

Conference Announcement,  
Schedule, and  
Call for Break-out Panels

# Money as a Democratic Medium

December 14-15, 2018  
Harvard Law School

Sponsored by:

Harvard Program on the Study of Capitalism, Institute for Global Law and Policy,  
The Murphy Institute - Tulane University, the Harvard Law Forum,  
and Harvard Law School

## A. Overview

“Those who create and issue money and credit direct the policies of government and hold in the hollow of their hands the destiny of the people.” The words, attributed to a 20<sup>th</sup> century British banker, capture an emerging consensus. Money, governance, and public welfare are intimately connected in the modern world. More particularly, the way political communities make money and allocate credit is an essential element of governance. It critically shapes economic processes – channeling liquidity, fueling productivity, and influencing distribution. At the same time, those decisions about money and credit define key political structures, locating in particular hands the authority to mobilize resources, determining access to funds, and delegating power and privileges to private actors and organizations.

Recognizing money and credit as public projects exposes issues of democratic purpose and possibility. In a novel focus, this conference makes those issues central. Scholars, policy makers, and students have often assumed that money and credit emerge from private exchange and entrepreneurial activity. Recent work, by contrast, emphasizes that modern currencies depend on collective orchestration. That approach resets the frame.

First, examining money as a public project opens monetary institutions to our view. Comparative and historical work suggests that societies have experimented constantly with different monetary structures and methods of allocating credit. Everyday experience reiterates that lesson. The Financial Crisis, the European Monetary Union, recurring sovereign debt crises among emerging countries – all have catalyzed intense debates over institutional reform. Expanding our vision enables us to identify and explore more effectively the complex engineering that produces modern money and credit. Given the broader view, we can better evaluate the way our monetary orders have changed and the capacities at stake when they do. We can see causal connections previously obscured, including the relationships between governmental structures and market processes. Likewise, we can ask new questions about the way disciplinary premises, such as the private genesis of money and credit or the classical dichotomy between real and nominal value, have shaped substantive inquiry. Looking forward, we can consider institutional alternatives, the political and normative premises that shape them, and their impact on shaping the modern political economy.

Second, the new approach directs attention to a different register of claims and responsibilities. If money is a public resource, if public obligation and enforcement anchor demand for the medium, if the government in essential ways supports the payments system – then we face profound legal and political obligations to evaluate the design of the monetary and financial system and the dynamics it

produces, including how money circulates, whether participants in a monetary community have equal access to the medium, and how the current structures engender growth, mobility and opportunity, or dearth and exclusion. Today's challenge is to revise the monetary architecture we have inherited so that it operates to reinforce democratic aspirations rather than undermine them.

The goal of the conference is to bring individuals working in different areas with diverse methods into a common conversation. Their projects are likely to inform each other and may suggest unanticipated synergies at the academic and policy-making level. For example, one trend in recent work reinterprets the monetary system as a public utility. That insight throws the regulatory regime crafted for banks and analogous institutions into a new light, suggesting that we have miscategorized those entities. Another strand in scholarship and policy-making focuses on the long-standing failure by commercial banks to reach low-income individuals. That work explores the motives that drive bankers' decisions and considers efforts to re-align those incentives. The projects on infrastructure and "banking the unbanked" each revise scholarly approaches to banks as intermediaries and innovate ways to expand access to credit.

Similar potential synergies abound elsewhere. Thus scholars from a variety of methodological angles are exploring the way societies anchor money's value. Their work considers the critical role played by public demand, including the determination by political authorities to take a particular unit in payment for taxes and other communal obligations. That theoretic claim informs full employment/job guarantee programs, proposals for "complementary currencies" that could circulate as a more flexible local money within monetary unions, and models of sustainable credit that advocate loans tailored to increasing taxpaying capacity. As the scholarship in these areas proliferates, its authors should vet their approaches to public demand against each other, looking for the differences and shared aspects that could stimulate new insights and stronger work.

The Conference is organized to invite sustained exchange among participants over the course of the two-day conference. Scheduled sessions are listed below.

Two sessions on Friday, including one period on the general schedule and a period for break-out panels or more specialized discussion, have been set aside for submitted panels or discussions. To propose a panel, please submit a packet containing 1) panel participants, 2) confirmed commentator, and 3) paper abstracts by November 1<sup>st</sup>. We will receive independent paper submissions, but their chances of acceptance of course depend on the vagaries of other submissions. Panels and papers in the following areas are particularly encouraged: Green Finance/Public Purpose Finance; Financialization and Inequality; Central Bank Accountability. We can accommodate five panels – we hope to see you there.

Submissions should be made to Susan Smith [susan.smith.hls@gmail.com](mailto:susan.smith.hls@gmail.com) Faculty Assistant and conference coordinator with subject: Money Conference Paper. Please contact her or Christine Desan ([desan@law.harvard.edu](mailto:desan@law.harvard.edu)) for additional information.

## B. Schedule

### Friday, December 14

8:00-8:45 BREAKFAST

8:45-9:00 **Welcoming Remarks: Christine Desan**

9:00-10:30 **Monetary Sovereignty, Democracy, and Economic Development**

Recognizing the character of money as a sovereign project throws the complexity of economic development, especially in a globalized monetary system, into high relief. The hegemony of certain moneys as reserve currencies, the dense growth of financial markets, and the role of international financial institutions all now configure the landscape. How have efforts to democratize money, an initiative that depends on domestic participation, fared in the past and how might they relate to public welfare and economic development in an era when monetary sovereignty is challenged?

Presentations and Discussion – Papers pre-circulated

Katharina Pistor - Columbia Law School  
 Jamee Moudud - Sarah Lawrence College  
 Anush Kapadia - Indian Institute of Technology

Commentator: Roy Kreitner, University of Tel Aviv Law School

10:30-11:00 BREAK

11:00-12:30 **Plenary Session: Open Session for Submissions**

Subjects and participants TBA

12:30-1:30 LUNCH

1:30-3:00 **Complementary Currencies**

Communities for centuries have deployed tax anticipation credit enhanced with cash properties as money; arguably the practice defines what creates a viable unit of account. The contemporary issue is how communities may choose to facilitate economic development or improve societal well-being by creating and deploying moneys that are complementary to currencies issued by a monetary union or by a central bank against financial assets.

Roundtable – Discussion material may be pre-circulated

Helmut Siekmann – Institute for Monetary and Financial Stability, Goethe Univ.  
 Farley Grubb - University of Delaware  
 Bruno Théret – Paris Dauphine University  
 Isabel Feichtner – University of Würzburg

Moderator: Philippine Cour-Thimann, Research Economist, European Central Bank, and Professor, Sciences Po

3:30-4:45

**Keynote: Payments Systems Accountability: The Case of Assault Gun Sales**

The payments system, once routinely overlooked, is a critical and centralizing locus given its essential role in everyday transactions. Given that role, the issue arises how both public and private actors should take responsibility for its character, selectivities, and results.

Speaker:

Andrew Ross Sorkin – New York Times/ “DealBook”

5:00-6:30

**Break-out Panels**

Subjects and participants TBA

7:30

DINNER

Speakers and invited participants.

**Saturday, December 15**

8:00-9:30 BREAKFAST

9:30-10:45 **History and Theory**

If money is a complex collective enterprise, protean in design possibilities both in practice and conception, then it has a history of change, carries profound moral significance, and lays a rightful claim to the concern of citizens and political theorists, lawyers and economists alike. How should an approach to money as a public medium re-orient fields that have ignored it? And how might the ideal of democracy matter in revised approaches?

Roundtable

Jeffrey Sklansky – University of Illinois at Chicago

Stefan Eich – Princeton, Society of Fellows

Stephen Marglin – Harvard University

Scott Ferguson – University of South Florida

Christine Desan – Harvard Law School

Moderator: Roy Kreitner, Tel Aviv University School of Law

11:00-12:30 **Plenary Session: The Public Option and The Narrow Bank (TNB)**

Recent work identifies money as a utility or infrastructural service, suggesting the government's obligation to provide access and to equalize compensation paid to those holding deposits. Innovative proposals for redesign argue that the central bank should provide transactional services directly to individuals or, alternatively, to large depositors.

Presentation and Comment – Materials pre-circulated

Morgan Ricks – Vanderbilt University Law School

Commentator: Jeremy Stein, Harvard University (formerly Governor, U.S. Federal Reserve)

James McAndrews – TNB Chairman and Chief Executive Officer

Commentator: Morgan Ricks

12:30-2:15 LUNCH

- 1:00-2:15      **Keynote: Banking as a Social Contract**  
 In the American tradition, commercial banking claimed public support in exchange for delivering public services. It has become increasingly clear that those services are both failing the poor and distributing resources, including access, authority, profits, and credit, along lines of race.
- Speaker:  
 Mehrsa Baradaran – University of Georgia School of Law
- 2:30 -4:00      **The Monetary Case for a Job Guarantee**  
 Significant evidence suggests that employment leads rather than trails economic growth. That conclusion supports programmatic initiatives to create jobs directly in the public sector. At issue here are models that identify sovereign money as a public commitment that anticipates -- and enables -- productivity rather than expending a finite resource.
- Roundtable – Material pre-circulated
- Pavlina Tcherneva -Levy Economics Institute  
 Philip Harvey – Rutgers Law School  
 Rohan Gray – Cornell Law School  
 Darrick Hamilton – The New School for Social Research
- 4:00-4:30      BREAK
- 4:30-5:15      **Wrapping up: Reflections on the Conference**  
 We conclude with brief comments from participants on a small number of core questions, including (1) what themes emerged most powerfully across the conference sessions, and (2) what steps can we take to ensure that this conversation continues in ways that support future work?
- Nadav Orian Peer – Tulane Law School  
 Patricia McCoy – Boston College Law School  
 Saule Omarova – Cornell Law School  
 Iain Frame – Kent Law School
- Thank you – Christine Desan