



Aalto Observatory

Aalto Observatory for Digital Valuation Systems

(now a working paper)

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Multidisciplinary research group

- Digital Valuation systems such Community, Local and Parallel currencies by experiments for new economy
- Research node looking into 1. Local 2. European
- Grassroots, p2p connected with public sector, like the city
- e.g. Policy window: *experiment law and taxation

Who is involved:

From Aalto University

- Sustainable Business, Management studies
- Engineering, Communications and Networking
- Sustainable design (soon)

Others?

Societal background

- Economy is to change
- Crisis are inherent to current economy model, volatility, debt :(
- Third industrial revolution, attention to information (Rifkin)
- Second Digital revolution, information society (Prime Ministers Office)



Upon investigating the complementary currency in the form of communal time banking for cultural resilience in Bali, Lietaer & De Meulenaere [10: 11] note that:

“Most existing economic theory has as hidden hypothesis that all exchanges need to be facilitated through a monopoly of a centrally controlled currency. Furthermore, conventional economic theory assumes that all currencies are implicitly value-neutral: they are supposed not to affect the transactions or the relationships among the people using it.”

Lietaer, B., and De Meulenaere, S.: Sustaining cultural vitality in a globalizing world: the Balinese example. *International Journal of Social Economics* 30.9 (2003): 967-984.

“The exact way in which (the macro-financial linkages) affect the monetary policy transmission mechanism remains imperfectly understood”.

Constâncio, V., Developing models for policy analysis in central banks. Opening speech at the Annual Research Conference, Frankfurt am Main, 25-26th Sep 2017. On ECB homepage <http://www.ecb.europa.eu/press/key/date/2017/html/ecb.sp170925.en.html>, last accessed 2017/10/12

Why are we doing this?

- Economic Resilience from variety: New types of currencies have potency to scaffold for development towards affluence, equity and well-being. (see e.g. Martin Belmonte 2011, Eisenstein 2011, Lietaer & Dunne 2013)
- Egalitarian Society
- Make use of new technologies, including blockchain and smart ledger technology, are able to support the use of shared and “open” financial accounting, to individuals and institutions alike.

A system and a technology are constructs based on social agreements.

Lietaer, B. A., and Dunne, J.: Rethinking money: How new currencies turn scarcity into prosperity. Berrett-Koehler Publishers. (2013)

“Possibilities in Currency as Commons!”

“Economy now closed, soon more open?”

Empirical approach

- Participatory design methods
- Contextual information
- Series of empirical experiments for deeper understandings of functions in monetary systems
- Qualitative methods > systems mapping

Bridging between actors, the officials and the citizens with technology and design.

Generating alternative models of valuation systems.

Giving people a say in the economy.

1. Systemic, micro- and microlevel
2. Human-“centered”

Recommended paper:

Working Papers in Technology Governance and Economic Dynamics no. 73

Blockchain and Value Systems in the Sharing
Economy: The Illustrative Case of Backfeed (2017)
By Alex Pazaitis, Primavera De Filippi, Vasilis
Kostakis

Recommended project:

Digital Single Market—EU-Funded Research ignites Yetta: a Next Generation Blockchain currency for the Smart Economy

Yetta advances the current state of the art for a fast, affordable and energy-efficient untraceable electronic cash system. Yetta is a spin-off from CAPS research projects funded under the EU-Horizon 2020 programme. It is sustainable by design and aligns with the United Nations 17 Sustainable Development Goals (SDGs).

We need help!

If interested in making a more sustainable and equal society, let us know.

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