

*Paper published in Reflections,  
the journal of the Society for Organizational Learning (SOL) Summer 2003  
Special issue on "The feminine approach to leadership"*

## *A World in Balance?*

Bernard Lietaer  
November 2002

The theme of this issue of *Reflections* - "the feminine approach to leadership" - will be addressed in this paper through the question: what would be different in a society in which the feminine was really honored? Honoring the feminine encompasses not only equal rights to women, but also runs a lot broader and deeper. Indeed, it translates into an entirely different worldview, one where an equal balance is achieved between the masculine and the feminine.

Imagine a world safe from pollution, a world in which the long term interests of mankind and our planet temper the short term interests of business and industry; where conscious cooperation coexists symbiotically alongside healthy competition; where the proper raising and teaching of our children and the caring for our elders is valued and compensated for in equal measure to other forms of employment so vital to our society. Imagine a world in which there is meaningful work for every human being, together with adequate time for our families, communities and personal pursuits; a world that encourages individual growth as it does economic growth; community as it does productivity; conservation as it does consumption. A world that nurtures our spirits and our souls in equal measure to our material needs; a world that fully honors the diversity of all life and the life-affirming aspects of what it is to be fully human in its many myriad shapes and forms. In essence, imagine a *world in balance*.

Such a world, far from being fanciful conjecture, will be offered here as a realistic attainment. But it will take money! It is not a matter of how much money but rather *the kind* of money that is important. In order to manifest a world in balance, we must bring balance to our money - for it will be shown that it is our monetary system that fuels and exerts the most profound influence upon all other human systems within our world today. Such balanced money systems have actually existed during specific periods in human history. They will be shown to still exist today in some unexpected pockets of our globalizing world, with dramatic and most encouraging effects.

Rather than argue from theory, this paper will focus on one specific real-life case study. It will start with a look at how different societies deal with unexpected crises. Some shocks can indeed starkly expose the underlying value system of an individual or a society, as a tectonic plate shift can suddenly lay bare the underlying geological strata. The tragic events of September 11, 2001 and their aftermath can be seen as a watershed of this nature.

This paper will be organized in the following seven headings:

- Another Way?
- Value coherences
- A Hidden Persuader?
- A Systems Approach to Money and Values
- Some Implications
- So What?
- Conclusions

## ***Another Way?***

Was another reaction possible than the one of violent retaliation after the September 11 attack? Let us look at how one particular society has dealt with its own major terrorist attack - exactly one year, one month, and one day after the attack on the Twin Towers.

Bali has become world news since the terrorist bomb attack in Kuta that killed more than 190 people on the night of October 12, 2002. However, the global media has not been covering how the Balinese themselves have been reacting to this horror. The two reports quoted next demonstrate another way for dealing with terrorism than what we have witnessed so far.

The first is a report by the police on the days immediately after the bombing.

*“Lt Col I Made Murda of the Bali police told us that, although hundreds of shops and restaurants had their windows blown out in the blast, not one single looting has been reported. Down in Legian there are all these shops without windows and doors, all their wares there for the taking, but nobody has.*

*There were also fears that there could be an instant reaction against the Muslim population in Bali, but no such thing has happened. What HAS happened is that there have been peace vigils and prayer meetings all over the island, and Christians, Muslims, locals & foreigners working hand in hand in the relief effort.”*

In contrast, the FBI reports that “hate crimes against Muslims soared after September 11 by more than 1,600 percent: a jump from 28 in 2000 to 481 in 2001... The overall number of hate crimes against all minorities in the US increased over the last year by 21% to a total of 1,828.”<sup>1</sup>

In terms of property damage, do we need to be reminded that a simple electric power failure in New York a few years ago was sufficient to trigger a systematic looting of shops and supermarkets, even as their doors and windows were intact?

The second report from Bali is from the *Parum Samigita*, representing the main local civic authorities of the Kuta, Legian and Seminyak, the “ground zero” area where the

---

<sup>1</sup> Tanya Schevitz: “FBI sees leap in anti-Muslim hate crimes” *San Francisco Chronicle* (Tuesday, November 26, 2002 pg 1). The original data comes from the official FBI report on hate crimes released on November 25, 2002.

blast occurred. Asana Viebeke L delivered the following speech in English on Friday, October 25<sup>th</sup>, one month after the attack.

***“Now We Move Forward!***

*We Balinese have an essential concept of balance. It's the Tri Hita Karana: the concept of triple harmonious balance. The balance between god and humanity; humanity with itself; and humanity with the environment. This places us all in a universe of common understanding.*

*It is not only nuclear bombs that have fallout. It is our job to minimize this fallout for our people and our guests from around the world. Who did this? This is not such an important question for us to discuss. Why this happened - maybe this is more worthy of thought. What can we do to create beauty from this tragedy and come to an understanding where nobody feels the need to make such a statement again? That is important. That is the basis from which we can embrace everyone as a brother, everyone as a sister.*

*The past is not significant. It is the future that is important. This is the time to bring our values, our empathy, to society and the world at large. To care. To love. We want to return to our lives. Please help us realize this wish. Why seek retribution from people who are acting as they see fit? These people are misguided from our point of view. Obviously, from theirs, they feel justified and angry enough to make such a brutal statement.*

*We would like to send a message to the world - Embrace this misunderstanding between our brothers and let's seek a peaceful answer to the problems that bring us to such tragedy. Words of hate will not rebuild our shops and houses. They will not heal damaged skin. They will not bring back our dead. Help us to create beauty out of this tragedy.*

*Our community is bruised and hurting. Our spirit can never be broken. Everybody in the world is of one principle brotherhood. Tat Wam Asi - You are me, and I am you. These are the concepts by which we, as Balinese, live our lives. Please, we beg you, talk only of the good that can come of this. Talk of how we can reconcile our 'apparent' differences. Talk of how we can bring empathy and love into everybody's lives.*

*The overwhelming scenes of love and compassion at Sanglah Hospital show us the way forward into the future. If we hate our brothers and sisters we are lost in Kali Yuga (the “Iron” or “Dark Age”). If we can love all of our brothers and sisters, we have already begun to move into Kertha Yuga. We have already won 'The War Against Terrorism'.*

*Thank you for all your compassion and love.”*

Asana Viebeke L, Kuta Desa Adat

Please compare this statement with those in the latest Michael Moore documentary “Bowling in Colombine”, or with the “developed” world’s official policy.

The contrast between such reactions begs the following questions:

- What explains that the same horror spontaneously elicits exactly opposite emotional reactions in a society?
- What explains the Balinese exception?
- How can we learn from it?

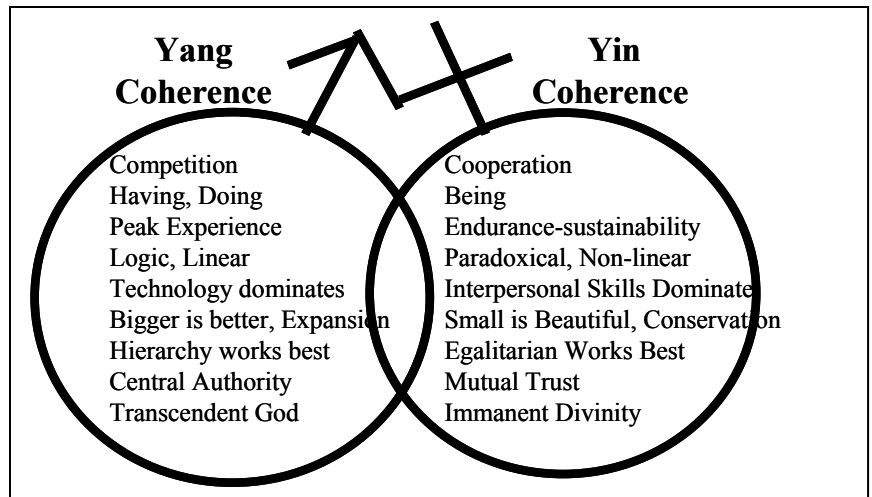
By coincidence, I was in Bali on that fateful night. I had just completed four months of primary field research focusing on these last two questions: what explains the “Balinese exception”, and how can we learn from it?

In a nutshell, the key findings were that the Balinese society maintains a balance between what the Taoists call the Yin-Yang worldviews, while the so-called “developed countries” - including the US - is strongly dominated by the Yang coherence. Furthermore, the remarkable collective programming power of money systems turns out to be a key engine that continually maintains and encourages each one of these worldviews. Specifically, in Bali a dual Yin-Yang currency system is in operation, while in Western societies a monopoly of a Yang currency is considered self-evident. The balance of this paper synthesizes some of the evidence for the above claims.<sup>2</sup>

### Values and Emotional Coherences

The analytical framework that will be used here to describe collective emotions and behavior patterns goes back to Taoism and its central concept of Yin-Yang. It enables us to speak about gender-related issues in a broader sense, and with a less loaded language. C.G. Jung was one of the first to express regret that our culture is not more familiar with this concept: “Unfortunately, our Western mind, lacking all refinement in this respect, has never yet devised a concept, nor even a name, for the ‘union of opposites through the middle path’, that most fundamental item of inward experience, which could respectably be set against the Chinese concept of Tao.”<sup>3</sup> Therefore, the words Yin-Yang will be used in this paper at the risk of appearing exotic - simply because we don’t have precise equivalent words in our Western languages.

Taoism conceived all forces in complementary pairs like earth-heaven, water-fire, inhaling-exhaling, pulling-pushing, feminine-masculine, etc. Although obviously distinct forces, Taoists see them as



<sup>2</sup> A more complete development of the mechanism behind the “Balinese exception” is provided in a forthcoming paper in the peer reviewed *International Journal for Social Economics*. That paper - co-authored by B. Lietaer and S. Demeulenaere - and entitled “Sustaining Cultural Vitality in a Globalizing World: The Balinese Example” was accepted for publication just before the Bali bombing. In the current *Reflections* paper, length constraints require that only a summary of the supporting anthropological and socio-economic research or its relevant literature can be provided. However, the author wants to acknowledge the key contributions to the Bali case study made in the field by Stephen Demeulenaere, an expert in complementary currencies in developing countries, and a permanent resident in Ubud, Bali.

<sup>3</sup> Jung, C.G. *Collected Works* (translated by R.F.C. Hull) Vol III, pg 203

matching components of a single ultimate unity. A balance between them is therefore at the core of such a worldview, because they are necessary to each other. A bit like a magnet or an electric battery of necessity must have both a positive and a negative pole – neither can exist separately. Figure 1 provides a summary of some of these complementary aspects. It includes some metaphysical aspects, because one of the most effective ways to understand what a particular society is up to here on earth, is to look at its image of the divine. For instance, to a Balinese, the Divine is not necessarily male and transcendent, but also androgynous and immanent - present everywhere in everything and everybody - not just in the temple compound or invisible in the heavens.

Figure 1 can be read from the bottom up to focus on the internal coherence of each worldview; or horizontally to appreciate the polarity between them. This figure also highlights the differences with our Modern Western culture, where it has long been considered self-evident to have a predominant focus on the Yang coherence. It is important to realize that from a Balinese perspective *both* views are equally valid. Even more intriguing: they have spontaneously developed a dual currency system that actively supports each one of these worldviews, as will be shown next.

## ***Money Systems as Hidden Persuaders***

There is a widespread and tacit assumption that there is only one kind of money possible in the Modern world - a monopoly of familiar national currencies in the form of bills and coins. 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.

In reality, different kinds of money have co-existed in many societies the past, and still do so in some places today. Furthermore, the evidence points out that the type of money used in a society, the way money is created and administered, deeply molds values and relationships within that society by encouraging, or discouraging, specific collective emotions and behavior patterns. All money systems facilitate exchanges among people. But given the remarkable motivating power of money, it turns out that some currencies tend to foster either Yin or Yang values and attitudes. And our conventional money is definitely an extreme Yang construct. It is created by a global hierarchy where developing countries don't have a chance at influencing the rules; it is enforced at the national level through a hierarchy under the authority of a Central Bank; a money whose interest feature encourages accumulation and concentration of wealth in the form money; and whose necessary scarcity promotes competition among their users. Each one of these characteristics link such a currency to the Yang coherence of Figure 1.

It is important to realize that money is not a thing. While economic textbooks invariably money in terms of what it *does*<sup>4</sup>, they never define it in terms of what it *is*. I'll define money

---

<sup>4</sup> Money is almost invariably defined by its *functions* such as standard of value, medium of exchange or store of value.

as an *agreement within a community to use something as a medium of exchange*.<sup>5</sup> Our money and monetary systems are therefore not God-given realities, like air or water, but rather choices, like social contracts, marriages or business arrangements, and, as such, are subject to review and amendment.

Bali's agreements around money will be described next.

### ***Bali's Dual Currency System***

Bali has been using for many centuries two types of currencies in parallel.

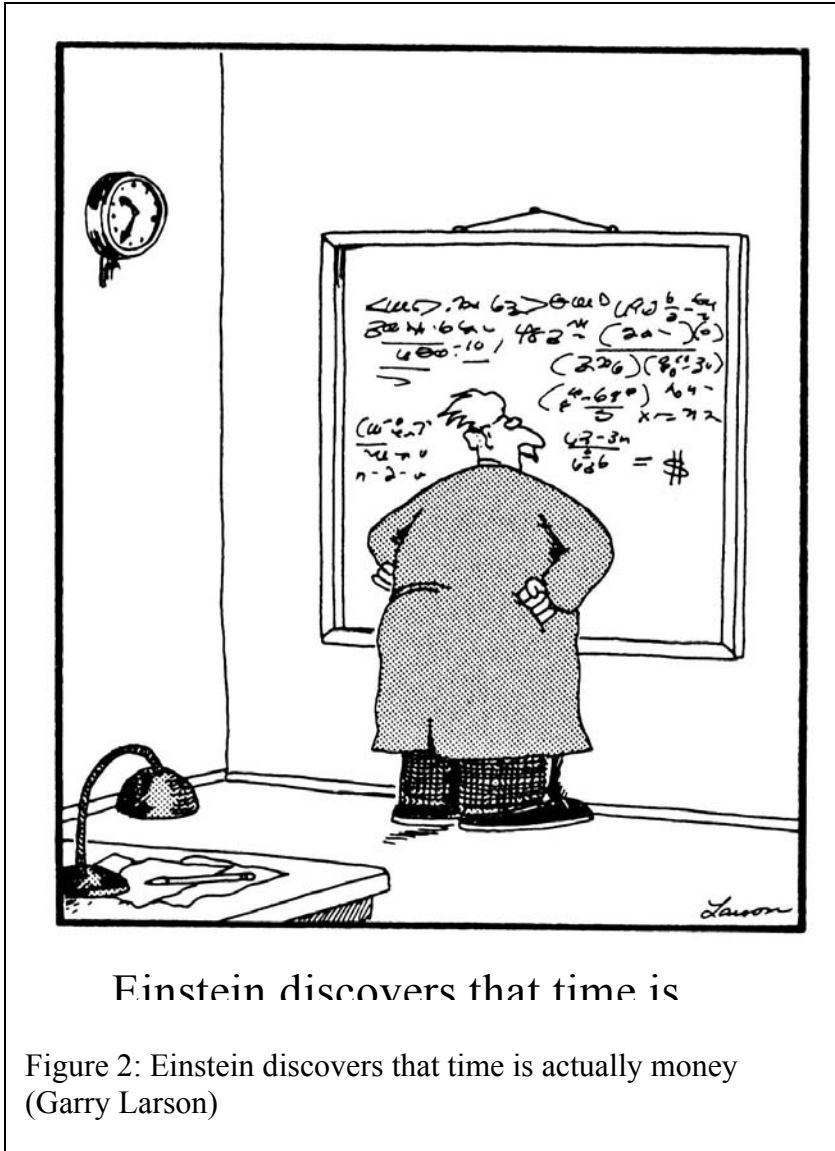


Figure 2: Einstein discovers that time is actually money (Garry Larson)

The first of these two currencies is now called the Rupiah, the conventional Indonesian national currency. It is a Yang currency, managed as in all countries today by a Central Bank; and the Balinese have no more influence over it than the residents of Iowa have on Alan Greenspan.

The second one is called "*Nayahan Banjar*" roughly translatable as "work for the common good of the community". It is a time services currency, as the typical unit of account of *Nayahan* is a block of time of approximately 3 hours of work in the

morning, afternoon or evening; and the *kulkul* (a special wooden gong) gives a summoning for people to gather when collective work is called for.

<sup>5</sup> A full development of the reasons and implications of such a definition are provided in B. Lietaer "The Future of Money" (London: Random House, 2000)

Each *Banjar*, the main local civil organization in Bali, manages its own second currency. The Banjar is a decentralized, democratic, cooperative institution at the local level. It is an ancient organization structure, as the first written reference to it goes back to 914 AD.<sup>6</sup> It has also proven a very adaptable organization structure: “Even today, among families who have spent several generations in an urban setting away from the rice fields, the Banjar still plays an important role.”<sup>7</sup> The Banjar structure having been amply described in the anthropological literature, we can be brief here.<sup>8</sup>

There are more than 3,000 banjars operational in Bali today, each regrouping between fifty and five hundred families. One could describe them as “hyper-democratic” organization structures in the sense that their leaders, the *klian banjar*, are elected by a majority vote, but can also be dismissed at a members’ meeting by majority vote. Each member is equal and has one vote: there is no special status granted to wealthier or higher class members of the Banjar. All community decisions are made - once a month on the average - at the *Bale Banjar*, the community’s open meeting pavilion. Special meetings can also be convened whenever necessary.

At such meetings, both new activities are proposed and on-going projects are reported on. At the same time, the contributions of time and money are decided upon for each project. However, if a majority of members becomes opposed to any particular project for whatever reason, it is revisited at the next monthly meeting to decide whether or not to continue with it.

On the average, each Banjar starts between seven and ten different projects every month, big and small. And for each project, the expected contributions of each family unit – in Rupiah and in time – are taken into account. In the poorer Banjars, the Rupiah constraint is typically the more binding, while in the richer ones the opposite may happen. In short, the Banjar functions as a community-based planning and implementation unit that budgets its activities using always two currencies: both Time as well as Rupiah.

Those who cannot contribute their share of Time are supposed to send a substitute person. In case neither one is really possible, then they must pay a fine in Rupiah. However, such substitutability is only partial and conditional, similar to the phenomenon studied by Foa between money and love in Western culture. One can to some extent “buy

---

<sup>6</sup> Agung Purwita. (1983), *Pemantapan Adat Dalam Menunjang Usaha-Usaha Pembangunan*, Majelis Pembina Lembaga Adat, Denpasar. pg 18. It is likely that this organization structure and its local currency system are much older, dating to the Pre-Hindu Matrifocal culture of Bali. But this Pre-Hindu Austronesian culture used no writing as far as we know, so we will probably never be able to provide “historical proof” of the exact age of this system. The general thesis about the connection between Matrifocal societies and dual currency systems is developed in my next book “*Of Human Wealth*”, due for publication in April 2003.

<sup>7</sup> Eiseman, F. B. (1990) *Bali Sekala & Niskala: Essays on Society, Tradition and Craft*. Volume II, Periplus Editions Inc, Berkeley, pg 74.

<sup>8</sup> Geertz, C. (1959), “Form and variation in Balinese Village Structure” *American Anthropologist*, Vol 61, pgs 991-1012; Geertz H. & Geertz C. (1975), *Kinship in Bali*, University of Chicago Press, Chicago; Guernonprez, J.F. (1990), “On the Elusive Balinese Village: Hierarchy and Values Versus Political Models”, *Review of Indonesian and Malaysian Affairs*, Vol 24 pg 55-89; Warren, C. (1993), *Adat and Dinas: Balinese Communities in the Indonesian State*, Oxford University Press, Kuala Lumpur.

love” with a nice gift, jewel or dinner, or other expensive gestures. But when the relationship is entirely based on money it becomes prostitution and ceases to be love.<sup>9</sup>

According to the local Balinese leaders themselves, it is not something special about the Balinese or Hindu religion itself, but the strong system of mutual cooperation within the Banjar, which has maintained Balinese the balance in values characteristic to their society.

Some quotes:

- “Banjar is stronger than religion in keeping our communities and values strong.” Pak Agung Putra, Klian Banjar Tengah.

- “Banjar is what holds the community, each other, together.” Pak Ketut Suartana, Klian Banjar Sambahan.

- “Banjar is the most fundamental organization that keeps the Balinese character intact.” Pak Wayan Suwecha, Klian Banjar Kelod.

*But what holds the Banjar together?*

Our interviewees are quite clear that: “Time is a form of money.” The majority even makes the point that “Time is more important than Rupiah for keeping the community cooperation strong in the Banjar.”

The importance of these time exchanges within a Banjar can also be expressed on the negative side: the main form of punishment meted out by the Banjar is not a Rupiah fine, but ostracism - the exclusion from the Banjar of someone who refuses three times in a row to respect the community decisions. And the reason given why such ostracism is so serious is “when they have an important family ceremony, like a cremation, marriages, or coming of age rituals, then nobody will give Time for helping them in the preparations.” In short, depriving someone of Time from the community is considered the ultimate retribution.<sup>10</sup>

But why is such a dual currency system so important to keep community spirit and the traditional values strong?

---

<sup>9</sup> Foa’s “Resource theory” classifies resources in different categories and explains why some types of resources - such as love and money - are not easily acceptable as substitutes. In contrast, love and services, or money and goods are more proximate in this framework and therefore more substitutable. See Foa U. “Interpersonal and Economic Resources”, *Science* Vol 171/1 January 1971 pg 345-351. Or Foa U. & Foa E. *Societal Structures of the Mind*, Charles C. Thomas, Springfield, IL. (1974). Our findings with the dual currency model in Bali are consistent with Foa’s theory, as the Balinese Yin currency of time is in fact a close substitute for services.

<sup>10</sup> We were told the story about the richest man in Bali who used to systematically replace his time participation in his banjar with Rupiah money payments. But for his cremation ceremony – the most important religious event in a Balinese life – nobody came... This anecdote is a good example of the application of Foa’s Resource theory (see previous footnote) demonstrating that Rupiah and Time currency are not acceptable as total substitutes for each other.



### ***How a Dual Currency Supports Yin-Yang Balance***

A more philosophically inclined Banjar leader, although obviously a Hindu, used explicitly the Taoist vocabulary of complementarity to describe the dual currency system as being in “Yin-Yang relationship”.

He saw the normal Indonesian national currency as of Yang nature, because it cannot be created within the community but has to be earned by competing in the outside world. The other - Time that everybody in principle has as the same birthright - is Yin because it is generated within the community, on an egalitarian basis, and generates cooperation. It is also something that you can't accumulate and store like conventional money: use it or lose it. In short, in Figure 1, the national currency fits in and supports the Yang coherence, while the Time currency, the *Narayan banjar*, explicitly nurtures the Yin coherence.

An interesting difference in attitude can also be observed towards the two currencies: specifically a very flexible Yin attitude prevails towards the Yin currency. If, for example, someone has a sick child that interferes with providing time, nobody will object to him or her not contributing an equal share in time commitments. What matters is the goodwill underlying one's actions.

One can see why such a dual currency system within a democratic structure like the Banjar provides a lot more flexibility than when one has to operate within only one currency system as is the case in most other parts of the world, including the “developed” ones. People who have a lot of conventional money tend to have little time, and people with little money tend to have more time. So the dual currency mechanism enables some automatic leveling among the social classes.

Furthermore, this dual currency system provides more flexibility in the choice of projects that get approved by the council. The Banjar in poorer communities automatically favors projects that require a lot of time; and in rich ones the more expensive Rupiah projects tend to get approved. In short, in both cases, a lot of resources local can get mobilized for whatever the community chooses to focus on. And in all cases, a mixture of Rupiah money and Time money are always involved, just the proportional mix tends to vary. This explains why, in Bali, religious or cultural events actively involve practically everybody, and are not limited to a small social group as tends to be the case elsewhere.

Note that this system goes also beyond religious or cultural events. We found Banjars that support their primary schools or even build their own roads when the central government isn't responsive to their demands.

To be able to identify whether anything of the above Balinese case study is relevant for application in an environment other than Bali, we need to identify the general mechanism of how dual currency systems supports a more balanced worldview. This is why a systems framework for the above process will be presented next.

## A Systems Approach to Money and Values

The first step is to classify the four well-known forms of capital:

- Physical capital such as plant, equipment, real-estate;
- Financial capital such as cash, stocks, bonds, or “intellectual property” such as patents and trademarks;
- Social capital such as family or group solidarity, peace, community, quality of life, etc.;
- and finally, Natural capital such as clean water or air, biodiversity, and other “gifts of Mother Nature”.

These four main forms of capital fall into a straightforward pattern within the Yin-Yang framework as show in the following matrix.

	<b>Yang</b>	<b>Yin</b>
<b>Non-material Level</b>	Financial capital	Social capital
<b>Material Level</b>	Physical capital	Natural capital

The next step is to bring into evidence the linkages between the dual currency system and these four forms of capital. As noticed earlier, conventional national currencies have

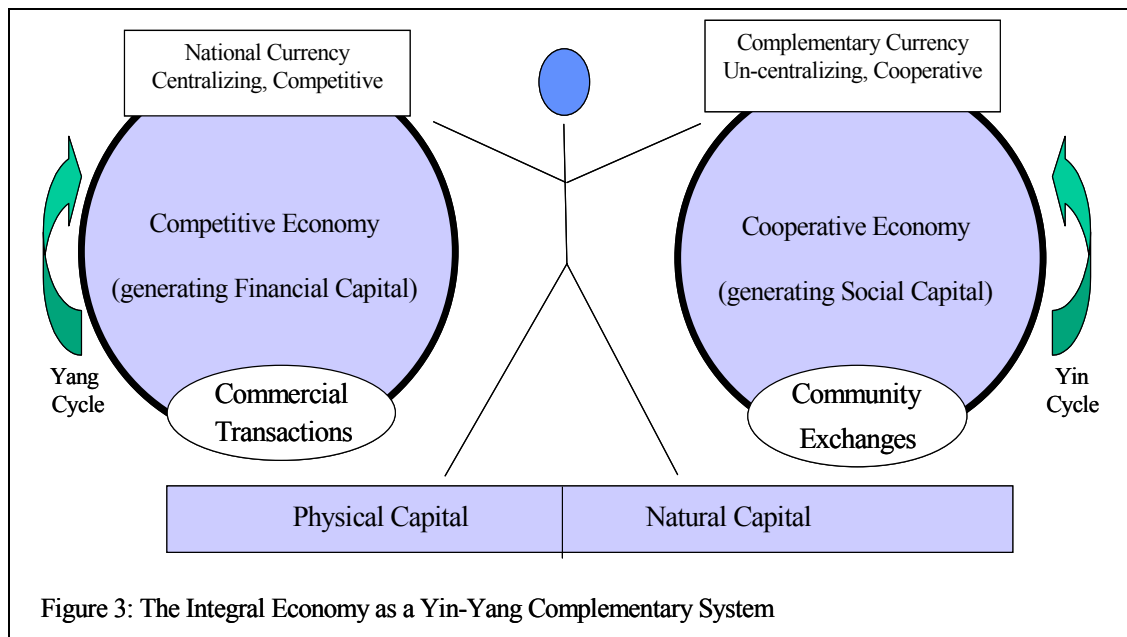


Figure 3: The Integral Economy as a Yin-Yang Complementary System

Yang characteristics: they are centralizing in nature as they are created through a highly centralized and hierarchical process, they foster competition, and they bear interest (a mechanism that encourages accumulation of money and its concentration).

Yin currencies, such as the Balinese Time currency, exhibit exactly the polar characteristics: they are created through an un-centralized and democratic process, they foster cooperation, they are interest-free and aren't accumulated. Figure 3 illustrates the dynamics of the two complementary currencies in their respective economies.

The conventional national currency operates within the competitive economy where it facilitates quite efficiently the various types of commercial transactions, and it creates financial capital in the process. This is what could be described as the “Yang economic cycle”. The Yin currency in contrast activates the Yin economic cycle in a cooperative economy, facilitating community exchanges that help generate Social Capital. Both economies require as underpinning a foundation of Physical and Natural Capital.

Conventional economic theory focuses only the Yang cycle and formally acknowledges the existence of the two Yang forms of capital: physical capital and financial capital. Unsurprisingly, these forms of capital are measured and exchanged in the national currency, i.e. the Yang currency. Conventional theory therefore tends to ignore the role of the two forms of Yin capital - natural capital and social capital - and considers them as “externalities”.

Nevertheless, all economies need to have both a Yin and a Yang cycle – otherwise vitally important Yin functions such as raising and educating children, caring for the elderly, or community and volunteer activities would not exist. A society completely lacking a Yin cycle would therefore soon collapse. But whenever a monopoly of Yang currency prevails, the Yin functions tend to be less acknowledged and honored, and systematically starved of resources. Such functions also used to be relegated to women. So the public invisibility of women, the disregard of the feminine functions of the Yin cycle, and the gradual deterioration of the Yin forms of capital are hereby explicitly linked.

One result of a monopoly of Yang currency: community decay, and less solidarity and group creative activities than is the case in societies with a dual Yin-Yang complementary currency system. Another result: it is often said that in Bali “everybody is an artist of some kind”, as indeed almost everybody tends to contribute to group cultural events as musician, dancer, mask maker, decorator of musical instruments or temple ornaments, or at the very least arranger of the elaborate daily offerings. In contrast, in the “developed societies” where exchanges are monetized exclusively via a Yang currency, the arts tend to become a highly specialized and comparatively rarefied function, and their output becomes a commodity consumed by an elite.

The Integral Economy framework of Figure 3 formally recognizes both a Yin and a Yang cycle, where each cycle mutually supports and complements the other. Within such a framework, the Balinese exception and many of its unusual characteristics become more easily understandable, even predictable. They may also contribute to explaining the polar differences of the reaction to a terrorist attack in Bali and in the US.

The model of an Integral Economy and the unusual socio-economic dynamics of dual Yin-Yang currencies have been verified in contemporary cases other than Bali.<sup>11</sup> In

---

<sup>11</sup> On a contemporary anthropological basis, the recent study of traditional dual currency use in Papua New Guinea came to identical results as in Bali. See DeMeulenaere, S., Week, D. & Stevenson, I. *The Standardisation and Mobilisation of the Tabu Traditional Shell Currency* (East New Britain Provincial Government, Papua New Guinea, 2002).

addition, historical precedents of the use and effects of dual currency systems by Matrifocal societies in Dynastic Egypt and the Central Middle Ages in Western Europe have been documented extensively in *The Mystery of Money*.<sup>12</sup>

### ***Some Implications?***

What would a society that honors the feminine values - the Yin coherence of Figure 1 - look like? On the basis of the various real-life case studies completed so far, it would not be a society where masculine values are repressed. Instead, it would be a society moving towards the “world in balance” described at the beginning of this paper.

If it is true that a dual Yin-Yang currency approach combined with hyper-democratic grass root organizations can significantly shape a society’s value system, interesting new initiatives become available for introducing change. And such initiatives can best be started at the grass-root level, without the need for a central governmental involvement. By making use of a Yin complementary currency, Yin-type activities are more continually nurtured whether they are of a social, cultural or artistic nature; even while the people pursue in parallel market-oriented activities.

In a large-scale survey of the American public, no less than 83% considered that the top priority in the US should be to “rebuild community”<sup>13</sup>. This suggests that the automatic assumption that the dollar is the only monetary tool relevant to solve all problems - especially those of a community nature - may usefully be questioned, even in the US.

It is intriguing that there are now many places in the world where either one of these concepts separately is currently operational – either decentralized democratic organizations, or complementary currencies. It is only their combination that remains comparatively rare.

On the complementary currency side, there are many community exchange systems functioning throughout the Third World. More surprisingly in the last two decades we have seen similar non-conventional currencies develop exponentially throughout the First World. Specifically, there was only one such Modern system in 1984, less than a hundred in 1990, while today there are well over 4,000. For instance, Local Exchange Trading Systems (LETS), Time Dollars<sup>14</sup> and Time Banks all use different forms of Yin complementary currencies.

Those 4,000 local currency experiments currently under way can be considered as research prototypes of what will actually emerge over the next decade. They are a bit like the Wright Brothers planes – it is a miracle that they fly in the first place. But they have unquestionably proven that it is possible to fly- they have already shown that they can

---

<sup>12</sup> Lietaer B. *Mysterium Geld* (Munich: Riemann Verlag, 2000). Also available in Japanese with Diamond Publishers, Tokyo.

<sup>13</sup> This study is based on surveys of a scientific sample of more than 100,000 American adults and 500 focus groups. Ray, P. and Anderson, S. *The Cultural Creatives* ( New York: Harmony Books, 1999).

<sup>14</sup> See [www.timedollar.org](http://www.timedollar.org)

contribute to solving a wide range of social problems without involving government bureaucrats or taxpayers money. Pragmatic results amply justify more systematic experimentation. That is what is being done today most systematically in Japan. Regional and local governments have started supporting pilot projects throughout Japan to facilitate the rebuilding of community and social capital in a more effective way than the conventional approaches, and at a fraction of their Yen cost. Several of these new exchange systems even make use of smart cards to process the Yin-type complementary currencies.

A complete conceptual framework as well as an investigative report on the advantages and disadvantages of each type of complementary currencies is provided in *The Future of Money*.<sup>15</sup>

Complementary currencies may indeed be a very old idea whose time is coming even for developed countries. The Prime Minister of the UK, Tony Blair, pointed out in a speech during the year 2000: “As a nation we’re rich in many things, but perhaps our greatest wealth lies in the talent, the character and the idealism of the millions of people who make their communities work. Everyone – however rich or poor – has time to give ... Let us give generously, in the two currencies of time and money.” Similarly, President George W. Bush on his 2002 Thanksgiving message was appealing to the Americans to volunteer more frequently.

Could we not learn something from the people who have accumulated centuries of experience using tools that support such activities?

Requests for volunteering and exhortations towards a “gentler society” still remain in total denial of the collective programming due to a monopoly of a scarce, centralizing, Yang currency imposed on all exchanges. And the importance of truly democratic decision making on what people want their resources (both time and money) used for is similarly overlooked, even in most non-profit organizations. The resilience of the Balinese approach derives clearly from genuine grass-root support for every activity that the community itself has decided upon, and the possibility to stop any project whenever a majority in the community questions it. When this approach is abused through a top-down imposition of projects, the mechanism quickly deteriorates and breaks down.

### **So what?**

“If one wants to feed someone, give him a fish. But if you want to truly help him, teach him how to fish.” Well-designed complementary currencies actually play the role of such proverbial fishing lessons. Once in operation, they facilitate a continuous flow of transactions that otherwise wouldn’t happen, thereby enabling more work, creating additional wealth and particularly more social capital than would happen without them.

By now it should be considered naïve to expect a lot of help from central governments to address many of our local issues. Millions of people are now involved in initiatives of all scales to attend to an impressive range of social, educational or environmental problems.

---

<sup>15</sup> Lietaer B. *The Future of Money*, (London: Random House, 2000) available on [www.amazon.co.uk](http://www.amazon.co.uk)

But only a minority of such local activists has become aware of the potential of local complementary currencies to increase the effectiveness of their actions. It may indeed be appropriate to look seriously into the social multiplier effects that complementary currencies make possible. If you are in an area where a local complementary currency is already operational, you may want to consider joining into the experiment yourself. If there is no local system available, but you belong to a community of dedicated activists, you may want to consider starting your own system.

From an academic perspective, just as was the case with Wright Brothers aeronautics, theory is way behind practice. Most economic theory assumes only one currency per geographical area. And practically none of it deals with the effects of complementary Yin-Yang currencies that respectively stimulate different behavior patterns. Therefore, the field of Integral Economics as sketched in Figure 3 is wide open for both theoretical and practical field research.

## **Conclusions**

The implicit theoretical assumption that money is value neutral should be questioned. As the English put it: “A fact is a fact, and is more respectable than the Lord Mayor of London.” It is a fact that in Bali many exchanges and transactions occur that otherwise would not happen, because of the availability of the locally created Yin currency. Furthermore, it is a fact that the users themselves claim that their vibrant community spirit and more gentle worldview can be only be sustained because of the existence and widespread use of this Yin currency. Finally, it is a fact that Bali *is* different, and has proven so most recently under the extreme pressures of a brutal terrorist attack.

Nobody is claiming that the Yin-type community currencies all by themselves are magic wands that would automatically solve Third World poverty and cultural degradation, or for violence-prone policies and behavior in the First World. Neither should one deduce from our case study that Bali is the Pollyanna Paradise proclaimed by the travel brochures. There are fights in Bali, crimes are being committed, pollution is increasing there as elsewhere.<sup>16</sup> But their frequency and scale is definitely more manageable than in most other places on this planet.

Human societies are an extraordinary complex web of interrelated but independent factors, and it would be naïve to assume that change in any one variable would be sufficient to shift the whole. It is simply hoped that this paper will draw the attention to one important variable that seems generally overlooked: the role of money systems in shaping collective emotions and values.

---

<sup>16</sup> For an inventory of such problems by the Balinese themselves, see Ramseyer, U. and I Gusti Raka Panji Tisna *Bali Living in Two Worlds: A Critical Self-Portrait*, (Basel: Schwabe Verlag, 2000). For the same by a foreigner, see Vickers, A. *Bali: A Paradise Created* (Berkeley: Periplus Editions, 1989).

Last but not least, this study may explain why – to be successful in business – many women feel a systematic pressure to repress their feminine side. This becomes quite understandable if one realizes that business is ultimately about controlling the flow of money; and that our money - instead of being value neutral - is one of our most powerful enforcers of the Yang coherence in our society. Any Yin priority is therefore by definition going to have the swim upstream against the Yang undertow built into our conventional money system.

It is interesting that - even if we have seen many women Presidents of major countries, universities, or corporations - women Governors of Central Banks are about as frequent as women Popes. More generally, as Yang money shapes behavior patterns and emotions independently of the gender of the participant, it doesn't leave much leeway for the feminine side to be expressed - particularly in our business or financial worlds - whether by men or by women.

The fundamental purpose of Taoism - as most spiritual practices - is the transcendence of duality. Therefore the Yin-Yang model is only a mental tool helpful to map the way to get there. That is why even the dual currency model of the Integral Economy should be considered only as an evolutionary tool particularly relevant for the next ten or twenty years, the socio-economic transition period in which our global society is engaged. Ecological pressures, community breakdowns or the spreading of violence in the world can all be successfully dealt with only from this broader perspective, the one that fully reintegrates the legitimacy of the feminine perspective into our worldview.