

What's WIR?

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Could the WIR help us, or Greece, or Spain?

Common Sense Medicine is all about resilience, about giving people the information and the power they need to make better decisions. Those decisions are the invisible hand that guides any adaptive system to continued progression and health. And it's not just healthcare. This article is about economic resilience.

Resilience is often associated with redundancy, with having more than one option to use for any given situation. In economics having more than one means of payment can make bookkeeping a bit more challenging, but if it makes the society, the economy, or the individual more resilient it may well be worth the bookkeeping.

The WIR is Switzerland's alternative currency. It has been around since the days of the Great Depression and has grown from a group of 16 members to more than 62,000. There is no money to exchange in this system; it is the WIR bank that keeps track of the debits and credits. The WIR has been immune to financial swings; it tends to thrive when the international market is having problems and hibernates some when it is not. And so has Switzerland.

The WIR was started in 1934 to try to cope with the unemployment and systemic problems with the global economy that characterized that period; much the same situation we see now in Greece, and to which Spain, Italy, Japan, and we are not immune. Nearly 80 years of experience shows that it works, and it works well.

There was recently a measure proposed by Dennis Kucinich to move our method of putting money into circulation from the Fed and the banking system to a government bank where new money would be inserted into infrastructure repair and creation. That power is likely too much of a temptation for our Congress, but certainly something needs to dampen the moral hazard that is so ripe for abuse in our current system.

So why not encourage one or more of our banks to include an "US" option. "WIR" is the German word for we so people know that they themselves play a critical role in this system's working, and "US" would carry the same message. Purchasers would have the option of using either dollars or debiting their US account and providers would have the option of paying in dollars or crediting the US accounts of their employees.

Federal contracts for rebuilding infrastructure could be weighed to promote using a US option. Such maneuvers could in effect do what much of Kucinich's proposal wants to do, including helping to retire our national debt by removing much of the need for stimulus packages during down times.