

GOVERNMENT OF THE REPUBLIC OF UTOPIA AND “BYTE MONEY” PROJECT

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GORU (Government of the Democratic Republic of Utopia), decided to abolish paper money and instead “print” only “BYTE MONEY”. Technologists came out with a unique non-counterfeitable algorithm and configured Byte Money in various denominations of Utopian Rupee (UR) up to 1 million UR.

The Reserve Bank of Utopia (RBU), in charge of “printing” of the Byte Money, transferred huge amounts of such “printed” Byte Money to various banks through computers, in exchange of paper currency surrendered by the banks. This new currency was named UTOPIAN BYTE RUPEE (UBR)

All the citizens of Utopia were asked to collect their Byte Rupee Cards (BRC) from the Banks. These plastic-electronic cards were loaded with UBR equivalent to the paper money surrendered by them. Each BRC can hold up to UBR 1 million. Persons who were already holding Bank Accounts were also given these cards loaded with whatever was the balance in their account.

These BRCs were bearer cards, which like money, could be stolen or lost. Hence, at the request of the BRC holder, a unique number was embedded. Alternately, he could incorporate his own password for paying more than UBR500 at a time.

GORU also introduced a small gadget called “BYTE MONEY STORER” (BMS), the size of a cigarette packet (20s). This was a subsidized gadget for UR.50 and sold only through banks. Each gadget was given a unique number. Every kirana and individual was in possession of BMS.

The system worked as follows:

Mr. A goes to a kirana to buy a shampoo or tea bag or bun for UR 2.00. He inserts his BRC into the kirana’s BMS and punches the amount. The amount is deducted from his

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The article appeared titled as “Cashless Utopia” in The Hindu Business Line on the 8th of December and can be accessed at <http://www.thehindubusinessline.com/opinion/benefits-of-digital-money-and-cashless-banking/article9416230.ece>

BRC and transferred to the BMS of the Kirana. At the end of the day, the Kirana owner inserts his own BRC into his BMS and gets credited with the balance in the BMS. Now the BMS has nil balance.

If the Kirana owner wants to pay his supplier, he can do so by inserting his BRC into the BMS of the Supplier or the supplier can insert his BRC into the BMS of the Kirana and get credited.

Even daily bus tickets, auto/taxis, cinema tickets etc were dealt through BRCs. In fact paying tolls on highways, buying vegetables, enjoying a cup of coffee could be through BRCs. In other words, the BRC was the “purse” holding the money, from which one paid to another’s BRC through BMS.

The wide usage of the BRC and BMS resulted in the following:

1. The banks earlier used to restrict withdrawal of money from ATMs to not less than UR 100, due to the transaction costs involved. Now this ceased to be a problem as no one wanted to draw money from ATMs and even UR 1.00 could be paid through the BRC to any BMS and this transaction was not through the ATM. This was equivalent to paying paper money from the purse. Simply put, money was transferred from BRC to another BRC through BMS held by individuals.
2. At intervals of time, when the BRC holder wanted to deposit money in his Bank account, he took his BRC to the Bank or to ATM and inserted the same in the BMS of the Bank and his account got credited in the Bank and deducted from his BRC.
3. Within one year all the paper money got out of the system and into the vaults of RBU for pulping and recycling for other purposes.
4. Since there was no more printing of paper money, millions of tonnes of wood got saved, resulting in stoppage of destruction of forests and trees.
5. The various hazardous chemicals used in the manufacture of the paper money got eliminated.

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6. The new “BYTE MONEY” (UBR-Utopian Byte Rupee) was “printed” by the RBU according to the normal monetary policy of GORU.
7. Everyone paid everyone else in Byte Money and the Government also collected its taxes in the form of Byte Money.

In other words, paper money ceased to exist.

Just like the fight between any Federal Reserve Bank and the counterfeiters of paper money, the fight continued with Byte Money also. GORU is geared up on this to combat this.

The problem of Byte Money Storer (BMS) being stolen, getting destroyed, drowned etc were also addressed. Since BMC as well as BMS were sold by the Banks, the Banks give an unique number and just like the de-activation of a mobile phone lost or stolen, the same de-activation was done and new BMS could be issued. The BMS holders were encouraged to transfer to their bank accounts substantial balances in the BMS frequently and keep only minimum balance in the BMS so that when stolen or damaged, the amount lost would be minimal (Just like the risk of carrying wads of paper money in the purse). The facilities were available in all the ATMs and Bank Branches to draw byte money from the bank balances either into BMS or BRC and vice-versa. This eliminated the requirement of BRC or BMS to carry heavy balance.

One important side-effect was the demonetization of the paper money resulting in elimination of “black money”, bribes and corruption. It is true that for a few months, the paper money used to be in circulation, meaning that some people still used the paper money as consideration for payments. It died out eventually, for the simple reason that RBU was not printing any more paper money to replace soiled or damaged notes. Hence after some time people refused to accept old paper money.

In this process of elimination of paper money and restoration of forests, the Republic of Utopia earned considerable revenue from Carbon Credits. However, they were aware that they were enjoying the first mover advantage and it was a matter of time before other countries also followed suit.

It was a win-win situation for all.

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