

Bitwalking – The Latest Financial Nonsense

By **Alexander Baron** - Nov 26, 2015



Making money while just walking?

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How would you like to make money simply by walking? A company funded mainly by Japanese investors and led by two app developers claims you can, and has provided **a platform** to do so. One might suppose they are either crooks or cranks, but Nissan Bahar and Franky Imbesi have an impressive track record with their **Keepod**; the question remains though, have they really thought this through?

You can download their app for free from the **Bitwalking** website. It is claimed you can generate up to \$3 a day with this app on your mobile phone. This is not like **Bitcoin**, which because of its total untraceability is extremely high risk, but again, have they really thought this through? They claim Bitwalking dollars are real money. Is that true? Yes and no.

There are two things all people need to understand about money, but many do not. In the first place, the value of money is purely psychological. If you do not accept this claim, **read up on** the fake £1 coins, £50 note and parachute analogy.

The second thing is that money needs to be backed by goods and/or services. In theory anyone can issue money/currency subject only to the laws of the nation in which it is issued, although issuing fake currency, eg dollar bills or Euros, is a serious criminal offence. Things like book tokens and shop vouchers are a form of currency, but to be taken seriously, money has to be if not universal then accepted by law in the country of issue. Money is both a medium of exchange and a store of value. The big question is, who will accept BW\$: your local supermarket, your landlord, your government?

Having said that, what we are really seeing here is an attempt to do what the **banks** do, create money out of thin air. We can say this because **purchasing power belongs to producers**. Before the advent of money, a farmer could exchange a certain quantity of his produce – chickens, eggs, milk – for that of another – cabbages, apples, wheat...This is what is known as barter, and people still trade like this today, often informally, for example, two mothers might agree to babysit for each other.

Central banks and indeed the commercial banks have the power to create unlimited money, but if they issued too much, a hyper-inflation would occur, and the currency would become worthless, people could literally paper their walls with it. If on the other hand too little is issued, industry will grind to a halt, and people at the bottom end of society especially will suffer. The reason the banks never seem to get it right is because they issue money as an interest-bearing debt. As BW\$ appear to be issued debt-free, albeit in extremely small quantities, they will – if accepted – augment the purchasing power of consumers.

The big question though is if Bitwalking can issue money debt-free with nothing backing it, **why can't the Government**, which can back its currency with real wealth: the goods and services created by its people? And indeed, why can't the Internet **do the same?**