



# CIRCLES

A HANDBOOK FOR IMPLEMENTING  
A NEW WAY TO THINK  
— ABOUT MONEY



Emergent currencies are a practical tool that allows for the democratization of resources in times of crisis. A confederation of such local community currencies, alongside the parallel relocalization of economic relations could be called a Money Commons. A money commons is a counter-movement against financialization. It is an attempt at democratizing the institutions that underpin monetary creation today—central and private banks—and transform them anew in order to democratise the economy itself. Universal Basic Income (UBI) is a civilizational paradigm shift. The transformation of money, its democratization into a people-powered-money commons, issued to people as a universal and unconditional income, is part of the key that will unleash humanity's peaceful cohabitation with other forms of life in a sustainable way, but only if done right.

This handbook will show how UBI can be implemented from the bottom up in practical ways. The goal of Circles is to build the social and technical infrastructure for the distribution of value, where people decide what is important in life, giving people the unconditional power to issue promises with the people around them. If you're reading this, you are already taking part in this change.

The following is a user's manual which aims at explaining 'how to organise your own local economy' using a basic income currency, Circles UBI, as a means of changing humanity's relationship to itself - our current economic paradigm - and build the basis for a society that is more caring of each of its members and other forms of life. The first part explains what Circles UBI is and the meaning of trust in the system. The second part goes into detail about how to organise your local economy using democratic assemblies as a form of governance, following the principles of localism, decentralization, self-sustainability and democratic confederation. The third part explains how to build an economic credit circle in your area with the local vendors, workers and communities at large.



# WHAT IS CIRCLES?

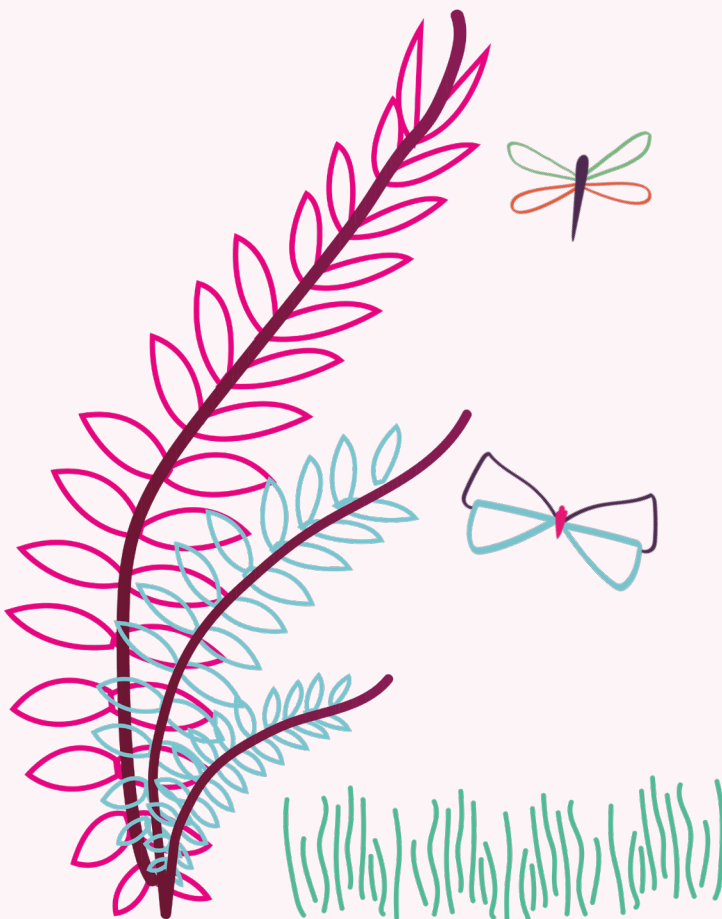
**Circles is a new way to think about money. Circles is a people powered money system. What does this mean?**

We are used to perceiving money as money takers, not as money makers. You may think that you make money when you work, but this money was not created by you. You only get money that already existed in exchange for selling your work: others take your time, you take their money. With Circles, you issue your own money and take back your time.

Circles gives you the power to issue credit and become a real money issuer. With Circles, people claim the right to an unconditional basic income by issuing their own money and exchanging with their communities of trust the things that they need to live.

Money is an IOU (I-OWE-YOU), promises we make to one another. Circles is a credit money system which allows people to have the equal and unconditional power to issue promises into the world and claim resources with them. Because people exercise the power to issue money, they create a network of trust that allows for a more democratic economy to emerge.

The Circles currency that you issue is your own personal currency. It can grow into a basic income system within a network of people who are willing to give value for Circles tokens (CRC).



\*This can be contrasted with bank credit creation, which is where banks issue debt to people. When banks issue money, they only create the principal or the amount they lend. Indebted people are forced to compete in labor markets over the interest, creating winners and losers who are trapped in a cycle of debt sometimes all their lives.



# WHAT IS UNIVERSAL BASIC INCOME (UBI)?

According to the Basic Income Earth Network (BIEN), basic income is a periodic money payment unconditionally delivered to all on an individual basis, without means-test or work requirement. UBI has thus 5 characteristics:



## CASH PAYMENT

It is paid in an appropriate medium of exchange, allowing those who receive it to decide what they spend it on. It is not, therefore, paid either in kind (such as food or services) or in vouchers dedicated to a specific use.



## INDIVIDUAL

It is paid on an individual basis—and not, for instance, to households.



## PERIODIC

It is paid at regular intervals (for example every month), not as a one-off grant.



## UNIVERSAL

It is paid to all, without means test.



## UNCONDITIONAL

It is paid without a requirement to work or to demonstrate willingness-to-work.

Circles (CRC) is a form of electronic money, which people have the power to issue on a periodic, individual basis, without means-test or work requirement. In order to become an unconditional basic income, to claim enough wealth and be free of wage labor, covering one's basic needs, political and economic organization is needed. People therefore take the responsibility of issuing promises to one another, without the need to repay it back to a bank or a state.



# PRINCIPLES FOR SOCIAL AND ECONOMIC ORGANIZATION

Circles is ideally meant for local municipal constituencies which can be federated following the principles of direct democracy. Each of these principles taken alone are not enough to bring about truly liberatory and transformational change in our societies. We must therefore think holistically about these four principles. In order to start Circles in your local area, you need people and merchants willing to commit and redeem resources for Circles. In order to get started, you will also need other people who can help you in organizing a democratic economy around you and most importantly, who trust you and who you trust.

## 01. SELF-SUSTAINABILITY

Because any economy is fundamentally about people and where they live, we prefer to think of economies in the original sense of households, not defined by four walls but by the relations that reproduce them. In this sense, self-sustainability is achieved through localised interdependence between actors, who complement each other by providing the labor and resources that they need to live.

## 02. DECENTRALIZATION

The decentralization of the production of money, claimed by people directly as a universal income through infrastructures like Circles, forms the basis of a democratic economy. Circles aims at the decentralization of economic and political power via democratic and autonomous practices.

## 03. DEMOCRATIC CONFEDERALISM

Democratic Confederalism starts from the notion that every entity has the right to organise itself from the local to the universal. It is an ethical, political, and administrative expression of society in which different identities, factions and groups coexist in harmony with one another in confederated democratic assemblies (see page 8).

## 04. LOCALISM

The ethos of localism is to think global and act local, or to think about local solutions to global problems, situating yourself where you are, by interacting with your environment and seeing what the resources and needs in your area are. Localism is therefore a call for autonomy and local democracy or democratic autonomy, for short, as a principle for the organization of society.



# FROM LOCAL TO PLANETARY AND BACK

Circles aims to provide social and technical infrastructures to build alternatives to today's neoliberalism and corporate feudalism. Local groups will be confederated together at the broader regional, national and international levels from the bottom up. The democratization of money in the form of a truly liberatory basic income which represents our common wealth can only be achieved by means of economic democracy.

All units within the confederal structure organise themselves autonomously. These structures can be assemblies, cooperatives or academies. The fundamental unit of these structures is the circles of trust people organise within. Within this context, the fundamental institutions in implementing direct democracy are the democratic assemblies.

Democratic autonomy is a way by which each group can organise according to their abilities and needs and build a different economic paradigm together, based on a different value system than that of capitalism and the nation-state: one that nurtures the commons and democratic forms of arranging life.





# CURRENCIES AND TRUST


To enter the system you need 3 people to trust you. Once you enter the system, you may want to pay a stranger in Circles for something you need, like bread.

The baker accepts your CRC in exchange for bread. She then gives Circles to her farmer friends for the flour they gave her last month, to clear her obligations.


You can pay with CRC to the people who trusted you, or through the "transitive path" to their peers. This is to make sure nobody is claiming two basic incomes by making fake accounts - claiming resources from you and your friends. People who trust fake accounts only harm themselves as they are accepting credit from an unknown entity.

## WHAT IS TRUST?


The ability to issue credit to your peers: Wherever there is credit, there is trust. Trusting somebody in Circles means that you are willing to accept their claims to get resources from you. You trust that the mutual obligations in the network can be cleared with Circles. Circles therefore flow in exchange for what people commit to give (e.g. labor time, produce, etc).



The farmers use these Circles to pay for part of their employee's wages and for distribution services, which they could not pay in national money. They use Circles to clear the obligations they had with them.



One of the things you will discover when organising a local economy is the role distribution or logistics plays in bringing stuff from point A to point B.



The point of Circles is to create circuits of local exchange so that obligations between different trusted peers can be cleared in cyclical and non-linear ways.

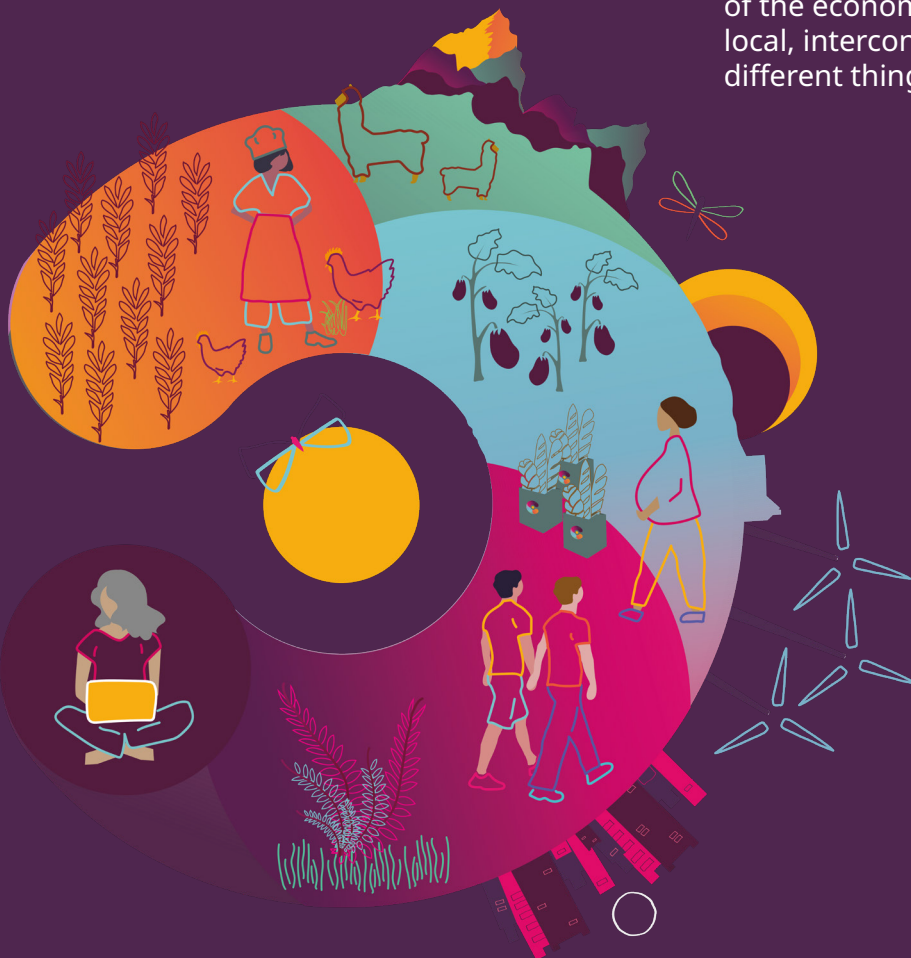
# HOW TO START AN ASSEMBLY?

**Assemblies are self-administration structures formed by individuals.**

An assembly is a grassroots democratic system of governance where people from the community (village, neighborhood, city, canton, etc.) come together to discuss and decide over the different aspects that affect their lives.

Because Circles aims to create an economic system that provides people with a basic income to live, an assembly creates a democratic structure to come together and decide over how to get there. The assembly serves as the space whereby people can choose over what they want to see in the network, take concrete actions to make it happen, and maintain the system.

This system of local neighborhood, municipal assemblies allows for people to come together and decide on the organization of their own economic circle. This means embedding the real economy by using Circles, bringing different sectors of the economy together, and creating a local, interconnected system of value where different things can flow.



# STEPS TO ORGANISE YOUR LOCAL ECONOMY

## #1

### JOIN AN EXISTING COMMUNITY HUB IN YOUR AREA.

If there isn't one, you can start one with at least two other people. Three people are needed to start trusting others and get started in organising Circles. If you are having difficulties getting trusted where you are, you can reach out to other hubs or email us at [hello@joincircles.net](mailto:hello@joincircles.net).

## #2

### MAKE A MONTHLY ASSEMBLY.

It's important to keep a periodic fixed day so that people can make time in advance. Assemblies normally take at least 2 hours, depending on the amount of topics to be discussed and decided upon.

## #3

### CREATE A COORDINATION GROUP.

Coordination is in charge of organizing the assembly, taking protocol and making sure the decisions made are followed on and implemented. The coordination also has an overview of what all the working groups are doing. If there are enough capacities, the coordination should rotate every once in a while (e.g. every 6 months).

## #4

### WORKING GROUPS.

Within the assembly, you can create working groups that focus on specific tasks. Food organisation groups, ecologistics/distribution groups, caring circles, housing groups are all examples of the different sectors of the economy you can organise with Circles.

## #5

### COMMUNITY REACHOUT.

Going to the different local merchants, cooperatives, social centers, local leaders, churches and businesses in your area. You have to make sure they understand the benefits of joining Circles. By using Circles, people and groups can turn their under-utilized resources into community credit which they can use to complement each other's needs.

**The aim of the Circles currency is to become a community basic income system where people can attain a basic livelihood from it. What this means and how it is achieved depends on each community.**



# BUILDING CREDIT CIRCLES

Circles is people powered. Weaving a network of vendors, merchants, shops, cooperatives, farms and businesses willing to exchange CRC with each other is the fastest and most practical method to get Circles accepted. For anybody willing to use and accept CRC, the first thing you have to ask them is:

## #1

### WHAT DO THEY NEED?

A baker may need milk and flour from a farm, a dentist appointment for her daughter or advertisement from local magazines. Everyone using CRC needs bookkeeping services II. Building Credit Circles means finding those people who can complement each other's needs and are willing to go into mutual obligations with each other. The assemblies and groups serve as the backbone for organizing and coordination.

## #2

### THEIR CAPACITY

How many resources are they willing to commit to exchange for CRC? For example, the baker can decide to give 10% of all the bread she makes in a week/month/year for CRC. Depending on the vendor, this can come from their idle inventory if they are a shop, low sales hours if they are a restaurant or if they are a farm, any surplus they would otherwise not have sold.



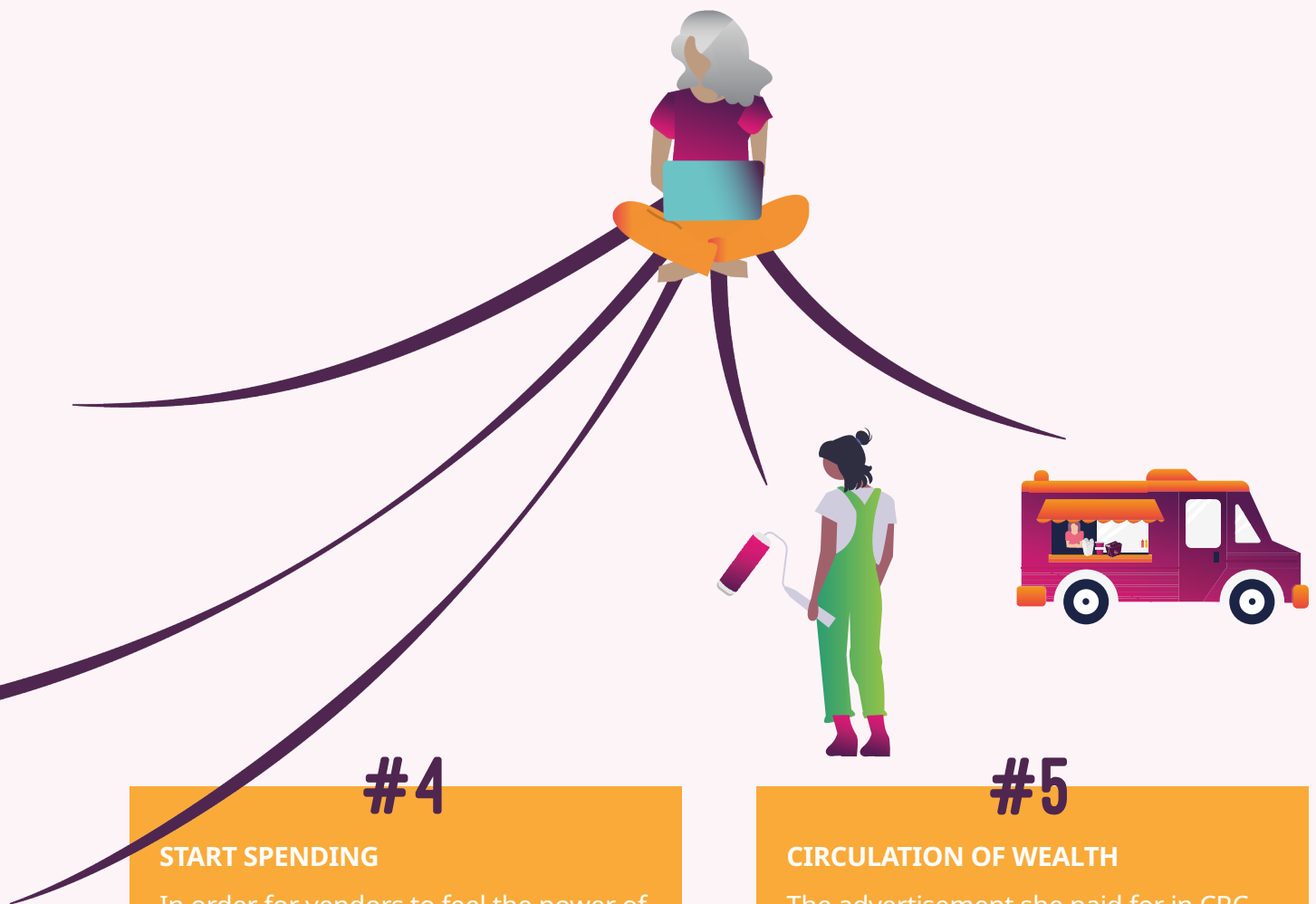


## #3

### DEFINE THEIR CIRCLES SPENDING LIMIT

Vendor's power to issue CRC to others should be based on the amount of stuff they commit to give in the network. To create a sustainable network, you should negotiate the amount of stuff vendors commit to give in the network to be at least 5 times higher than their available Circles credits. Using group wallets, vendors can crowd-source different individual circles and set their limits based on what they give.

The baker who committed 5000 CRC worth of bread for the first year can set her circles spending limit to 1000 CRC and start issuing them out to others in the network. Having at least a 1/5 ratio between credit and reserve capacity makes for a sustainable economy!



## #4

### START SPENDING

In order for vendors to feel the power of issuing circular credits, you have to first get them to spend them. Say the baker spent all her 1000 CRC credits to pay for the dentist, buying advertisements and for the milk and flour she got from her farmer friends. She maxed out her credit line and received in exchange the resources she needed from the network. She replenishes her CRC credits by selling the bread she committed to the network.

## #5

### CIRCULATION OF WEALTH

The advertisement she paid for in CRC worked and she now has new and more customers. She just turned her committed bread reserves into circular credits to get the stuff she needs. This is the heart or propeller that serves as the basis of making a sustainable, community basic income to circulate wealth. As people join the network, realise the power of community credit and claim more resources by making Circles grow, the closer Circles will be to a full UBI!

# PRICING AND FORMS OF PAYMENT



## #01

### THE MIRROR

If you do not know how much to charge people for something in CRC, we recommend you mirror the current price of your product or service in your local currency, eg. € or Pesos.. Copying the unit of account (USD, Euro, etc) is an easy price finding framework for people to know what to charge.



## #02

### CARE WORK AND LABOUR EXCHANGE

You make a cup once but you wash it a thousand times. Taking care of ourselves, of other people, plants and animals is actually where the economy (understood as household or oikos) begins. Today, care work is undervalued and is done by many without remuneration (majoritarily women). Circles aims to facilitate a different money for a different economy with different values, one which redistributes and delegates the work needed to take care of each other and gives them the ability to decide what they want to value and how.





## #03

### CO-PAYMENT

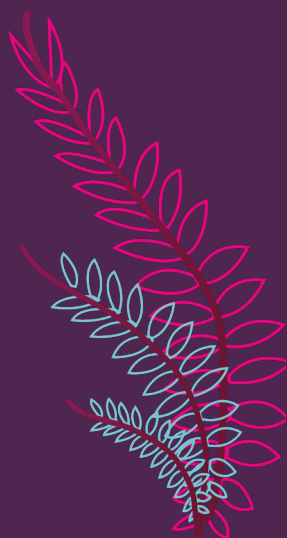
You want to buy a beer at your favorite bar. The owner of the bar is your friend and nice enough to accept Circles, as long as you also co-pay with fiat money as well (Euro, USD, etc). If your locally brewed beer of choice is 3€, you could add an extra 3 CRC and make your payment using both monies. Alternatively, the bar owner could make an offer to pay in Circles after you've consumed 10€ in beer. Whatever the bargain is, co-paying in two currencies allows people to have more disposable income, lower costs and increase sales.

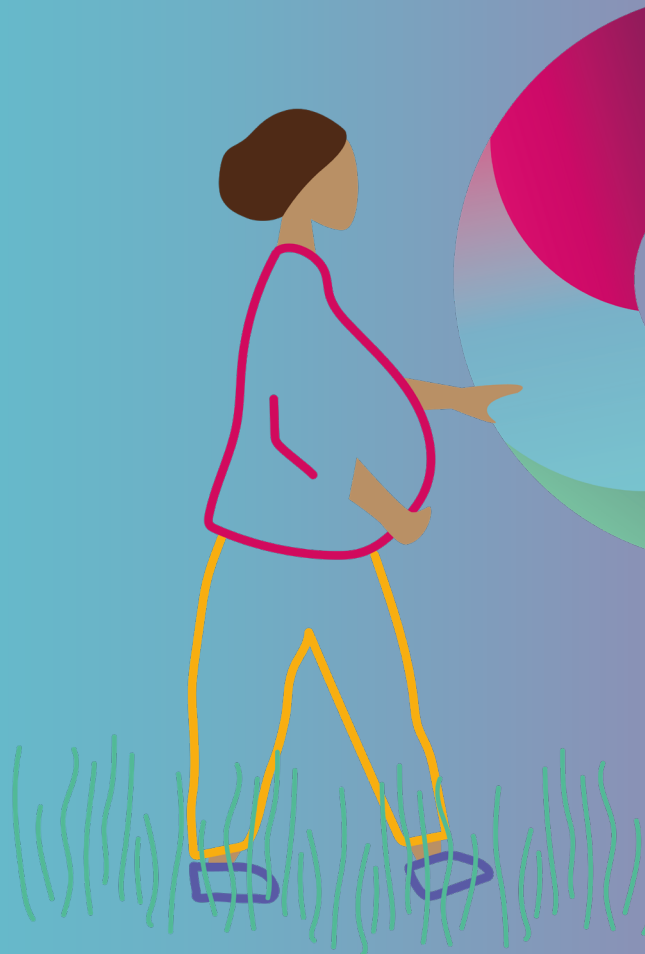


## #04

### CROWD-FUNDING

You want to go to the community kitchen in your neighborhood to have some warm soup and meet with your friends for the afternoon party. Usually, the organizers of the community kitchen set a range of recommended donation prices so people have an idea of how much to pay. This refers to the practice of paying what you can for the food and events you attend, without a fixed enforced price. This is a very nice community practice as it allows people with different economic means to participate and pay what they can without shame. If you don't have the means to pay with €, you can also use CRC!





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