

“City Coins, Tokens of City Life”

By Alfonso Govela

City coins are data-backed place-based cryptocurrencies of value. They are alternative currencies that bond communities and territories, but also data currencies that increase our knowledge on the inner workings of cities, and an instrument to create new markets for real and digital urban assets. They present an opportunity to engage unused resources in local circular economies, and a unique chance to develop a unit of measure for city life.

Cryptocurrencies, up to now, have been a medium of exchange and a store of value. The third function of money: a unit of account, or a measure of value, still remains elusive. Irony because a convenient way to induce investment is through a demonstration of competence, and the ideal historical tool to monitor competence is accounting, accounting invented -500 years ago- a way to measure, process and communicate financial information with a register of transactions called the ledger. Remember Blockchain & DLT, the Distributed Ledger Technology?

Boiled down to their essence, cities are but interactions, built in a place and transformed through history. Human behavior is the pulse of cities, and social action its beating heart. Among different social interactions, transactions are important because they transfer value from one person to another. Through transactions of value we can understand citizen behavior, we can collect and connect data, and understand how cities work.

City Coins is unique opportunity to integrate all functions of money as medium of exchange, store of value, and unit of measurement, or unit of account, for city life.

As an alternative currency, City Coins can become a medium of exchange to address specific issues relevant to local and regional communities, economic sectors, business interests, as well as particular social, environmental, cultural or political goals. They may complement legal tender and some can be valued by and exchanged to national currencies as well.

As a digital asset linked to real assets of land and public space, City Coins can partake in value capture strategies for public finance to recover added value created by public infrastructure investment, ranging from TIF (Tax Increment Financing) to development rights, real-estate digital securities, and eventually to support planning as an arbiter of city values.

As a unit of account, City Coins link to a digital asset called City Use Token. These tokens recognize that cities are created and enjoyed by citizens. Citizens consume and produce cities. Their actions use up resources, bring forth results, and cause impacts in its territory. Behind every action there is a transaction between citizens and city systems. For each transaction there is a register of actors involved, values exchanged, location and time. The data of this transaction can be a tangible asset to trade. If existing, these individual registers are segregated now in administrative silos. A City Use Token provides a convertible unit of reference to liberate the kinetic value of data, detonate its network effect, and make its trading possible.

City Use Tokens register citizen transactions geo-located within its limits, in an anonymous and standardized manner. It is the unit of account that registers what, where, when, and how much value is exchanged in citizen interactions. It is a uniform record of transactions shared as a receipt among the parties involved. It belongs both to providers and consumers of goods and services. It crowdsources the collection and collating of urban data. It can be traded in an open market. It

relates tangible and intangible values, payment and sentiment, and adds meaning to city assets and liability, profits and losses of urban life.

City Use Tokens help cities make their data “liquid”, that is open, widely available, and in shareable formats, increasing the potential to turn data flows into data currencies, and helping data break out of administrative silos by engaging citizens, the actors that create information, while making them potentially richer.

Note:

This text is a summary of the article

Govela, A. (2018). “City Coins, Tokens of City Life”. *SVIR, Social Values and Intangibles Review*. May 2018. CCEG, Center for Citizenship, Enterprise and Governance. The University of Northampton, UK. Consulted 2018-05-18,

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