

Imagine tokenized barter to solve inflation, deflation, and volatility.

Imagine eth 5.0 exists with instant transactions and extremely light gas fees.

Now imagine a tokenized gift card market exists. Assume that most major services and products have a tokenized gift card. e.g. Heinz Ketchup gift card for one 16 oz bottle of ketchup redeemable at any store that carries it. E.g. UPS gift card redeemable to ship any package under x pounds and y z dimensions in the USA.

Imagine that you work at a factory that produces chairs and your salary is paid in tokenized chairs.

Now imagine a decentralized exchange with an algorithm that takes a basket of gift cards and instantly converts them to any other tokenized assets that you might want for almost no cost.

Such a DEX would allow you to walk into any store and use your chair gift cards to purchase any item in that store. In other words the DEX would do all the extra math required for a barter economy to work as easily as if it were currency.

Now imagine you hold a basket of tokenized gift cards to hedge against inflation, deflation and volatility.

Is your basket really safe from inflation, deflation and volatility?

A weakness of this scheme is that it is subject to fractional reserve fraud. For example, let's say my factory produces 100 chairs each month, but pays its employees 200 tokenized chairs each month.

I think there are many technical solutions to this problem, but none of them will actually work because most people don't see fractional reserve fraud as a problem. For example, even if we had some kind of decentralized auditing or review platform that could identify fractional reserve fraud, people would continue to trade and value the inflated tokens, simply because they don't care. Or they like the idea of playing a game of financial hot potato.