

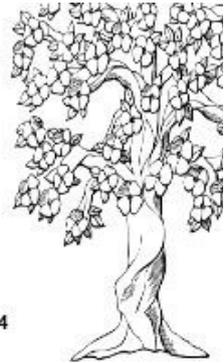


Mm's - a virtual currency

Philanthropy in Marham, Norfolk, UK

SEC Ltd promotes Marham Money as part of its LETS Scheme - serving as a Central Bank of Good for the community

Sandringham Enterprise Centre Limited - a charity in the UK No: 1142804



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www.marhammoney.com

Context:

Imagine a world where kind acts and generosity of spirit could be converted into a virtual currency, which could be 'spent' on providing you with goods and services – the receiving of which itself promoted more generosity of spirit and greater community social value.

This is not the world of the imagination – this is philanthropy made tangible by the deployment of a LETS Scheme within the Marham community.

I make cakes and you purchase one from me for one **Mm** (our currency is the **Mm**, Marham Money) I then use my currency to purchase baby sitting for my family.

You eat your delicious Marham cake and offer to clear and clean my garden for me – I use the collected **Mm**'s from my cake making to pay you to alter the immediate landscape for play at my house, in order to directly benefit my children.

No charge or cash from the real, external economy has been directly deployed in the transaction – yet a tangible benefit and social good has been achieved for two households – enhancing community well being.

What is Marham Money?

This is a Local Exchange Trading System – a LETS Scheme.

You can see an active LETS scheme on the web by looking at Swan Hills LETS System in Western Australia. The Antipodes has one of those pockets of LETS activity which are strong and durable. The Swan Hills site nicely points up the benefits of how important 'complimentary currencies' can be for isolated communities.

Read more at <http://swanhillslets.org/public/>

For a closer to home example you can look at the BathLETS scheme, with their currency **Olivers**. The BathLETS site has a particularly strong section on offers and wants – which illustrates, as with **Mm**'s, how a web based exchange market will offer goods and services relevant and useful to our particular community in Marham.

Read more here at <http://www.bathlets.org.uk/index.htm>

Community purpose

We all live in islands. Each community is to some extent an island. We belong, often, to closed societies and communities with both tangible and philosophical walls and fences.

We all know that the informal economy exists. What a system based upon **Mm's** does is to provide a framework and a standard value for transactions to take place against.

The key driver is not the personal accumulation of wealth in the external economy, but to be a driver of social capital – creating human worth and positive social outcome in a defined community.

From a community engagement and development perspective the **Mm's** scheme provides a tangible way for individuals who are strangers to each other in the community to enact a dialogue and a transactional relationship based upon trust and creating esteem, for both the community and the individual.

This is the beginning of a template for a holistically sound, effective and supportive community. Transactions in **Mm's** will provide a matrix for a fresh connected grid of volition for community well-being. Just as hard cash and markets do for private individuals in the external economy, where the key driver is generally self interest alone.

Integrating enterprise

SEC has a strong commitment to the development of local community enterprise as a charity. The SEC team are an economic umbrella organisation, providing the caring shelter, virtual currency and support schemes for enterprise.

Mm's allow individuals or groups to 'practice' at business start-up.

Under the shelter of support and advice from the SEC team individuals or groups can hone their goods or service content, install and design the means for recording their work, invoicing, record keeping and generate sales and take off of their designed service.

All without risking personal capital or hard won private funds, whilst building reputation, trust and delivery skills for their goods or service.

This particular focus is, like the concept of *Central Banking* detailed below, a fairly unique set of additionalities not provided by a 'traditional' LETS scheme. A supportive, ethical pathway to joining the 'real' economy.

The value

An Mm is easily measured as one hour of service, or input to goods supplied under the scheme.

For example, if I can make six butterfly pastries in an hour, my unit of supply is six cakes, in exchange for one **Mm** from your account.

Under the Marham Money LETS Scheme, **all work is of equal value**. Whether cake making, gardening, language teaching, web design or accountancy – one hour of work is equal to one **Mm**.

The role of SEC

One key role for SEC will be to act as the Central Banker for Philanthropy. SEC, or rather the committee of volunteers established to manage and co-ordinate the scheme, will act as managers of the **Mm's** money supply, defining the scheme and setting out the rules.

The managing committee can stimulate the **Mm's** supply, just as in the real economy, by creating credit balances in the accounts of scheme subscribers.

The committee will be able to proscribe hoarding, to develop marketing mechanisms for **Mm's** which encourage spending.

Spending Mm's within the Marham Money system encourages community interaction, social negotiation and contact, reduces the feelings of isolation for individuals and creates feelings of enhanced self worth and self value.

These, in fact, are the critical soft outcomes for the **Mm's** scheme, with enterprise development, important but secondary to this primary outcome, the author of this paper would argue.

Another Central Bank function will be to support groups to register for the **Mm's** scheme. Again, this is an innovative concept. It will promote engagement with and enhancement of quality of service for local groups who register.

For example SEC could arbitrarily credit a community football team, not the individuals in it, with an **Mm's** balance. The team then send out a Marham Money market request to have their kit washed and repaired.

Three **Mm's** account holders respond and each wash, sew and iron the kit. They are paid in **Mm's**, which are then spent further out in the **Mm's** system on other goods and services.

The community football team has achieved three new, effective and skilled volunteers who may in turn subscribe to full membership in exchange for money from the real economy. This model for groups can hold good for securing and paying for enterprise advice, accountancy and governance support, carpentry, community transport, coaching...the list is endless.

The critical soft outcome for the groups is that they engage and encourage support from new, fresh community members. The **Mm** transaction has increased the quality, duration and value of the contact with the group.

Over time, we would argue, the outcome of the cumulative effect of these transactions is a community landscape change of significance.

The delivery

www.marhammoney.com will be extended to include a register of 'wants', what we need, and a register of 'puts', what we want trade for Mm's.

Account balances will be clear and open to see to registered members on the internet. The appointed coordinator will manage the records and seek counsel from the SEC committee should disputes arise.

You can find an interesting set of governance resources, *what should our committee rules look like* by visiting the *LetsLink* site?

The site is a little dated now, but the progressive development of a model community constitution for an **Mm's** type scheme is still very well illustrated.

You can read more here <http://www.letslinkuk.net/practice/constitution.htm>

Research indicates that LETS activities do not impact upon an individual's contact with HMRC or benefits agencies. **Mm's** are not a currency that external economic forces recognise or value...

Volunteers

...without volunteers no SEC would exist, no charity can survive and an alternative currency will not flourish in Marham.

It will be vital to have volunteers who are able to engage with and deliver the **Mm's** scheme. Whether acquiring new skills by joining the **Mm's** management committee, developing spreadsheet and HTML skills to complete and update the online *put and call* system, or just to be community ambassadors to promote the benefits of registering

...volunteers for SEC will be the key to a fruitful and effective **Mm's** economy.

Next steps

There are some simple next steps for the Mm's project at the time of writing...

1. The SEC board fully debate and adopt or reject an informal currency scheme.
2. If adopted, the board seek to market/spread the idea and recruit a kernel of volunteers to coagulate into an **Mm's** management committee.
3. Identify and appoint a Chair for the management committee and a Coordinator to help develop and deliver the scheme, under the wing of SEC.
4. The web site is developed to allow not only market calls, but membership sign-on and also give the Coordinator a mechanism for adjusting and publishing balances.
5. Launch the service and work hard to integrate the volunteers, the market creation system and enterprise development into the delivery.
6. Celebrate the success.

Case histories

The Brixton Pound

This is an example of a complimentary currency in maturity. The Brixton Pound has recently gone live as virtual currency that can be traded electronically.

'The Brixton Pound (B£) is money that sticks to Brixton. It's designed to support Brixton businesses and encourage local trade and production. It's a complementary currency, working alongside (not replacing) pounds sterling, for use by independent local shops and traders'.

The Brixton Pound supports a broad cross section of the local economy, working as a currency alongside, not to replace sterling. The scheme is different in outcomes sought that are argued for Marham in this paper.

However, it is a striking example of how a complimentary currency, once accepted by a community and the traders in it, can be exploited electronically for community benefit.

Read more at <http://brixtonpound.org/>

Calgary Dollars

This scheme uses its complimentary currency power within the community to call for applications to its *Take Action Grants Scheme*.

In Calgary they use their Calgary Dollars to promote community action and engagement by investing in individual projects that are activist led.

This approach is in sympathy with the *Central Bank* concept of the **Mm**'s project, although slightly more formalised and structured in a traditional funder/applicant way.

They too have adopted a 'money supply' creation system, by depositing 20 Calgary Dollars in the account of each applicant to the scheme – thereby promoting community engagement and supply side activity.

The web site is lively and interesting and shows how an active system, built to respond to the needs of its specific community, can be made to work.

Read more here <http://www.calgarydollars.ca/index.html>

Useful links

www.marhammoney.com

Where the project will appear and grow

<http://www.complementarycurrency.org/>

A resource centre for complimentary currencies. World standard in its reach

<http://www.openmoney.org/>

The OpenMoney Projects

<http://www.letslinkuk.net/members/legal.htm>

The statutory frameworks and how the impact on such schemes

<http://www.gdrc.org/icm/icm-internet.html#lets>

The Virtual Library section on Micro-Credit, with a section on LETS schemes

<http://www.cyberclass.net/turmel/urlsnat.htm>

Lets Schemes in 59 countries. Now a very old, very dated web resource, but still with some active sites you can visit and assess.

This paper has been written by Tim Smith – a volunteer and trustee at The Sandringham Enterprise Centre. Tim is a partner at SmithMartin LLP, an East Anglian consultancy practice developing social enterprise, childcare, education and literacy projects.

SmithMartin LLP proudly donate web technology, professional time and resources to SEC projects.