

The eternal coin

CAN A COIN EVER BE CREATED THAT WILL STAND THE TEST OF TIME? **PROFESSOR MICHAEL MAINELLI**, CHAIRMAN OF CONSULTANCY Z/YEN GROUP, TALKS ABOUT THE PHILOSOPHY AND VALUES BEHIND A COIN THAT WOULD NEVER LOSE VALUE

Money is a means of exchange across space and time. The economist Harold Innis was fascinated by empires and posited that the means people choose will affect the shape and durability of their society.

He divided such means into two types: 'space-binding' and 'time-binding' – for example, the medium of space-binding papyrus of the Greek literature and the medium of the time-binding stone of the Egyptian monuments.

Money as a vehicle of exchange was further developed by Innis' student Marshall McLuhan. He said: "Money... gives great spatial extension and control to political organisation, just as writing does or the calendar. It is action at a distance, both in space and in time." Today's day traders can move across borders and buy and sell currencies, stocks and commodities globally.

In a decade, we've gone from the idea of a car boot sale being a local affair for the school or church or community centre, to eBay – the great jumble sale in the sky.

THE QUINTESSENCE OF MONEY

In the fifth century BC, Herodotus said of the Lydians: "They were the first of men,

so far as we know, who struck and used coins of gold or silver. They were also the first retail-traders." As we look around the ravaged landscape of our financial systems, a number of us seek to re-distil the quintessence of money before we start rebuilding the financial system.

WHAT MAKES UP THE ETERNAL COIN?

The Eternal Coin is the initiative of the academic think-tank Long Finance. It is a thought experiment that speculates on whether a coin that never loses value could exist. Such a coin would, in essence, be a call on future wealth. We have to surmise what our great grandchildren will value.

In some ways, it's the largest scenario planning exercise we can undertake. As the journalist Simon Carr remarked: "Money turns out to be whatever we agree it to be. It is a collective work of the imagination."

As part of Long Finance, Dr Malcolm Cooper has written a fascinating booklet, *In Search of the Eternal Coin: A Long Finance View of History*, exploring different views of eternal value over the ages. The eternal coin approach has produced proposals for coins based on traded currencies, commodities, time to depletion of major resources and genetic materials. It could



even be based on stories – the argument being that people will always buy stories, so we could cast a coin centred in shares in books or film plots.

AN ETHICAL ETERNAL COIN

The two big themes of our times are globalisation and sustainability. An Eternal Coin makes you think differently about both. Globalisation makes you think about equitable dealings across the world. Is this a fair trade with a developing country? Globalisation makes you think about externalities such as pollution. Are you paying the right price?

Sustainability makes you think about resources. Is this purchase of fish, timber or metal fair for future generations? Sustainability may also help you think about fairness to you and your great grandchildren. Is your pension a fair inter-generational arrangement?

So as 'money truly makes the world go round', let's return to the origin of money as a means of exchange. Money is both space-binding and time-binding for most societies. Having examined the enduring value of land, sustainability issues and population issues, Dr Cooper concludes: "Eternal Coins were driven by aspirations, and for much of the last couple of centuries, these have been underpinned by a general belief in human progress towards a wealthier, more comfortable and far more secure future."

BALANCING TRUST

Commercial transactions and money are inextricably linked to trust in the community. Neutral exchanges of currency don't exist: each transaction with another person links us just a little bit more to the other person, and both of us to the future. Without aspirations, our communities have no future, and our coins no value. One of the answers to the Eternal Coin is that greater choice has value. What would give your great grandchildren more choices? Does your Eternal Coin balance trust across space and time? ■

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