and help us to get out on time, otherwise we have to stay until the evening. I feel a little

embarrassed when that happens, because that's our job and we're not keeping up with the pace expected of us, but when you open the kitchen door, all you can do is sigh in resignation and agree with your coworker on who cleans what.

“You just have to report it”, he answers.

Most of the students come from well-off families, probably the majority of them are foreigners. You must be wealthy to be able to afford a degree at these universities and pay hundreds of pounds a month in accommodation. I wish I could be one of them. I am pretty sure a few of them have never picked up a broom or cleaned where they lived since the beginning of the semester.

“They are very young. What can we do about it?”

My colleague shakes his head. “No, they are already adults. Nobody taught them manners or how to clean when they were little. Spoiled children, that's what they are.”

“Focus on your work, instead of complaining,” said Juan, a colleague from El Salvador who has been working as a cleaner for a couple of years. I don't want to think about spoiled kids. There's so much work and I don't want to stay around until 10 at night—after all, they don't pay us by the hour, so we must do everything quickly. There are some who stay working until dawn, depending on how far behind they are at work; I don't know how they cope. There are people better than me at this, and I'm sure I'm not doing so badly if I wasn't here.

“You know what, Juan? I always wanted to have a student life, like in the movies. You live in a student hotel like this one, you make a lot of friends and your only concern is getting good grades, exercising and going out to party. And you, what is your dream?”

“My dream is to finish the pending kitchens as soon as

possible, go home, have dinner, and fall asleep,” Juan answers while cleaning an oven that looks like it had a century of dried orange peel encrusted inside it.

I smile at him. “Seriously, what is your dream?”

He looks at me and pauses. “I would like to own a Latin food restaurant—real food, not like those restaurants in the City Centre. I studied cooking for a few months but then I had to leave the course because I could no longer afford it back in El Salvador.”

“Have you thought about starting a business here?”

“I don’t have access to credit. It’s complicated. We must keep doing this for the moment. Let’s hurry up and get out of this soon.”

“Damn, Juan. These people throw everything away.”

“You find all kinds of crap. I even took a brand new suitcase once.”

“I already saw a fan and a jacket they left behind. They really don’t say anything if you take that crap.”

“Tell the supervisor, just in case, and make sure the guest has already left.”

In my home country, brand new things, and much less food, are not thrown out—they are either given away or sold, or at least that’s how I grew up. The older brother’s clothes then go to the younger one; if a pair of shoes does not fit you, you give them to a friend or someone, or you change shoes until they have holes in them. As for food, my grandmother used to sell raw milk in her village, and what she didn’t sell she made cheese from. If the cheese didn’t sell, she made quesadillas.¹ I will never get used to seeing things in good condition and whole plates of food thrown in the garbage, especially when one has seen so much need in the

¹ A Mexican dish consisting of a tortilla that is filled primarily with cheese, and sometimes meats, spices, and other fillings, and then cooked on a griddle or stove.

countries one comes from.

I try not to think about what I would be doing if I would not have left my country; thinking is a waste of time when there is so much work, and you have to pay attention to details. No one wants to repeat their job or be told that “the work does not meet the standards”; in the end, you come to do the best job possible and that’s it.

“Do you know if they’ve paid yet?” I asked Juan.

“Relax, they always pay the first month late, it’s always like that. Take off that worried face because you don’t gain anything by worrying.”

“Easy for you to say. Damn it, I’m fed up with this. They always screw up. Tomorrow I won’t have any money for the bus, even though they’ve already raised the fare.”

“That’s what you have the bike for. Relax, and hurry up with that vacuum. Whining won’t change anything either. You left trash in the kitchen before, they’ll be scolding us later. Stay focused, my friend.”

“You are such a pain in the ass,” I tell him jokingly.

As I clean the refrigerator drawers I am reminded why I was doing it, for my wife and my baby daughter, but it is also impossible not to remember the bills I have to pay, especially the rent and electricity that has become more expensive. I don’t know if others do the same, everyone has their own motivations, but thinking of my family helps to ignore the tiredness, the sore body and the sweat on my forehead. Being there from morning to night is extremely tiring, especially the first few days, then the body gets used to it until one rests the back, legs and arms. For that reason, I try to do a little exercise before the season starts to be able to physically endure the work, otherwise the first few days I wouldn’t be able to finish with all the rooms on

time. Certainly, I am not 18 years old anymore.

“Don’t tell me you just got sick again. You’re going to hurt your lungs with that cough. Stop smoking,” Juan told me jokingly.

“I don’t smoke. If I smoked I would be worse off. Last night I stayed up cleaning showers, I wet my feet and I went home like that. The bleach gives me allergies. It will go away, eventually.” I explained to Juan while I took the allergy pill and a paracetamol.

It is impossible not to get wet by cleaning showers, although with time you learn how to do them. They are very narrow; sometimes it is even hard to breathe as it is always a race against time. Dozens need to be done in one day, one after another, until you get dizzy from going room after room. Some are easy to clean, but others must be chlorinated hours before you go through so that they are “prepared”. And the same thing happens with kitchens and bedrooms. If they didn’t take the time to clean the room, they would do even less with the shower and the toilet. I understand that the life of a fulltime student can be very stressful and busy, but cleaning a bathroom doesn’t take more than half an hour at the most. The worst are the smoking rooms, although it is forbidden to smoke inside, there are those who do it secretly in the bathroom. They turn on the extractor fan. The cigarette smoke soaks into the bathroom walls, changes the colour of the ceiling, the toilet, the light becomes duller and even the mirror becomes yellowish. So, it takes a long time to clean a shower like that, I have to look for a bench so I can clean the ceiling, the lamp and the extractor fan, which is what is dirtiest.

I’m not going to get out on time today, I thought. I’m already hungry and there are three hours left until dinner. Luckily, I saved a chocolate bar.

*

Juan is one of those people who prefers to keep things quiet and not waste time on unnecessary conversations, which is why we get along well. I don’t talk much either and I get desperate when people talk nonstop, and it wasn’t until after several weeks of working together that we talked a little. He had once owned a grocery store near a market on the outskirts of San Salvador, but he mentioned that he was threatened by the police at the beginning of the State of Exception regime because they had a target of detainees per week. He says he tells me this in confidence, and he doesn’t tell many people that for obvious reasons.

At times it is a solitary job when it comes to cleaning showers, although there are two shower colleagues on other floors of the building. Occasionally, I meet them and ask how they are doing, and I encourage them to keep going.

Some of the colleagues are already tired from working days, or even weeks, without a break. Some only vacuum the rooms, others only do the sanitary area, whilst a few clean the kitchens. It is the summer season, you must take advantage - then in winter it ends, and these hotels will soon be full of foreign tourists who stay a few days in the city, then go to the Highlands, visit Glasgow, return to England—who knows what they do? Then, in September, they will be full of foreign students again, and so the cleaning cycle goes every year.

Many colleagues wait for the summer to be able to work extra and earn a little more income—they come from all over the world. There is always music playing, so you can usually recognize the location of some: Marvin from the Dominican Republic always listens to salsa; a boy from Honduras plays old

school reggaeton; Rolando, from El Salvador, plays Salvadoran cumbia. Among my colleagues I have found many professionals: a primary school teacher, a psychologist, a biologist and some university students who had to abandon their studies to seek a better future outside their countries of origin, but here it is difficult for them to continue with their studies. The problem that many encounter is that the certifications in our countries are not valid abroad. As a colleague told me: “You have to work at whatever you can.” There is a life before and after migrating to another country; that is what Jacinto from Mexico told me during lunch. There was a life where I couldn’t find work in my profession, and what I earned wasn’t enough for anything. He barely said a few words to me at lunch but now you must eat as quickly as you can, a tuna sandwich, an energy drink to keep you up and on you go.

In your country of origin you have your family, relatives and your friends. Here you are alone, with your wife and children, but alone. *“You do it for the children, so that they have a better future.”* I barely exchanged words with him, but there he told me everything. Sometimes it is not necessary to talk much, just a gesture, a couple of words, there is no time, and the other thing is that we are all tired. The tiredness and the work of the colleague must be respected, and it generates acts of camaraderie. The other day a new worker gave me a chocolate, and at lunch we collected money to buy a pizza between those of us who were there.

“I can’t stand my back pain anymore. Tomorrow I’m going to ask for permission to go to the appointment with the midwife.” Martha tells me, one of the colleagues who checks that the rooms meet the standards. At five months pregnant she continues working, the tasks for her are not the same as for another person

in that condition but every so often she must sit down.

“When I get home my feet swell from standing all day.” She tells me while sitting, stretching out her legs and giving a long sigh of relief while drinking a bottle of water.

*

The days have passed and I haven’t received any text message about coming to work. Some weeks we have a lot of work, day after day, and then suddenly there’s nothing, at least for me. I understand that I should rest, but I don’t have any other income for the moment. Then I ask myself, *“Did I do something wrong? Was it because I asked for a day off when I got sick? Did I take too long and didn’t manage to complete the rooms list the other day? Did I make a mistake?”*

The days go by, and the worry increases, but the house bills arrive on time. I don’t know about others, but this makes me very anxious. I’m probably not the only one who feels this way. In addition, it’s difficult to make plans to go out with the family on the weekend. I probably receive the message the night before going to work the next morning, and all that’s left to do is prepare some sandwiches. What can I tell my kids when they want to go to the park next weekend?

It’s five in the morning. I no longer need the alarm to wake up, dealing with the debts and bills makes it hard to get proper sleep. I try not to make any sound to avoid waking my wife and baby girl. I go to the kitchen for coffee with milk and a couple of pieces of toasts with butter. I wake up with my body in pain, as if I had done aerobics and squats in a gym. I take the first bus where I still find some young people who have just returned from a party the night before—sleepy, tired, they could be staying in one of

OUR ECONOMY

the hotels I am cleaning and it is their last night in the city.

I don't remember the last time I woke up having fun with my friends—these are things for young people and not for someone my age. I arrive at the hotel, greet the supervisor; he gives me the list of rooms to be cleaned. I prepare the utensils on the trolley, and off I go again, like a movie where a scene is repeated thousands of times. At the end of it all, we will all gather in a small room, sweaty and exhausted, waiting for the supervisor to say a few words before we leave. We put away the utensils and those of us who return the next day leave the trolleys ready for the next day or the next season.

A WALK IN THE PARK

By Karmjit Badesha

At the end of each year that Mary attended Shawlands Academy she stood in front of Dr Cummings' desk as he pulled out his fountain pen and neatly scribbled "attentive, well behaved, 100% attendance" across her report cards.

In 1979, one day after her sixteenth birthday, she left school. Before she could even think about qualifications or what she might like to do next, her mum got her a job working nights in the Gateway on Victoria Road in Govanhill. Under buzzing and stuttering lights she pushed her heavy trolley around each aisle, filling the dark shelves with colourful cans and packets. At the end of her shifts she would leave the store, tins clacking in her handbag, as Mr Johnson locked up, bottles clinking inside his jacket.

To occupy her weekends her dad got her a job selling tickets at The Plaza Ballroom. Crammed into a small booth by the double doors, blinded by the dazzlingly bright lights and chandeliers around her, she scrambled to keep up with the endless rattle of coins that were thrown at her by excited couples, handsome and beautiful, eager to get into that music, forget their week and

prove their love.

The rest of the time Mary spent in her bedroom. Crowded by the family collies Elvis and Priscilla, she tried to read, listen to the radio or stared out the window at the people walking in the park.

Come Fridays her parents would collect her pay packets, taking their share of her wages for “digs money” and some other stuff they said that “only adults had to worry about.” Mary never found out for sure where that money went but her parents took a larger share when her mum started stuffing more white slips into the back of her bedroom drawer and the number of empty cans left by her dad made the black bin bags rattle.

A few years after hearing “if anything happens again the girl’s here to look after us” whispered into the darkness of the house she surprised her family by quietly announcing she had bought herself a flat in Govanhill. In response to how the “bloody hell” she had managed to do that she explained that the owner was a kind old man who had agreed that she could pay a deposit and then settle up the rest in instalments through his lawyers. That was the last conversation she had with the Allens and within a few months she had moved out, losing contact with her family altogether.

The one bedroom tenement flat on Allison Street was sold by Mr McCulloch who had just retired and was planning to emigrate to stay with his daughter and grandchildren in Canada. The day she moved in was the day he was to fly out.

“Miss Allen, the keys to your new flat.”

He dropped them onto her palm then struggled down the stairs, banging the edge of his luggage trunk against the close walls and muttering that he wished that the Asians who had just opened the curry house downstairs had done so earlier - he loved

their spicy food and the way the smell lifted up to his windows. Closing her door gently, Mary turned the latch on each lock and then sat stretched out on her new sofa. Wrapped in silence, she wiggled her toes as she picked another slice of pineapple rings out of the tin, the syrupy juice overflowing and dripping onto the towel on her lap.

Mary got her first dog Stanley, a small white and caramel spotted Jack Russell with a quiet yap, later that year. At ten o’clock she would slip on her walking shoes and long coat to take Stanley for a walk up to Victoria Road. Stride for stride they walked together, the leash loose in her hand.

From there they would turn left and the two of them would walk past Singh’s Hardware saying “Hello” to the tall owner with the thick beard and turban, who would be fighting to balance ladders outside his store. Stanley would slow down outside Auld’s bakery as Sandra and Margaret set out a fresh batch of sausage pies and pause to match sniffs with Gordon’s golden retriever Frankie, who was tied up outside the Queen’s Park Cafe.

At the top of Victoria Road they would enter through the tall black gates of Queen’s Park and do a circuit under tall trees, past the Victoria Infirmary and then around the duck and boating pond, where Stanley would pad cautiously around the water’s edge, amazed and suspicious of the elegant swans.

Those walks lasted longer when Stanley started to develop arthritis in his back legs when he turned twelve. Skipping with a limp that caused his ears to flap like birds’ wings, they followed the same path across Govanhill and were back in time for lunch and the last bit of the news. Until the day Mary came home walking fast along Victoria Road, the lead empty and scraping along the ground.

She waited a respectful time to adopt Charles, a happy white West Highland Terrier. He quickly became a celebrity in the area who needed to stop by everyone he passed so he could get a smell of their hands and then agree to a stroke. Maybe that was the reason he ran up and down the hall a full half hour before they left. Afterwards he would start to paw at the door while Mary put on her trainers and took down her waterproof jacket from the peg next to Stanley's old collar and lead.

He had finished scratching off the second coat of paint Mary had put on the door and was happily working on the third when, on a walk up to the Flagpole, he was attacked by a run-away Rottweiler. From then on Charles hid and whimpered before each walk and whined miserably when anyone approached him.

When Mary locked up for the night Charles would dash down the hall and jump onto her bed, asleep by the time she checked the doors were locked and all the lights switched off. Sleeping around him bent at an angle, her back was stiff and ached in the mornings.

When Charles passed away suddenly of heart failure fifteen years later Mary waited another few months before she bought Max, a cheerful wee mix of a dog that had a drooping tongue that never seemed to fit into his smiling mouth. The puppy learned quickly to keep in check with her shuffling steps and walking stick. Max resisted all doggy temptations and stuck close to Mary, staring up at her with his wide bright eyes.

Mary walked her dogs around Govanhill every day. During the big storm in 1987 Stanley delighted in the riches of branches knocked down to the ground while she walked carefully around the toppled trees caught by the park fencing, crushing them into bent and distorted fingers.

She cut through the protests outside the Govanhill Baths

in 2001 when it seemed the whole community came out and shouted that they wanted the council to rethink its decision. Charles barked cheerfully with the drums, catching the attention of someone who yelled even the "dug knows that closing the baths down is a crazy idea". His photo was pictured in that month's issue of the Glaswegian newspaper, Mary standing puzzled beside him.

She didn't go into the park for days after that "poor girl" was killed inside, long after the police and reporters left and the last of the thin fluttering blue and white tape lay trampled in the mud.

She walked unsteadily through the foot high snow in 2010, carrying Max when he sank in up to his belly. She passed Mr Singh as he barked orders from his wheelchair, instructing his son to put down more gravel at the same time he wanted him to get more sledges from the van. Up on the slopes of the park a jagged chorus of delighted fright followed the careening paths of those sledges, cutting through the snow until there were only long muddy trails behind them.

The next few days Mary and Max walked carefully through the dirty red slushy path shovelled out on the pavement. She had to put her boots on the radiator for a week to dry them out and Max growled his unhappiness as she sprayed him down in the bath.

Mary gripped the traffic lights when the last of the rumbling Gateway trucks cleared out the store and the first of the Somerfield delivery trucks came in. By the time those trucks were replaced with banners for Lidl it no longer mattered or worried her. The sparkle and allure of The Plaza had fizzled out long ago, finally extinguished by the swinging wrecking ball that cut in, accompanied by an orchestra of construction work that flirted around new luxury apartments.

She only missed three days of walks during the entirety of the Covid Pandemic. Shaking her head at the worsening news reports, she tucked her white hair behind the strings of her mask before she left her flat. Standing outside the shuttered shop fronts of Oxfam, Ramsay's and the Anarkali, Mary and Max stared at their reflections. Hastily drawn up signs covered opening times and menus, explaining to the empty world that they would be closed for a bit but were looking forward to seeing their customers soon.

Safely through the pandemic with little more than a niggling cough, Mary noticed that Max was not his usual self. After another week of leaving more of his evening dinners she took him to the vets and they confirmed the worst, finding a lump on his belly. Stroking his tired head on the examination table they told her to prepare herself that his condition would deteriorate and she would need to consider taking action to prevent him suffering.

Max clearly ignored the vet's assessment. He rallied back to his usual self but then passed away in December 2023, a full 8 months after that diagnosis. He had gone to bed one night after finishing off a full can of dog food and then some rich tea biscuits. He snuggled up in his basket by her bed and when she woke up in the morning he did not jump up to get his morning stroke. She found him still sleeping in his bed, cold but smiling, with some small crumbs on his beard.

Mary is standing on her doormat, holding her mop and watching as the wet landing begins to dry into patches of clean grey. Her neighbours, the Rahelas, join her on the landing, ready to take Alina to her first day at primary school. The young girl is wrapped up tight in her new uniform and jacket. Mary comments on how big she is getting, that she will soon make lots of friends

in school, and that its very important she be a good girl for her teacher.

Alina beams a big smile as her backpack slides down again, catching in her elbows and hitting the back of her legs. Her parents ask when Mary will be getting herself a new dog. Alina misses Max a lot. Mary smiles softly as she squeezes the mop dry in the bucket and says that she is going to get a cat soon, maybe two—she really did not like all the walking involved with having a dog.

REGENERATIVE ECONOMY: OUR FUTURE IS NON- MONETARY

By Kendal Eaton

Backwards: the new forwards

From the outset of the twenty-first century, it is difficult to think of any movement that has not been retrograde. With the exception of science and technology, everything seems to be going backwards. Yet, advancement in technology carries other threats: unemployment, misinformation, health issues and exclusivity. Medical research reaps advancement in treatments, yet access to them is often conditional. Long-forgotten illnesses, like polio and tuberculosis, have re-emerged. Cases of various cancers have increased. The Covid-19 pandemic showed how global outbreaks are used as selective profiteering for pharma companies and political stratagem.¹ And the recent resurgence in violent geo-political conflicts, in the name of national economic security, hides a relatively old but also resurgent stealth economic sector, set to dominate using archaic policies over

¹ Nick Dearden, *Pharmanomics: How Big Pharma Destroys Global Health*(Verso Books, 2023).

global territories. A new international economic colonialism.

Hardly anyone would seriously contend that national economic security exists, yet it has again been turned into a partisan battleground, with ‘Cold War II’. After public uprisings from all sectors of society in nearly every nation across the globe and some successful attempts at public-led governments—media and political gamesmen like Trump and Johnson diverted the rising force of the left by declaring themselves blue-collar champions—“Make America Great Again,” “Build Back Britain,” “Levelling Up”—whilst they cut services and raised taxes to bail out the most profitable multi-nationals by approximately \$12.7 trillion, setting a political trend of public divestment. Media also misappropriated the term ‘populism’ to refer to far-right or far left extremism—whichever suits the political propaganda—to discredit the apolitical company of the general public that amassed against austerity measures. Between the years 2000 and 2020, in officially 187 of 195 countries, there were recorded 84 public uprisings; 86 national anti-war, anti-austerity and human rights marches; 38 national and international demonstrations over racism, sexism, anti-corruption, women’s rights, anti-occupation, pro-democracy, independence and climate action; 535 riots; totalling 1,204 public movements (including 32 revolutions) separate to armed military conflicts and wars. Since 2020 we have seen significant escalation in catastrophic hostilities across the globe. The central cause is monetary feudalism—a systemic global economic policy of attrition and exclusivity; a strangle-hold on the means of generating wealth.

From the 1980s neoliberal economic policies systematically reduced the formal global workforce to only 12.5% of the population, of which the three largest economies - US, China and Japan - now employ between 25% and 40% in the gig-economy.

Across Europe it is about 30%. By 1990 Noam Chomsky published that 95% of the global economy was speculative.² By 2009, John Berger had researched that only 3% of global financialization concerned manufacturing and trade³ (US 15% by 2022). Artificial intelligence is rapidly augmenting many specialised and middle-income occupations. No 50% of any population own more than 5% of wealth and the combined top ten wealthiest net worth of \$1.5 trillion amounts to only 0.374% of the global economy. Of course that wealth is financing most of the \$300 trillion debt recorded against \$105 trillion equity in year 2022/3.

To retain any ‘control’ of the runaway juggernaut economy and depleting resources, the elite’s only option is acceleration. If everyone now has to pick a side, how will money ever make the economy work for international cooperation and sustainability, rather than conflict and biological destruction? Is there a realistic option that dispenses with the preferential monetary system, to accommodate economic agency for every person living? Is it necessary to transition to a post-capitalist era and end monetary use? What does the future look like? How quickly can it be transformed and by whom?

Current prognosis

Neoliberalism has today morphed into ‘Necroeconomics,’ a term first applied to the Iberian Slave Trade in 1452. It then re-emerged with the post-communist Russian invasion of Georgia, which left it without an economy; fittingly it applied to the post-2008 austerity movement that—with the takeover of financialization—developed into new ‘economics of destruction’ along with its “ghost” and “zombie” companies. Developments

² Noam Chomsky, *Profit Over People: Neoliberalism and the Global Order*(Seven Stories Press, 1999).

³ John Berger, *From A to X: A Story in Letters*(Verso Books, 2009).

in Kuwait, Yemen, Ukraine and Palestine capitalised on sectarian and ethnic divisions, but are essentially economically motivated conflicts financed by broader international interests and the lucrative hi-tech arms trade. This too is nothing new.

But what is new is the emerging expansion of right-wing extremist policies, once associated with fascist ideologies, endorsed now by the enemies that fought that movement. The UK ‘democratic’ government curtail civil liberties in new laws inhibiting freedom of speech and protesting and use covert parliamentary processes to replace the Human Rights Act, for a Sovereign Rights Bill. In 2024, the conviction of five peaceful Just Stop Oil protestors—that stopped traffic on the M25 circular, around London—attracted custodial sentences of four and five years, respectively (despite abusive prison overcrowding, inadequate staffing and promises from the new Labour government to slash some sentences by 40% for known criminals and review sentencing rates). The offense was merely “*Conspiracy to Create a Public Nuisance.*” The judge refused to allow the jury to listen to evidence to prevent government essentially writing a death sentence for the entire general public. This case, imposing custodial terms to dissuade public objection to gross criminal acts against the general public, drew criticism from the United Nations. Yet, the nationwide Fascist marches a few weeks later—using physical violence, outright racist threats and criminal damage, against the public’s wishes and interests— attracted much shorter sentences touted as “the full force of the law.”

Retail banks in the UK invest in illegal internationally condemned cluster munitions used over Yemen, Palestine and Darfur, in defiance of the European Court on Human Rights. Yet one was able to sponsor the *All England Tennis & Croquet Club*

for the most prestigious, non-discriminatory tennis event in the world. International Humanitarian Law is overtly flouted to excuse war crimes against non-combatants. Far-right political exponents dominate media attention in France, Hungary, Poland, Italy, Spain and the United Kingdom—even threatening the Good Friday Peace Agreement, for economic control of Irish Imports and exports. In the “land of the free,” one couple were prosecuted for collecting rainwater for their plants, whilst Trump warned of significant violent backlash, civil and even nuclear war, if he lost the forthcoming election. Outright violence is the precedent set for any significant change.

Forecasters predict an expansion of conflict on a global scale, not fuelled by ethnic and sectarian divisions, or drug-cartel imposed dispossession and social-cleansing, though these factors will be appropriated for external financial agendas. This ‘progression’ is connected with *the largest investment returns* for the elite’s wealth and not only where there is conflict, but affecting prosperous peace-time communities.

We are not surprised to see the clamour for lucrative international contracts and economic interdependencies over ever-dwindling resources. But the most urgent and disturbing stealth-economic trend is the industry that has recently *superseded* profits from arms and fossil fuel trades, drug cartels, international government contracts, pharma, IT and financialization. It is the most ecologically damaging and is set directly against the rights of the general public everywhere.

Predicted countries of conflict

➤ Mediterranean: ALGERIA, TUNISIA, LIBYA, PALESTINE, JORDAN, WESTERN SYRIA & LEBANON.

‣ Black Sea: UKRAINE & GEORGIA, (watch out Romania and Bulgaria).

‣ Caspian Sea: NORTHERN IRAN & TURKMEINISTAN.

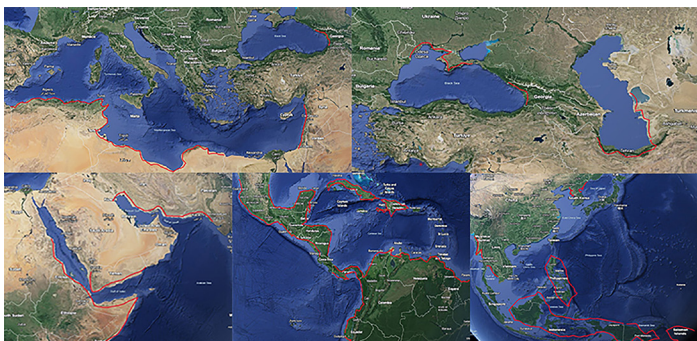
‣ Red Sea & Gulf of Aden: SUDAN, ERITREA, ETHIOPIA, SOMALIA & YEMEN.

‣ Persian Gulf & Gulf of Oman: KUWAITE, SOUTHERN IRAN & SOUTHERN PAKISTAN.

‣ Gulf of Mexico, Caribbean, Pacific and Atlantic: MEXICO, GUATAMALA, BELIZE, HONDURAS, EL SALVADOR, NICARAGUA, COLOMBIA, ECUADOR, VENEZUELA, GUYANA, CUBA, CAYMAN ISLANDS, HAITI & DOMINICAN REPUBLIC, (Costa-Rica and Panama beware).

‣ Indian Ocean, the South & East China Seas, Philippine Sea, Solomon Sea & East Pacific: MYANMAR, BANGLADESH, VIETNAM, TAIWAN, PHILIPPINES, INDONESIA, PAPUA NEW GUINEA, SOLOMON SLANDS (possibly North Korea).

The rest of South America, Africa and other land-locked conflicts dependent upon imports and international allegiances, I will leave to your imagination.



What do they have in common? They are all coastal—and what do coastal properties guarantee? *Prime real estate returns*, especially if you can buy cheaply. Plus all the sea sand you need to build with. The next new Dubai, Mumbai, or Kuala Lumpur could be coming to a coast near you; and if not, its knock-on effect is already affecting your mortgage and rental rates, emboldening corporations to land-grab privately owned properties in suburban London and invest in coastal rentals. *NEOM* is the latest “eco-friendly” Saudi Arabia city development, advertised for the wealthy; what they don’t advertise is how many indigenous tribal people have been ‘relocated’ (or killed) and how much sea has been dredged for building sand.¹ With the possible exception of Algeria (which has not yet reached middle-income bracket, so is up for compromise); Georgia’s economy also recovered, but again is in public conflict; Indonesia and Costa Rica, (maybe a few others); they are all currently lands of economic instability and/or conflict and significant poverty. For corroboration, you can check the ‘*Index of economic freedom*’ at *Heritage.com*—(some countries have been suspended due to wars and Palestine isn’t listed as a country). Also, check the article: ‘*Bigger, Stronger: The U.S. Dredging Fleet is Growing.*’²

Yes, good old fashioned real-estate and the building trade are now the fastest and long-term strategy for maximising investment returns, bulldozing civic rights, appropriating governments and altering property law. The rich do not want the poor occupying ‘their’ prime real-estate, or conservationists inhibiting the wholesale rape of the oceanographic biosphere. The UK monarchy are implicated as instigators and beneficiaries

¹ “Neom: Saudi forces told to kill to clear land for eco-city” BBC News, May 2024.

² “Bigger, Stronger: The U.S. Dredging Fleet is Growing,” MarineLink, 30 December 2024.

in this move.³

Parallel Reality

This systematic deconstruction of the human-dependent economic environment has necessitated a reported 4000 alternative, complementary and crypto-currencies that have successfully enabled people to cope where money has been scarce. Why have they failed to replace money and how do we move forward, instead of reverting to economic feudalism? The 87.5% of global population outside of formal employment occupy a parallel reality that already constitutes a non-monetary economy. It is widely recognised, the fifth richest country in the world (United Kingdom) would not function without the shadow economy, which in the accounts constitutes 30% of GDP. Yet none of the voluntary labour reaches the books and equates to zero economic value to the monetary economy. It also does not account for cash transactions that evade records (effectively making them non-monetary), barter, free-sharing, the black market, unofficial sale of used goods, taxes offset by charitable contributions and other charitable claims.

Only now are periodicals asking the question, ‘should money be redesigned?’ A new book proposing we shift to a non-market economy or post-capitalist system (*‘Value Beyond Money’* – Diana Finch) and an article in The Guardian discussing whether or not a Universal Basic Income is the way to resolve economic disparity, hit the press as I wrote this chapter. But how long will these proposals take and who will control it? As I completed the final edits on my twelve-year research and published *‘A Chance For Everyone: The Parallel Non-Monetary Economy’* (Sounding Off UK 2019), Yanis Varoufakis was proposing a citizen’s crypto-

³ Guy Standing, *The Blue Commons: Rescuing the Economy of the Sea*(Pelican, 2022).

currency bank, to his daughter.⁴ Two years later, the Bank of England started researching a government crypto-currency, due to inability of the state to manage welfare, public services and other fiscal burdens. But the expansion in right-wing political parties and policies have altered its urgency. It is now more of a profit, tax and marketing strategy.

Ethical agencies are forced to parrot calls for redistribution of wealth, taxing the rich, de-globalization and de-growth, but successive COP summits turn such policies into greenwash. If banks decide to implement State crypto-currency, be assured, they may make cash illegal tender overnight. Other concerns evident in the political and economic rhetoric are:

- How limited will it be?
- Who will control it?
- Where will it come from?
- What pressure will be placed upon forcing people to work for it?
- What compromises will businesses have to make to comply?
- How will it be used to support contractual suppliers and the agendas of multinational corporations?
- Will it alter international conflicts and competition?

It is another restrictive operation upon the global public that fits in with the stealth necro-economic real-estate trend, altering the political landscape and systematically destroying public empowerment. It must benefit the power of the banking sector, but the only thing it accelerates is climate catastrophe.

Parting with the past: a NEW kind of economy

Contrast the above with the Parallel Non-Monetary Economy (PNME) that will be:

⁴ Yanis Varoufakis, *Talking to my daughter*(Penguin, 2019).

- Decentralised
- Publicly-monitored
- Autonomously controlled
- Self-generated
- Limitless
- Tied to eco-regeneration.

It offers the monetary economy vast profits, expanded free markets, individual economic security and influence.

The most effective existing non-monetary circular-economy is the Swiss WIR (CHW). WIR started in 1934, and now has over 60.000 users: [17% of total Swiss businesses together responsible for an annual turnover of 1.5 billion Euro]. The WIR offers a clearance mechanism in which business can buy from one another without using Swiss Francs. However, WIR is often used in combination with Swiss Franc in dual-currency transactions. One WIR-franc always equals the value of one Swiss-franc. But WIR-Credit cannot be redeemed for Swiss Francs. This design criterion guarantees that money remains within the cooperative circle. WIR-credit is purely electronic—the banks software keeps score of everyone’s balance. All participants start with a balance of zero WIR-franc in their current account. They can start to sell goods or services to another member and receive WIR-Francs in return. It withstood the great depression, the Second World War and during the Covid-19 pandemic, was able to support the Swiss monetary economy and individual businesses by offering interest-free or low interest loans.

Notwithstanding its major achievements, WIR suffers from some significant limitations. As noted by analysts:

“In the first place, it is not convertible to other units. This is a usual problem with Mutual Credit based currencies... many people... do not even consider it a problem. They will

claim that non-convertibility is actually a strength, as it forces participants to shop within the network. However... non-convertibility damages liquidity... As a result, many businesses accept only a certain percentage in WIR. Another problem is that consumers are not serviced... businesses cannot pay their employees in WIR, for instance. *Just think of what is possible leaving these limitations behind.*”⁵

What remains to be asked is, what if the WIR was valued at more than one Swiss franc?

Bitcoin is an example of this: its value necessitates large investment sums, just to purchase complete units, rather than fractions of its unit. Some people have become rich, but its dependency upon initial monetary outlay stymies accessibility and restricts its use. Its fluctuations are rapid and extreme: “... the total market value of all crypto-currencies now exceeds \$1.5Tr, a staggering amount for objects that are nothing more than computer code.”⁶

Mutual sharing, time-exchange networks and alternative currencies like the Totnes Pound, Time-dollars, LETS, Bristol Pound, etc. suffer from centralised administration dependent upon a few, or even one individual, chasing up accounts. Some simply stop accounting for activities and keep sharing altruistically. Many currencies are dependent upon monetary investment or ongoing monetary support. Even the WIR linking to the Swiss Franc makes its performance conditional upon the fluctuating dynamics of the monetary economy and values. To survive hyper-inflation it would have to de-couple from this equivalence. This is where the new PNME excels.⁷

5 Anthony Migchels, “The Swiss WIR: or How to Defeat the Money Power,” Real Currencies, 2012.

6 Eswar Prasad, “The Brutal Truth About Bitcoin,” Brookings.edu, 2021.

7 Kendal Eaton, A Chance For Everyone: The Parallel Non-Monetary Economy(-Sounding Off, 2019).

Since families first separated and began trading with those eventually considered non-family, every form of economy has been preferential and some of them prejudicial. *We need to part with this precept*, to be able to move on and empower every person with self-contained economic agency as a human right from birth to death. But scrapping commodity-value economics is something very difficult to accept, even when most people accept the role of price and commodity-value is a superficially imposed process of invention. The gig-economy, rent-economy, pharma, energy market and monopoly mercantilism are overt examples.

But first, let's illustrate the sheer scale of opportunity for a de-commoditized parallel non-monetary economy.

For comparison only: if we create a non-monetary currency like the Swiss WIR—(1 x PNME = 1 x \$US)—and everyone living generated (from their informal labour) a universal basic income, the equivalent of the wage earned by those working in the gig-economy (approx. \$6/hr for 8hrs/day) *this would IMMEDIATELY total \$140.16Tr* equivalent per annum. *Larger than the current global monetary equity rate*. If we decide to invest it in green regenerative industry using the calculations retail banks use to finance fossil fuels and illegal arms trade—(Customer Lifetime Value = 1.5M or approx. \$24,000 / annum)—the *minimal* equivalent generated by the global population would be \$8,788Tr / annum. This is the economic power lying dormant under the noses of the '99%'. But the PNME is capable of far more than this.

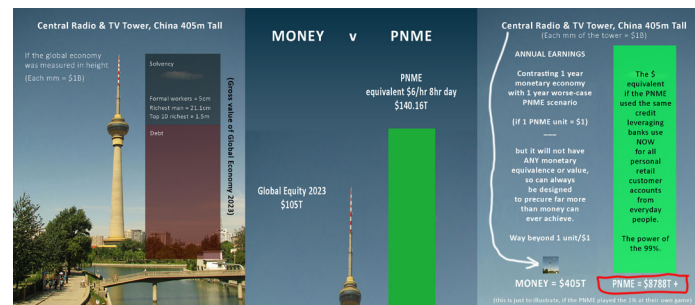


Illustration: *If the global economy was measured in height.*

Like the WIR, the PNME will be a basic digital ledgering system. Because there is no relation to money or any material necessity, all people's activities (in line with the PNME) that constitute 'work' or 'labour'—including daily tasks: self-care, care of others, maintenance, parenting, cooking, cleaning; together with any chosen formal work, employment and education—become self-generated income. This will exceed eight hours per day. Tiered rates of earnings will not be bound by pre-existing budgets commensurate with sustaining profit levels above overheads. The PNME radicalises the role of profit-creation using numerous methods. Employers no longer paying wages means they can engage flexible beyond-optimum staffing. In addition to individual income for employees and employer, it generates a premium for the PNME business account, because it is directly linked to eco-regenerative practices. Since businesses can also pay overheads using their PNME, it reduces and often eliminates monetary outlay. Profit no longer depends upon competing for finite resources, or even against 'competitors.' All labour becomes profit. New methods of profit-making will emerge, including non-proprietary enterprises. The massive investment of energy, resources and agency to reform and update

public industries can guarantee self-sustainability and profit, as ongoing re-investment. It doesn't rely upon distribution or centralized administration. And all of this bears no monetary value, having a direct effect on the monetary economy without touching it.

Almost all PNME functions can be automatic. A limitless randomized global collective can monitor and collate its activities at local, regional, national and international levels; policing conformity to its new laws and reporting on its achievements. It could work as a jury service, or employ nominated people known for their integrity, as full or part-time monitors verified by public vote.

The cost of everything and the value of nothing

The core question regarding money, or any material medium, is 'where is it going to come from?' This is what forces successful public led governments and organisations, upholding humanitarian principles, to compromise and minimises their effectiveness and influence.

Expansive technology exists to make exchange possible with no material means and disconnected from material values. This doesn't rule out a form of measurement, but it gets us away from the mental association and practice of 'currency' exchange as a necessity for living. We need to think in abstract terms; for example: familiar numerical systems that bear no relation to the things they acquire. Think of a combination lock, passwords, coding, html, xml, encryption, or even sports point-scoring mechanisms that result in monetary awards. Automatic monitoring systems we already use in our daily mobile phone and banking use; biometrics—fingerprint / face recognition / heart rate / step-counter / voice recognition and more advanced

securities—block-chain accounting, GPS, QR codes, barcoding, etc. can link transactions securely to each individual for verifying activities and transactions, using only a thumb-scan or other automated non-intrusive process. Peer-validation and statistics can account for some informal activities, as part of a Universal Basic Income for life, above which, chosen employment and extra activities generate additional income.⁸

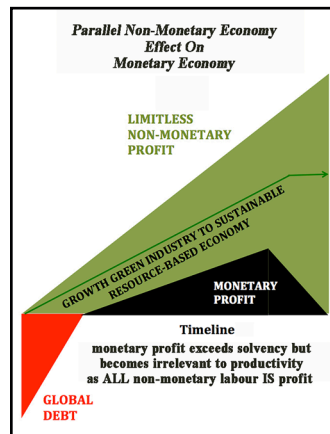
Having zero-value is key to calculating the PNME effect on the monetary system. Requiring no pre-existing source and limitless, we can start to imagine the entire global population collectively redressing injustices, the effects of damaging industries, law and political international relations. The PNME can also compensate for loss and harm caused by injustice or misuse of taxes, so PNME accounts do not need to start from zero.

This does not require the end of, or even deduction from, the monetary economy. The PNME boosts the monetary economy whilst out-scaling it and making it ineffective, even for the 1%. Now, what would the elite do for a slice of this? They keep more of their money and increase it, but only by meeting the eco-regenerative laws and caveats that they also profit from, in the PNME. Those laws and caveats will outlaw mass environmentally destructive production, over-production, stockpiling, built-in obsolescence, built-in waste, monopolies, monoculture farming, mercantilism and any infringement on another person's right to self-generate the PNME. It will oblige major corporations to implement public-sharing options and localization strategies. It will exclude individuals and organisations that violate any of its laws & caveats.

Like the first principle of Jujitsu, rather than combat the elite, we appropriate their energies, motives and momentum, to get

8 "Turning Costs to Income," Facebook Group: Parallel Non-Monetary Economy of the 99%

them to empower the rapid Eco-Industrial Revolution we all need. If we imagine the non-monetary economy as a huge iceberg, where visible voluntary labour appears above the water-line and the majority of the bulk unvalued labour lies below water; neoliberal capitalism as a small ship heading for the iceberg. Instead of trying to sink the ship, we make what the entire iceberg offers far more profitable than the industries keeping the monetary ship afloat—then the elite will abandon ship of their own choice, because they cannot resist the greatest returns. This dissolves the disparity, practices and interests of the 1% and 99% as opposing factors and makes them collaborative and mutually supportive; ending the insane nihilistic competing for land and economic security, without interfering with national autonomy and culture.



Here's a rundown of the basic benefits of the PNME:

- ends poverty instantly;
- supplies every living person the inalienable right to earn from anything that constitutes formal and informal work;

- enables re-evaluation of what constitutes work along with its rates;
- enables well paid part-time work for more employees and increased leisure time;
- removes employer's wage payment obligation;
- radicalises employer/employee relationships;
- replaces cost-cutting shoddy production and profit-maximising with fair flexible local employment, reducing carbon footprint;
- enables full research and development;
- re-focuses human involvement on intellectual ingenuity, quality of products and service;
- expands leisure industries as growth economies;
- enables localised manufacturing infrastructure;
- removes the need for economic migration and trafficking;
- removes financial implications, prejudice and insecurities towards employment markets where economic migration continues;
- allows beyond optimum employment in all sectors;
- expands State, beyond optimal employment;
- removes the need for State taxation;
- eliminates the need for welfare state;
- students of all ages earn for learning and for their institutions in extra-curricular activities;
- empowers eco-friendly housing, building, manufacturing, health, transport, community and social services;
- enables rapid expansion in conservation, permaculture and vertical farming, green technology and energy;
- enables repatriation and rebuilding of communities ravaged by war, natural disaster and austerity;

- ▶ enables justice for all, replacing privileged legal systems; allows for everyday people to influence or dictate what public representatives do and how they represent them;
- ▶ removes minority party-political power-dynamics;
- ▶ enables compensation for economic and physical loss caused by deceit in political and commercial manoeuvring;
- ▶ allows prosecution of people who misuse(d) power to cause mass murder, marginalisation, social and racial hatred and discrimination, as a warning to anyone who thinks of abusing their representative position;
- ▶ allows compensation for previous misuse or waste of taxes;
- ▶ prevents national debt culture and spiralling interest rates;
- ▶ transforms many international power struggles into mutual cooperation, skills and expertise exchanges (already existent in academia);
- ▶ removes most monetary motives for crime.

Science fiction?

Rather than proposing a one-stop fits all borderless moral international ideology—such as envisioned and calculated by *Jaques Fresco* and the *Venus Project*; or some unenforceable moralist ideology from socialist and ethical campaigns; or consigning all of the above claims to science-fiction, or utopianism; we need to consider existing functions that work for the elite and opposing campaign strategies that already cross borders and prejudices, but really do belong in the realms of fiction and denial. We can only scratch the surface in this chapter. If these ideals are so unrealistic and unattainable, why do people everywhere desire, study and place their lives on the line for them?

Myth 1: money for nothing

The idea of profit as a surplus from production and distribution costs is outdated, since production cost has already been minimized in relation to profit generated. “There’s no such thing as a free lunch,” but the wealthy are past-masters at getting things done for them, and making money, for nothing. We mentioned earlier, ‘Too big to fail’ companies—showing record profits above every other business—convincing (threatening) governments to bail them out or face the prospect of another Lehman Brothers. Taxing the rich is counter to prevailing practice and they can always take their money elsewhere. It’s the following profiteering practices that keep them engaged:

- ▶ Unpaid Labour: forced reliance on charities; NGOs; aid & relief organisations; daily volunteer work; expansion in campaign, protest & social groups; co-opting of official support agencies for governmental outcomes, saving fiscal expenditure and use of ‘contributed’ revenue.

- ▶ Rent Economy: licensing & contracts imposing below production-cost pricing, necessitating government subsidies; intellectual property rights royalties.

- ▶ Pay-outs: tax-avoidance, concessions & rebates; subsidies; grants; crowdfunding & match-funding; donations; speculation of investments; interest from off-shore and tax-free bank accounts; interest from loans, debt ownership, national debt ownership, fiscal deficit; insurance of the above; non-fulfilment scams, ghost, zombie and phoenix companies; defaulted-contract litigation; failed government schemes; preferential and international trade deals; domestic contract embezzlement; public asset-stripping; property & land devaluation, bulk-purchase & redevelopment strategies; delayed contract inflation; diverted or wasted government & UN aid.

► Bank investments using the CLV (customer lifetime value) calculation.

► Gig-economy; profit-maximising & insurance scams.

Some peripheral schemes may include venture capital, invoice financing, hire purchase, equity finance, or hedge funding.

Myth 2: de-growth – infinite consumption / growth

Use of terms like ‘infinite consumption’ & ‘infinite growth’ shoot de-growth theorists in the foot. Firstly, they are not based on reality; consumption and growth are always finite and businesses are all too aware of this. The processes businesses use to maximise provision, boost returns, control pricing, accessibility and waste obviously need addressing, but we have to incentivise abandonment of these practices.

Some take issue with the term ‘decoupling,’ claiming it doesn’t exist. But as we read earlier, the vast majority of monetary commerce has been de-coupled from the amount of material and human resources previously depended upon for profit and economic growth. It makes it more difficult for de-growth advocates to level sensible nuanced arguments about practical regeneration and usually become moral arguments against economic interests. Long-term economic consequences do not counter the suppression of immediate alternatives, as long as the cost of transition impacts negatively upon projections that do not immediately enhance current business profiles.

Infinite economic growth may exist as a principle—against all the economic factors that impact upon true growth: inflation, political decisions, armed conflicts, natural disasters, returned goods etc.—but it is not tied to, or dependent upon, material productivity. Productivity is maximised in the most harmful industries due to the archaic systems money rewards, but all

of this market is in decline and no longer governed by practical factors such as population explosion. It is governed by limiting supply, exclusivity and active suppression of transformative industries. The latest commercial strategy is to cut production, blame this on political factors, raise prices to extortionate levels and inform customers they are now in debt; then use minimal appearances / obligations and collection agencies to avoid processing the externalities. Not only has there been decoupling of profit from material resources, but of obligations to contracts and law. They are merely tools for legal acquisition and control. The growth achieved separated from public activity and demand. Infinite growth also refers to the year on year measurement that affects all the economic factors that make a company ‘successful’ or investable. This may, even now, have been reduced to companies that best survive economic crises with the least financial damage. An economy of attrition.

So, authors of the Green New Deal and Blue Economy and ensuing COP summits constantly appeal to the five permanent (and fifteen non-permanent) members of the UN Security Council and General Council, with its subsidiary organisations, to debate economic consequences from a perspective of mutual interdependency. But the five determining member states are the largest competing perpetrators of climate crisis, with no enforcement powers over each other and every determination to maximise their assets. It is obvious that the general population, our rights, powers and survival, have been decoupled from economic growth. And so the final resort of the de-growth movement is to assert localisation alone will undermine corporate control: coops, community initiatives, sharing, not-for-profits, social enterprises, keeping cash, circular economies, etc. Whilst most of these initiatives are crucial to a mass change,

none of these strategies address international reliance upon technology, communications and industrial scale collaborative eco-recovery. None redress elite corporations’ methods and control of monetary accessibility.

Neoliberals provided the precedent, so it is not such a stretch to form a citizen’s economy that is decoupled not only from money and material resource exploitation, but any link to measurement of value or wealth. This acts to shift maximum profitability prospects away from the industries currently rewarding the most in the limited monetary economy, as well as affect that imposed monetary ‘value.’ We will see that if profit (non-monetary) is retained in the PNME as a business function, even on an infinitely climbing scale, it is no argument against a sustainable ‘resource-based’ economy. It is an argument for one.

to prop up the broken system that is overtly corrupt and disempowering them. If it all comes down to money, what other options do they have, short of bloody revolution, when all such revolutions throughout the twenty-first century have failed? They are a considerable force, but impotently fighting on an empty battlefield, when they could form an overwhelming global *economic* force to be reckoned with.

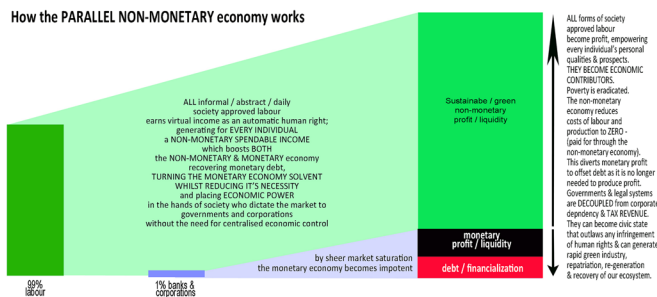
Myth 4, ethical economics / equality

Whilst there are many instances of ethical economics working for small communities and for some countries as national development policy, it is not something that can be enforced globally. As with socialist, communist or libertarian economies—laudable principles all—who will impose and police them? The same issue arises with “equality,” the idea of redistributing wealth, so that there is a level of parity for every individual. The ideal is unenforceable. It dispenses with autonomous choice, as people everywhere differ in ability, dedication and ambition. The only equality we can realistically empower is the maximising of individual opportunity and choice for the entire 8 billion global population, diluting monopoly control whilst offering better incentives to current producers and corporations, by making greener industry far more profitable than monetary industries.

All of this energy countering capitalist trends is diverting our attentions away from the solutions that lie right under our noses. It’s like two seagulls at a café that spend so much time chasing each other off, none of them get any food. Or while one diverts attention, the other makes a grab and is then chased for what it possesses. As industrious as people are, aiding their communities, whilst remedies depend upon money, they merely perpetuate the cause of this crisis. Small victories act as a

Myth 3: socialism / trades union expansion / protest / industrial strikes / localisation

Growth in trades-union movements and the evangelical push of Left-wing idealists for socialist or ethical economy, feels like the only counter-movement option against increasing disparity and right-wing politics. Protest movements plead with governments to include them in decision-making and representation, only



placebo, while we consider monetary options more realistic and are distracted from applying the cure.

All of the means and systems we need to redress the state of this world's conflicts, environmental crises and the economy exist. But money cannot facilitate them. The advantage of the PNME is that it looks very much like the way the monetary economy already operates—add / subtract accounting—but its beauty is that nobody really needs to re-educate themselves as to the workings of this economy; they can just carry on doing daily activities but immediately earn for them, waking to their vastly expanded options. What makes it fundamentally different to anything preceding it is that it is not a measure of 'value.' It is simply an abstract mathematical process facilitating practical exchange that appeases the bean counters, until they too are obsolete.

Like the Swiss WIR, while PNME units remain static they do nothing. Only in the process of transaction do they have any power to unlock access to commodities, but the goods are not exchanged for it. The exchange is purely accounting. Its relation to the quantity of goods and services it can acquire will be by international agreement, in consultation with various professions and expertise, or negotiated in some instances, like varying employment qualifications and localised demand or priority. So, we can think of bands, brackets, or levels. This will not be such an overwhelming task, when we already have experts that will advise how many grapes in a bunch make for optimal sales. Global standardisation would eliminate many of the pitfalls of monetary exchange, but this doesn't mean a set figure for every function, because it is not an association of value. The advantage of consistent PNME unit levels across the globe would reduce global inequity, economic migration and profit-

maximising, while localised knowledge allows for the greatest level of diversity and engagement, even for multi-national corporations to utilise. Some people reasonably object to the idea of the richest making even more profit – but they will carry on doing that, with or without us. The monetary economy exerts power through exclusivity, so this is how the PNME inverts that power, through inclusivity, whilst offering the greatest boost in gains for capitalist elites.

If someone offers you a gift, do you immediately ask how much it's worth, or base your response on it? It isn't costing you anything. This is what will be fundamentally different to the built-in scepticism of the monetary economy. But the PNME isn't 'money' for nothing, it entails personal labour and ingenuity. When every industry and every person is mobilised to amass figures in their abstract valueless PNME accounts, for recovering our ecosystem and switching to the healthiest and most sustainable and equitable life possible, who cares what profits occur? We will forget about profit and the true currency of the global economy will become our individual humane qualities and achievements.

All NGOs, education, campaign, aid, alternative economics, charitable and support organisations—with their cross-political/cultural participants in their hundreds of millions—need to urgently study the PNME prospects; workshop and conference their projections, form an international consensus and the mechanisms that can implement this new form of economy; disseminate it globally, or implement it unilaterally to either a sizable business, or a struggling community or country. Once people see what it can achieve, no one will resist it. We can make this a reality within a few short enthralling years and watch its effects on our whole quality of life, with the most secure and

OUR ECONOMY

healthy immediate and long-term future possible, free forever
from monetary constraint.

*

*Kendal Eaton is Author of 'A Chance For Everyone: The Parallel
Non-Monetary Economy.' (Sounding Off UK Publications, 2020)
– for more information, articles, illustrated supplements, audio/
video presentations, free digital book downloads and the 8 – module
interactive video workshop: 'The Parallel Non-Monetary (Eco)nomi
c Revolution of the 100%' please visit achanceforeveryone.com*

DREAMLAND

By Paulina Zurakowska

My Dreamland where borders do not obstruct or trammel,
where running rivulets of word, creature, character and colour
flow onto cracked hallway walls, the headboard of my old bunk
bed
and paint-splattered bin bags.

My Dreamland is
mountains of bound words,
wood chippings of thought and ideas.
It is splattered with paint and glitter and
gooey, viscous glue, stringing pathways
and loops of language and image.

I pick up the paintbrush and pen,
tools of craftsmen, makers, dreams, thinkers,
and scoop up pencil shavings into my soft palms,
keeping them later to stick on leaves I'd collect along the way.

The scraggly tree branch points me the way,
the morning dew speckles are little shards of mirror,
for the little people in the grass,
the bird song is chatter and gossip,
and toadstool roofs tuck in those that creep beneath us.

But time chipped away at the glitter stickers on the fridge,

and painted-over binbags stopped being rolled out onto the hallway.

Paint dried up, cracked and crumbling from flattened tubes, the paintbrush slumped in a pot of murky water, forgotten in a cupboard amongst cracked pastel and old drawings.

The Dreamland slumps.

Suddenly, the pen writes for others, about others, real, factual, existent, for the green notes.

My Dreamland,

Sturdy and firm,

Strong and ravenous.

Their hands try to pinch away at it,

To bind it and steal it away,

To discard it.

‘Rip-off degrees!’

But who’s doing the ripping off?

My Dreamland awaits me, returns to me when I close my eyes.

It awakens from its slumber.

I pick up my words again,

one by one,

join them and scratch them out,

search and ponder,

sketch the maps, the faces,

play with the letters,

crafting.

My Dreamland,

soothes the Real,

sorts it out, polishes it, blurs it, questions it.

My Dreamland,

the musings of a little girl,

now a crutch to a woman.

RELENTLESS

By Paulina Zurakowska

She comes home from work,
swollen ankles and flushed face.
her swelling bags keep her uptight,
steady.

I take the load from her red, raw hands
nicked at the crooks.
Tremors run through them these days,
as she reaches to scrub
the chipped dishes snuggled in the sink.

I sit behind her,
My calluses pressing tightly against the pencil,
guiding the graphite across the page,
drawing and writing things that aren't.

She tells me
“If they don't let you in through the door, then try the window”

Today it is my red raw hands,
languid and stiff and popping at the wrists,
which contort around the handles and
Pull
and Pull
and

OUR ECONOMY

Pull.

The doors are bolted, the windows caged.

They want us to churn, to produce
keep moving the metal windmill.

We will only listen and do and be
automated and authorized.

But her words have rendered my words,
Relentless.

They ebb and flow on the page,
nurturing the heart, the soul,
as does she.

HOW I BECAME WHITE

By Rovshan Karimov

It is said that gender is fluid but I would argue that race is no less so. Apparently it all depends... on circumstances. And this is how I realized it.

When I started my graduate studies at Georgia State University, Atlanta, I urgently needed support. I already had a master's degree and a lot of experience teaching mathematics in high school, so I was adamant about getting a teaching position in my university. Thus one sunny day in Atlanta that is a default mode of weather, I went to see Sandra, a department official. She gave me a bunch of forms to fill, which I did at once and brought them back to her as soon as possible. Middle-aged with soft features, she was wearing always, along with her professional attire, a smile. Although, officially, she held a position of Office Manager in our department, there was barely anything she wasn't in charge of, from undergrad students' final grades to the proper equipment of study rooms. We had known each other for two whole semesters to the moment since as a graduate student assistant I had been meeting with her on a regular basis.

She goes through my forms and stops at one of the pages, 'You

forgot to write your race here,' she points me out.

I didn't, I just hadn't been able to find the one that describes me properly. And "other" or "prefer not to answer" were not options. So, I left nothing checked.

'I don't know what to write, can I leave it blank?' I say.

'No, you cannot,' she replies, 'If you want to get the job, you have to fill it in.'

Oh no! I exclaim in my heart. Am I not getting the job because of this stupid race thing again? Being a "sneaky" Uzbek minority group back in my country, I had been denied many career opportunities, including the ability to work in my own alma mater. My heart plummets down somewhere into one of my feet.

'I am Central Asian,' I tell her in a small voice, 'and it's not there.'

'Listen, Reimbay, she says calmly, seeing my disappointment, and starts explaining me that race is required due to some federal law which guarantees that minorities are properly represented in organizations. 'We can do it right now, together,' she says, taking a pen in her hand. 'Just choose the one that best fits you. Or, if you are not sure, how about Mixed?'

Me? Mixed? Really? I know my ancestry quite well and I am as pure as one can get. Not like it matters. I chuck this option away, - 'No, I am not mixed, I cannot be mixed.'

I am leaning towards her to look once more at the options and my brain starts working wildly: I am Central Asian, so in a broad sense Asian, but here in the US, Asian means Chinese, Korean etc. Worse, Chinese are by no means a minority among graduate students in our department of Mathematics and Statistics – they are in fact a majority, comprising at least two thirds of the department's graduate student population. If I am a minority even in my own country, I cannot be a majority here. How come?

My brain is pounding. Then suddenly it clears up.

'How about black, let's put Black,' I tell her.

I will never forget her reaction! She slowly looks up at me, with a mixture of amusement and anger in her face. 'Reimbay, Black is someone like me,' she is almost shouting, her finger pointing at her cheek. 'Do you see my skin?' – she is an African-American.

I am terrified, only now I realize how inappropriate it sounds. The thing is in Russia, part of which we had been until very recently, people of my race are called "chorny", literally meaning "black". I am rushing to explain that to her. Lucky for me, she is an easy going person, or should I say – tolerant. She has already come back to her senses, so to end everything quickly I add, 'Asian, let's just put Asian.'

'You don't look Asian to me,' I hear and find Sandra squinting at me.

'What do I look like then?' I am starting to lose any hope of finding my race.

'You look White,' she declares.

'White then, White,' I quickly agree with her. At this point I just want to be done with it, even if you call me Yellow-Blue or Martian.

The next semester I was already a professor, at least that's how students started calling me. For the first time in my life! And also for the first time I became... white, but only in the US, and only in one of the departments of Georgia State.

VICTORIA STATION

By Rovshan Karimov

Drama in three short acts not necessarily in temporal order.

Characters:

All adults, middle-aged with some dispersion of ages—here, we do not want to be too specific on ages as a stance against ageism. Everyone except Richard is a foreigner and has non-British accents: Anton and Vitaly—strong Russian accent (if you don't know how it sounds, refer to classical Klingon); Taisa and Tatiana—both have Ukrainian accents, and yes, you guessed it right, it should sound almost identical to the Russian one, maybe slightly softer: at the end of the day, aren't they fighting on the side of Good nowadays? Finally, Hamid and Farid should have some sort of Asian accent, or simply give them any accents you find exotic but not too appealing, certainly not Spanish or Italian, or—God forgive!—French.

All characters are fictional, coincidences are accidental.

Act I

A little commotion around a big table as everyone is getting into their seats. Tatyana is the last to come. Richard is rummaging in his bag. Behind him is a white board with two words written on it in capital letters: "HARP" and "SPONTANEOUS". To the left of Richard is sitting Hamid; further left, Taisa; furthermore, in order: an empty chair; Tatyana, just taking her seat; Anton; Vitaly; and Farid are already seated. Hamid is holding a harp, plucking it with his fingers, making inharmonic irritable tunes.

TATYANA: [towards Hamid] You are very good! Where did you learn it?

HAMID: [proudly] This is the first time in my life, I am playing it.

FARID: [towards Vitaly] Would you say the use of technologies make referees sluggish rather than relying on their senses? Maybe that's the root of the problem?

VITALY: Are you suggesting to get rid of VAR altogether? That would be insane!

RICHARD: [raising slightly his voice] Now, when you heard the entire story, let us discuss it. Maybe, Hamid, will you take your seat back?

HAMID: [cheerfully] Very good, very good instrument! I like it.

[Hamid leaves the harp and goes to take an empty seat between Taisa and Tatyana.]

FARID: So why did the person hit you? Only because you said, "What is going on?"

RICHARD: Yes.

TATYANA: Why didn't you call police?

RICHARD: I wanted to be spontaneous.

VITALY: How strong he was? And have you done any boxing before, any martial arts?

HAMID: If you cannot fight, you can always bite—it hurts, believe me. [Clenching his teeth as if biting the air]

RICHARD: I don't think he was much stronger or bigger than me. In fact he was the same height as me. [Chuckles] Perhaps, if he was much stronger, I wouldn't even dare to intervene.

TAISA: Bite? A stranger? Bluh! [makes disgusted face]

VITALY: That is all the reason why boys need to learn martial arts.

TAISA:[raising her eyebrows] To keep having fights on the streets with total strangers?

TATYANA: How about just calling police? He should have called police.

HAMID: No he should have shouted, "Mummy, mummy, save me, a boy wants to take my toy! Mu-uh-me-ee."

[Anton and Farid giggle]

ANTON: Fascinating!

Act II

Everyone is sitting around a big table in a half-circle, while Richard, opposing them, is on the other side of the table, white board behind, clean, nothing is written on it. Also, there is a harp placed on an empty chair beside Richard.

VITALY: The last round of EPL was utterly shambolic.

FARID: Agree, the VAR is just killing the game. So many mistakes: what is the point of using it?

VITALY: No, no, no. It has nothing to do with VAR. VAR cannot spoil the game or make mistakes, humans do: referees, damn them!

RICHARD: [raising his voice] We have one more lesson of Storytelling next week and... we finish.

EVERYONE: Ow.

RICHARD: [continues] Today I will tell you my story and I want you to fictionalize it. The story that...

HAMID: [pointing at a harp beside Richard] What is it?

RICHARD: Huh? This is called a harp. [Writes on a board 'HARP' without getting up from his seat] I will play on it later.

VITALY: Arpha! In Russian it is 'arpha'.

HAMID: In Persian it is 'chang', no 'kongu', no 'chang', 'chang'. For sure.

TATYANA: Very nice. You can play that?

RICHARD: Yes, but I will do it later. First, I want to tell you my story.

ANTON: Fascinating?

RICHARD: I am sure you will like it, I hope so. [After some pause, continues] This is a story which happened to me when I was in my early twenties – twenty-three, twenty-four. I had very dark and curvy hair. [Combing his hair, partially grey, with his hand]

TATYANA: You must be very handsome.

RICHARD: [blushing] But I was short, as I still am.

TATYANA: [smiles] Petit.

RICHARD: Anyways, I was a fresh graduate from Cambridge, thinking what career path to take now, where to go from there. Reading lots of books, reflecting on my life up to that moment. Who am I? What do I want? The least I needed is to be DULL, I wanted to be SPONTANEOUS. [He makes a dramatic pause]

TAISA: Fount'aineous?

RICHARD: Let's write it on the board.

[Gets up and writes on the board: SPONTANEOUS]

RICHARD: Does anyone know the meaning of this word? [Silence] It means that you are doing something without thinking, [looking at TAISA] it's like a fountain that bursts out suddenly.

VITALY: Oh yes, immediately! Fast! There is a similar word in Russian – 'spontanno'.

TAISA: Uh!

RICHARD: Right. Exactly. So I wanted to be spontaneous. [Returning back to his seat] For hours and hours I walked along London's streets.

TATYANA: Like Jack London?

RICHARD: Huhm, yes, like Charles Dickens. And one day, around Victoria Station, I stumbled upon a quite strange site which involved a man, a woman, and a child—a boy.

HAMID: Family!

TAISA: European family.

RICHARD: [continues] The boy was crying because the man was slapping him viciously.

TAISA: Asian family.

HAMID: He must have done something wrong.

RICHARD: It was happening in broad day-light, and nobody was intervening.

TAISA: Who? The boy? Does it matter? You cannot beat kids, never!

HAMID: Even if they poop on your head?

RICHARD: That was the moment I decided to be spontaneous.

TATYANA: What kind of mother lets her kid be bitten?

FARID: I guess, we don't know how they were related to each

OUR ECONOMY

other.

RICHARD: Let me finish my story and we will discuss it afterwards.

Act III

The same scene: the same table and the same people. The white board has the words HARP and SPONATEOUS written on it. Everyone is sitting in silence, writing on their notes. Except Hamid: his chair is empty.

RICHARD: [breaking the silence] OK, maybe, if anyone is ready, we can start reading your fictionalized versions of my story. Where is Hamid? Where did he go?

TATYANA: He has finished and left to play tennis.

RICHARD: OK, who should we start with? Who else is already done? Tatyana? [She shakes her head in panic]. Vitaly? Let's start with you.

VITALY: [starts reading from his notes] Last week, I was playing football...

THE LIBERATING EFFECT OF UNDERSTANDING MONEY VIA DOUBLE ENTRY BOOKKEEPING

By Steve Keen

Given the social image of accounting, few would associate it with political liberation. But given the centrality of money to our societies, and the myths that pervade it from the far left to the far right—and perhaps worst of all, in the self-identified centre—understanding accounting is central to understanding money, and being freed of those myths. Money today is predominantly the data entries in our deposit accounts at private banks, and these entries are created via double-entry bookkeeping. When you examine how money is created by both governments and private banks using double-entry bookkeeping, it becomes obvious that austerity policies are not only unnecessary, but damaging to the performance of the economy that proponents of austerity believe they are improving. The computer program Ravel, which I invented, is the only tool that enables the entire structure of money creation to be laid out precisely, and in this sense, it enables a liberation from damaging money myths in the same manner that Galileo's telescope enabled our liberation from myths about the cosmos.

Introduction

For most people, accounting is the opposite of exciting—even jokes by accountants emphasise how boring accounting is, like this selection from the self-described “Accounting Professor”:¹

How do you know you’re an accountant?

When your friends make fun of you for having no life.

What is the definition of “accountant”?

Someone who solves a problem you didn’t know you had in a way you don’t understand.

Have you heard the joke about the interesting accountant?

Me neither.

At the same time, the thing accounting measures—money—is a subject, not merely of intense personal interest, but also of intense public debate. Much of this is over how the government funds itself: “where is the money going to come from?” The arguments that the government either doesn’t have the money for social goals—like properly funding the NHS, or re-nationalising water companies after their disastrous failures in recent years—are depressing. They assert that we can’t afford to have clearly desirable things, because the money just doesn’t exist. As the new Labour Party Chancellor has repeatedly put it, “If we cannot afford it, we cannot do it.”²

Therefore, the government has to practice “austerity”—cutting back on government spending, or increasing taxes—so that the economy can grow. Even worse, in these times of ecological crisis, the “where’s the money going to come from?” question implies that the government can’t afford to reduce

¹ “Accounting Jokes – 105 of The Best and Funniest Accounting Jokes,” Accounting Professor, <https://accountingprofessor.org/accounting-jokes-the-best-and-funniest-accounting-jokes-youll-ever-hear/>

² “Reeves scraps social care cap and some winter fuel payments to plug ‘£22bn hole,” The Guardian, 29 July 2024.

global warming by subsidising non-fossil-fuel-based energy sources.

The good news is that these arguments are wrong. The bad news is that, to know why they are wrong, you have to learn some accounting. So, if you want to fight for decent health services, well-funded schools, clean water, or preventing global warming, then you have to buckle up and learn the basics of accounting. Some moderately hard thinking is required, but the payoff is that, by the end of this chapter, you’ll know that, not only is there no need for policies of austerity, they are actually counterproductive.

Of Assets, Liabilities, and Equity

Double-entry bookkeeping was invented to make sure that financial transactions were accurately recorded by using three simple rules:

- ▶ 1. All financial claims are classified as either Assets—your claims on other people—or Liabilities—other peoples’ claims on you;
- ▶ 2. The difference between the sum of your financial assets and financial liabilities is your financial net worth, which is called your “Equity”; and
- ▶ 3. Every transaction is entered twice on a balance sheet, once as a Credit (CR), and once as a Debit (DR)

A simple example of this is purchasing a meal from a restaurant using your debit card for say £50, when that shop uses the same bank as you do. Table 1 shows how the bank records the transaction (see Table 1).

	Assets	Liabilities		Equity
	Reserves	Buyer	Seller	Bank
Buy a meal		DR £50	CR £50	

Table 1: Buying a meal for £50 from the bank’s point of view, using DR and CR.

More complicated transactions are trickier to record, because the rules under which you record something as a debit (DR) or a credit (CR) are complicated. But there is an easier way to do this:

- ▶ 1. Record all transactions using plus (+) or minus (-); and
- ▶ 2. Make sure that all transactions obey the equation that Assets minus Liabilities equals Equity—which is the second rule noted above.

Table 2 shows the same transaction as Table 1, using Plus (+) and Minus (-) in place of CR and DR:

	Assets	Liabilities		Equity
	Reserves	Buyer	Seller	Bank
Buy a meal		- £50	+ £50	

Table 2: Buying a meal for £50 from the bank’s point of view using Minus and Plus signs.

More complicated transactions—such as taking out a loan—are easy to lay out and understand this way: you simply record whether a transaction increases or decreases the numbers in the accounts.

I have designed a computer program called Ravel (see www.patreon.com/ravelation) which has these rules built into it, and it makes it ridiculously easy to understand how money is created

(and destroyed). I’ll use it to show how the shocking claim that the Bank of England made in 2014—that economics textbooks are wrong about how money is created—is correct.³ Then I’ll show why austerity is not only unnecessary, but is actually counterproductive.

Economics Textbooks are Wrong about how Money is Created

Economics textbooks claim that banks create money via a process they call “the Money Multiplier.” The model has someone depositing cash at a bank, which hangs onto a fraction of it—hence the model is also called “Fractional Reserve Banking”—and lends out the rest. If the depositor deposits £100 in cash, then the bank hangs onto say £10, and lends out the other £90 to a borrower. The borrower then deposits that £90 at another bank, which keeps £9 and lends the other £81. Round after round of this process turns the original £100 deposit into £100 cash in bank vaults, and £900 of debt-based money. £100 has thus been “multiplied up” to £1000: the “money multiplier” is 10.

This model was explicitly contradicted by the Bank of England: “The reality of how money is created today differs from the description found in some economics textbooks: Rather than banks receiving deposits when households save and then lending them out, bank lending creates deposits.”⁴

Using the double-entry capabilities of Ravel, you can rapidly see why the Bank of England is right and the textbooks are wrong—though the position is more subtle than the Bank of England realises: the money multiplier can work, but only if all loans are in cash.

³ Michael McLeay, Amar Radia and Ryland Thomas, Money creation in the modern economy (Bank of England, 2014).

⁴ McLeay, Radia, and Thomas, page 14

Table 3 shows the first stage of the “money multiplier” model:

	Assets		Liabilities		Equity
	Reserves	Loans	Saver	Borrower	Bank
Deposit cash	+£100		+£100		

Table 3: The first stage of the “money multiplier” model

The second stage, according to the model, is that the bank lends out £90 of this to the borrower. This is an easy line to write in an economics textbook, like Mankiw’s Macroeconomics:

First National has a reserve ratio of 1/10, or 10 percent. This means that it keeps 10 percent of its deposits in reserve and loans out the rest.⁵

However, it’s very difficult to show this simple verbal assertion using double-entry. Now you have to record the transaction twice and only twice on a row, without violating the essential equation that Assets minus Liabilities equals Equity. Table 4 shows three attempts to record this transaction, using Ravel, only one of which is correct.

The first attempt to model banks lending out Reserves has Reserves—effectively, the money in the bank’s safe—falling by £90, and the borrower’s bank account rising by £90. But this violates the A-L-E=0 equation that is built-in to Ravel: the row does not sum to zero. So this won’t work—and it also doesn’t show how the bank creates a loan as an asset for itself.

The second attempt show the loan being created, but this requires 3 entries on the line, rather than the regulation 2, and it still violates the A-L-E=0 equation.

Only the third attempt is partially correct: Reserves go down and Loans go up, and the A-L-E=0 equation is obeyed. But how does the borrower get the money?

⁵ N. Gregory Mankiw, Macroeconomics(Worth Publishers Inc. 2012).

Bank						
Flows ↓ / Stock Vars →	Asset		Liability		Equity	A-L-E
	Reserves▼	Loans ▼	Saver ▼	Borrower▼	Bank ▼	0
Initial Conditions	0	0	0	0	0	0
Saver deposits cash	£100		£100			0
Bank lends out £90 (1)	-£90			£90		-2£90
Bank lends out £90 (2)	-£90	£90		£90		-£90
Bank lends out £90 (3)	-£90	£90				0

Table 4: Three tries to record “the money multiplier” using bookkeeping

To show that, you have to add a second table for the borrower. The second table in Figure 1 shows that the the “Money Multiplier” model work if the loan is in cash.

Bank						
Flows ↓ / Stock Vars →	Asset		Liability		Equity	A-L-E
	Reserves▼	Loans ▼	Saver ▼	Borrower▼	Bank ▼	0
Initial Conditions	0	0	0	0	0	0
Saver deposits cash	£100		£100			0
Bank lends out £90 (3)	-£90	£90				0

Borrower					
Flows ↓ / Stock Vars →	Asset		Liability	Equity	A-L-E
	Borrower▼	Borrower’s _{cash} ▼	Loans ▼	Borrower’s _{Equity} ▼	0
Initial Conditions	0	0	0	0	0
Bank lends out £90 (3)		£90	£90		0

Figure 1: The “Money Multiplier Model” only works if all loans are in cash

Cash loans may have been common back in the 19th or early 20th century, but ever since electronic banking, almost all loans are made by crediting someone’s deposit account at a bank. The “Money Multiplier Model” is thus at best obsolete, but it is false

in the modern world.

It's also too complicated. You can show the real-world situation, as the Bank of England stated it, that “bank lending creates deposits”,⁶ using just one table for the Bank—as shown in Table 5. The bank creates money simply by putting £90 into the Borrower’s deposit account, and it records that the borrower now owes the bank £90 as well by putting the same sum into a loan account.

	Assets		Liabilities		Equity
	Reserves	Loans	Saver	Borrower	Bank
Make a loan		+£90		+£90	

Table 5: The real way that banks create money, by creating loans.

Figure 2 shows that you can leave Reserves out of the picture completely when you model banking. Here I've moved from a simple numerical example of a £90 loan, to a general example where Banks lend Credit pounds per year to the Private Sector, the Private Sector pays Interest pounds per year to the Banks, and the banks spend Bank Spending pounds per year on the Private Sector. Though the real world is vastly more complicated than this simple model, Figure 2 shows that the simplest model of bank lending doesn't need to have Reserves at all.

Banks				
Flows ↓ / Stock Vars →	Asset	Liability	Equity	A-L-E
	<i>Loans</i> ▼	<i>Deposits</i> ▼	<i>Banks</i>	▼ 0
Initial Conditions	100	90	10	0
<i>New loans</i>	<i>Credit</i>	<i>Credit</i>		0
<i>Interest payments</i>		<i>-Interest</i>	<i>Interest</i>	0
<i>Bank spending</i>		<i>Bank_{Spending}</i>	<i>-Bank_{Spending}</i>	0

Private Sector				
Flows ↓ / Stock Vars →	Asset	Liability	Equity	A-L-E
	<i>Deposits</i> ▼	<i>Loans</i> ▼	<i>Private</i>	▼ 0
Initial Conditions	90	100	-10	0
<i>New loans</i>	<i>Credit</i>	<i>Credit</i>		0
<i>Interest payments</i>	<i>-Interest</i>		<i>-Interest</i>	0
<i>Bank spending</i>	<i>Bank_{Spending}</i>		<i>Bank_{Spending}</i>	0

Figure 2: Bank lending doesn't need Reserves

If you have followed this warm-up example—which shows that economists who teach the “money multiplier” model of money creation don't actually know what they're talking about—then you're ready for the big question: does the government have to borrow, or raise taxes, in order to spend? Economists—including the current UK Chancellor Rachel Reeves—tells you that yes, they must. Do economists know what they're talking about here? The answer, again, is no.

Does the Government have to tax or borrow in order to spend?

Showing that economists were wrong about how private banks create money was easy. It's harder to show why they're wrong about how the government finances itself, because it takes four double-entry tables, rather than just two. But it's worth the effort, because it gives you the best possible argument against austerity: it's not only unpleasant, it has the opposite effect to what economists claim it does. Their objective is always to achieve a higher rate of economic growth, for which they argue that austerity is necessary, especially if a country has a high ratio of government debt to GDP. But austerity causes lower economic growth.

Figure 3 shows the first step in understanding government finances using double-entry bookkeeping. When the Government spends, it puts money in people’s deposit accounts. This increases the Liabilities of the Banks—so why do the Banks accept this? Because the government also puts the same sum in Reserve accounts of the banks. The Assets and the Liabilities of the Banks thus rise by the same amount. Conversely, government taxation reduces the amount of money in the private sector’s Deposit accounts, and reduces the Reserve accounts of the banks by the same amount. Government spending and taxation does not change the net worth of the Banks.

Banks				
	Asset	Liability	Equity	A-L-E
Flows ↓ / Stock Vars →	Reserves▼	Deposits▼	Banks ▼	0
Initial Conditions	0	0	0	0
Government spending	Spending	Spending		0
Government taxation	-Taxation	-Taxation		0

Private Sector				
	Asset	Liability	Equity	A-L-E
Flows ↓ / Stock Vars →	Deposits▼		Private ▼	0
Initial Conditions	0		0	0
Government spending	Spending		Spending	0
Government taxation	-Taxation		-Taxation	0

Figure 3: The basics of government spending and taxation

However, when you look at this from the Private Sector’s point of view, its Assets have risen, but its Liabilities haven’t changed. Therefore, if the government spends more than it takes back in

taxes, this increases the net worth of the private sector.

To understand how government spending in excess of taxation is financed, we need two more tables—one for the Central Bank, and one for the Treasury. Figure 4 shows the Central Bank’s role, and here it acts as the bank both for private banks, and for the Treasury. As well as private banks having accounts at the Central Bank that are generally called Reserves (they’re also known as “Settlement Accounts”), the Treasury has accounts that in the aggregate are known as the “Consolidated Revenue Fund” or CRF. Government spending comes out of this account and goes into Reserves, while taxation does the opposite: it is a flow from bank Reserves to the CRF.

Central Bank				
	Asset	Liability	Equity	A-L-E
Flows ↓ / Stock Vars →	Reserves▼	Treasury _{CRF} ▼	CentralBank▼	0
Initial Conditions	0	0	0	0
Government spending	Spending	-Spending		0
Government taxation	-Taxation	Taxation		0

Figure 4: The Central Bank’s role in government spending and taxation.

Figure 5 completes the basic model of government spending by showing the Treasury’s position, and it is the mirror image of the private sector’s position: whereas government spending increases the net worth of the private sector and taxation reduces it, government spending decreases the net worth of the Treasury and taxation increases it. If a government normally runs deficits—and the US government has run deficits for all but a few of the last 120 years—then its net financial worth will be negative.

Treasury				
	Asset	Liability	Equity	A-L-E
Flows ↓ / Stock Vars →	<i>Treasury_{CRF}</i> ▼	▼	<i>Treasury</i> ▼	0
Initial Conditions	0		0	0
<i>Government spending</i>	<i>-Spending</i>		<i>-Spending</i>	0
<i>Government taxation</i>	<i>Taxation</i>		<i>Taxation</i>	0

Figure 5: Completing the basic model of government spending with the Treasury.

If you’re suffering a bit of cognitive dissonance at the moment—“hang on, the government’s net worth is negative—isn’t that bad?”—let me point out three critical facts.

Firstly, I have focused solely upon financial assets so far. Financial assets are claims on other people, and they necessarily sum to zero. What is a financial liability for one entity is necessarily a financial asset for another, so that the sum of the two is zero. Therefore, if one sector has positive financial equity—its financial assets are greater than its financial liabilities—then by definition, the other sectors of the economy are necessarily in identical negative financial equity with respect to it. Financial assets are like the two sides of a see-saw: if one is up, then the other must be down.

Secondly, if the government was not in negative equity, then the private sector would have to be. This is because banks must be in positive equity in order to function as banks. One of the institutional rules of banking is that a bank’s short-term assets—things which are either money or can be quickly converted into money—must exceed its short-term liabilities, otherwise it is “bankrupt”. If the government’s net equity position was zero, then, since the banks must be in positive equity, necessarily, the private non-bank sector would be in negative equity. This is

shown in Figure 2, which shows the simplest possible model of real-world bank lending, where I filled in the “initial conditions” of the system. Notice that banks have a positive net worth of £10, while the net worth of the private sector is -£10.

If, on the other hand, the government is in negative equity, then both the banks and the private sector can be in positive equity. If the government accepts being on the “downside” of the financial see-saw, then both banks and the private sector can and indeed must be on the “upside”.

Thirdly, as well as financial assets, there are also nonfinancial assets. These are tangible things like houses, factories, and so on, which are assets to their owners but liabilities to no-one. The government of a country normally owns by far the largest sum of nonfinancial assets: the roads, schools, hospitals, offices, and indeed the military, all of which are essential parts of a government system. These, and its capacity to create the currency and draft and enforce the laws of a country, are what enable a government to cope with ease with having a negative net financial worth.

Therefore, in a healthy financial system, the government is in negative equity and the rest of the economy—the banks and the non-bank private sector—are in positive equity.

But what about “Government Debt”?

Thus far I haven’t covered government debt. This debt takes for form of Treasury Bonds, which are sold by the Treasury, initially to banks and “primary dealers”—this is a very small group of financial institutions which are both allowed to and required to participate in auctions of Treasury Bonds.¹

Most governments have passed laws that require the Treasury

¹ “Primary Dealers List,” New York Fed, 13 December 2021, <https://resources.newyorkfed.org/newsevents/news/markets/2021/an211213p>.

to issue bonds equivalent in value to the gap between government spending and taxation, plus the interest to be paid on already-existing government bonds. The fear that the government won't be able to finance these interest payments are the basis of the "black hole" comments made by Chancellor Rachel Reeves that are her justification for yet-more cuts to government spending, as well as increases in taxation.

This is an unfounded fear, which is caused by the failure of economists to understanding accounting.

This might sound like a ridiculous claim: surely economists do understand accounting? But the truth is they don't. Instead, rather than using double-entry bookkeeping to understand money, they think about money the way they think about everything else, in terms of "supply and demand curves". They imagine that there's a "market for money" which they call "Loanable Funds", and that government deficits reduce the supply of "Loanable Funds". This is how Mankiw's introductory macroeconomics textbook puts it:

When the government spends more than it receives in tax revenue, the resulting budget deficit lowers national saving. The supply of loanable funds decreases, and the equilibrium interest rate rises. Thus, when the government borrows to finance its budget deficit, it crowds out households and firms that otherwise would borrow to finance investment.²

When you do the double-entry bookkeeping, the actual situation is the exact opposite of the first two sentences from Mankiw, as I've already shown above. If the government spends more than it takes back in taxation, this actually increases the amount of money in private sector deposit accounts. A

² Mankiw 2012, page 273.

government deficit doesn't reduce the supply of "Loanable Funds", it increases them.

The third sentence is also wrong: the government does not borrow. What it does instead is sell bonds to banks and primary dealers. Banks buy these bonds for many reasons, but the key ones, from an economic point of view, are that they benefit from it, and that the funds they need to buy the bonds are created by the government itself.

Figure 3 shows the key point here: if government spending exceeds taxation, then as well as increasing the money in people's Deposit accounts at banks, it also increases the funds in the Reserve accounts that banks have at the Central Bank.

Banks are also very restricted in what they can use these Reserves for. They can't lend them out, as I've already explained (unless they make cash loans). And ever since The Great Depression, banks are not allowed to buy shares with Reserves either. The fact that banks could buy shares with Reserves in the 1920s is a major reason why the Stock Market Crash in October 1929 was so destructive. When the market fell 10% in one day—and ultimately, fell almost 90% over the next 3 years—the collapse in the value of shares forced many banks into bankruptcy.

So, what can banks do with Reserves? They can buy Treasury Bonds with them. And there are two very good reasons to do this:

- ▶ Reserves earn less interest than Bonds—and before the Global Financial Crisis, banks didn't earn any interest from Reserves at all; and
- ▶ Bonds can be traded, whereas Reserves cannot

There is also no possibility of there not being enough Reserves on hand to buy bonds for sale at a Treasury auction. Central Banks

are always buying bonds from and selling bonds to banks, in what are known as “Open Market Operations” (OMO). Normally this is done to try to maintain the interest rate target that the Central Bank sets. But it can also be done if the Reserves on hand are less than the amount of bonds being sold at an auction. Since auctions occur weekly, it would be a rare week where the total of bond sales exceeded 10% of the government’s deficit for that year. With deficits normally being under 10% of GDP, and the level of “government debt” running at about 100% of GDP, there are plenty of bonds that can be bought by the Central Bank to thus create the Reserves needed to fully fund an auction.

The fact that orthodox economists like Rachel Reeves worry about the level of government debt is immensely frustrating to the handful of non-orthodox economists who actually understand double-entry bookkeeping. Reeves is clearly well-intentioned in her desire to make the economy better by reducing the level of government debt. But rather than filling a “black hole”, it will cause the economy to fall into one. If the government runs a surplus, it actually destroys money as it reduces the level of debt. This, ironically and tragically, can lead to GDP falling even faster, which can result in the government debt ratio increasing, even as the level of government debt—really, of outstanding Treasury Bonds—falls.

I’m going to push the friendship here by showing a simulation. In this very simple model, the turnover of deposits drives GDP, and government spending and taxation as a fraction of GDP are under government control. For the first ten years, the government runs a balanced budget—spending equals taxation. For the next ten years, the government reduces its outstanding debt by running a surplus of one percent of GDP. For the final ten years, the government runs a deficit of one percent of GDP.

Figure 6 shows that the outcomes are perverse: the government debt ratio rises when the government runs a surplus, and falls when it runs a deficit.

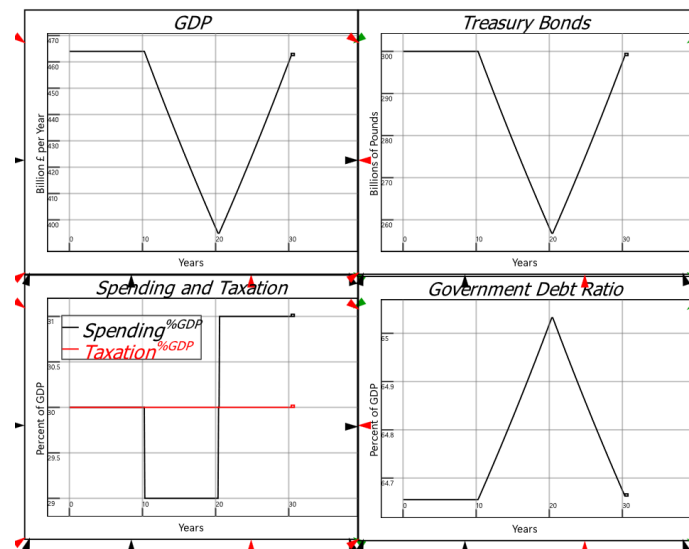


Figure 6: Running a surplus to reduce government debt actually increases the government debt ratio.

This paradox arises because, in this simple model, the amount of outstanding government debt is equal to the amount of money in the economy. Reducing government debt reduces GDP, and the ratio of outstanding government bonds to GDP actually rises.

The real world is more complicated than this simple model, but the basic insight remains: outstanding government bonds represent the amount of fiat money created by the government, and reducing the level of government bonds destroys fiat money and causes the economy to contract. Austerity is

counterproductive.

Conclusion

The perverse effects of applying conventional economic thinking to the real world are no laughing matter. The emphasis this puts on reducing government debt is in large measure why the economy has grown less rapidly under Neoliberalism than it did under the preceding period when old-fashioned “Keynesian” ideas dominated economics.

But I do want to finish on a lighter note, because if you’ve made it this far through this chapter, you deserve to be rewarded with a chuckle. This joke is also from the “Accounting Professor”:

Why do economists exist?

So accountants have someone to laugh at.

To be more uplifting still, understanding how government money creation actually works means that there is no need for austerity—in fact, there is a need to end it, since even on its own terms, it is a failure.

Crucially, if we are ever to reduce the impact of global warming on the biosphere, we will need government money creation to finance the green investments and the changes to infrastructure that will enable us to reduce humanity’s footprint on our stressed planet. Understanding how government finances actually work shows that we are not limited by finances. Reeves’ saying that “If we cannot afford it, we cannot do it” is precisely wrong, and Keynes—whom she was riffing, whether she knew it or not—was right: “Anything we can actually do, we can afford”.

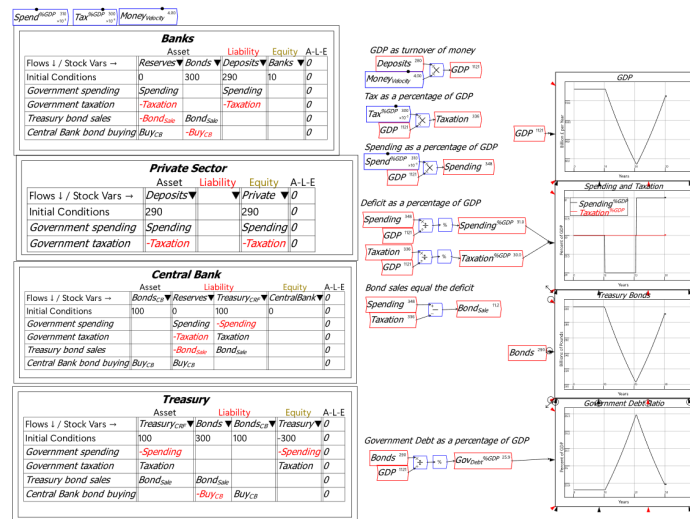


Figure 7: The model which generates the result shown in Figure 6.

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