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2005 Yearly Report of the Worldwide Database of Complementary Currency Systems

http://www.complementarycurrency.org/ccDatabase/les_public.html

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About the ccDatabase

The Worldwide Database of Complementary Currency Systems is designed to collect vital statistics on a broad variety of indicators related to the function of all types of complementary currency systems. The reason for collecting this information is to provide an accurate statistical and scientific understanding of different types of systems and identify a set of performance indicators from which to make comparisons. From this foundation of knowledge our intention is to open a communication channel that links complementary currency systems together to allow experience, information and knowledge to be exchanged, which contributes to the improvement and growth of our efforts. The information is presented in a wide variety of ways: according to the region, country and the indicators listed, in table and graph forms, using both bar and pie charts. This level of simplicity and flexibility creates a complexity that is sufficient to allow researchers to drill for information from the international level all the way down to the community level.

The ccDatabase links to the other elements of the Complementary Currency Resource Center at http://www.complementarycurrency.org. To facilitate communication between different systems and languages, Miguel Yasuyuki Hirota is facilitating ccWorld, an 8-language discussion group. There is also an open ccLibrary and ccGallery, where anyone can submit their documents in a number of different categories and upload currency samples and images. Other functions of the website include the Worldwide Help Desk for Complementary Currency Systems, an initiative of the Strohalm Foundation to assist fledgling systems, correct past design mistakes and implement best practices.

In developing the initial typology of money used, I studied a number of documents provided by Bernard Lietaer, Margrit Kennedy, John Rogers and Andrius Kulikauskas, as well as the Strohalm Foundation's methodological development tools. Of course we cannot include all possible indicators, so we focused on those that would be the most useful and encourage feedback and discussion on what indicators should be added or removed from the present version. And, to facilitate rapid development of the ccDatabase we provide the opportunity to add new indicators to the database in the course of filling out the form.

The ccDatabase is the result of a great deal of programming work by Albert Fløde from Finland, who went far beyond my initial concept to produce a practical, robust and fast-running database, the proof of which will be found in this 2005 report. Then, to make it available to speakers of different languages, a team of volunteers was formed to translate the database to 7 languages which was also a very large task to undertake and update as new indicators are added to the ccDatabase over time. The entire project was conducted on a purely volunteer basis by all participants, who are recognized for their contributions on the website at **http://www.complementarycurrency.org/colleagues.html**

The Results of the ccDatabase for 2005

The ccDatabase collects statistical data from forms filled out by groups that submit their system information to the ccDatabase. We have made every effort to broadcast the database in 8 languages and encourage the administrators of all types of systems to record their information in the ccDatabase without exception. So far, *only* 40 groups from around the world have provided information about their systems, and we hope that this number will grow rapidly during 2006 and the coming years to more closely represent the actual number of systems in existence. ***Therefore, these results absolutely do not reflect the state of the complementary currency movement as a whole***. That said, this paper gives an idea of the usefulness of making systematic analysis of the different types of systems, and therefore the importance of having a more complete sampling of the movement. We hope that this report will encourage the thousands of systems to register themselves in the ccDatabase.

This report will present the broad results from the Regional and Country level reports. Those who wish to dig deeper can spend some time studying the individual system reports. As reported in Table 1, there are 40 systems in 19 countries with a total membership of 93,304 people, serving an area with a total population of almost 97 million people.

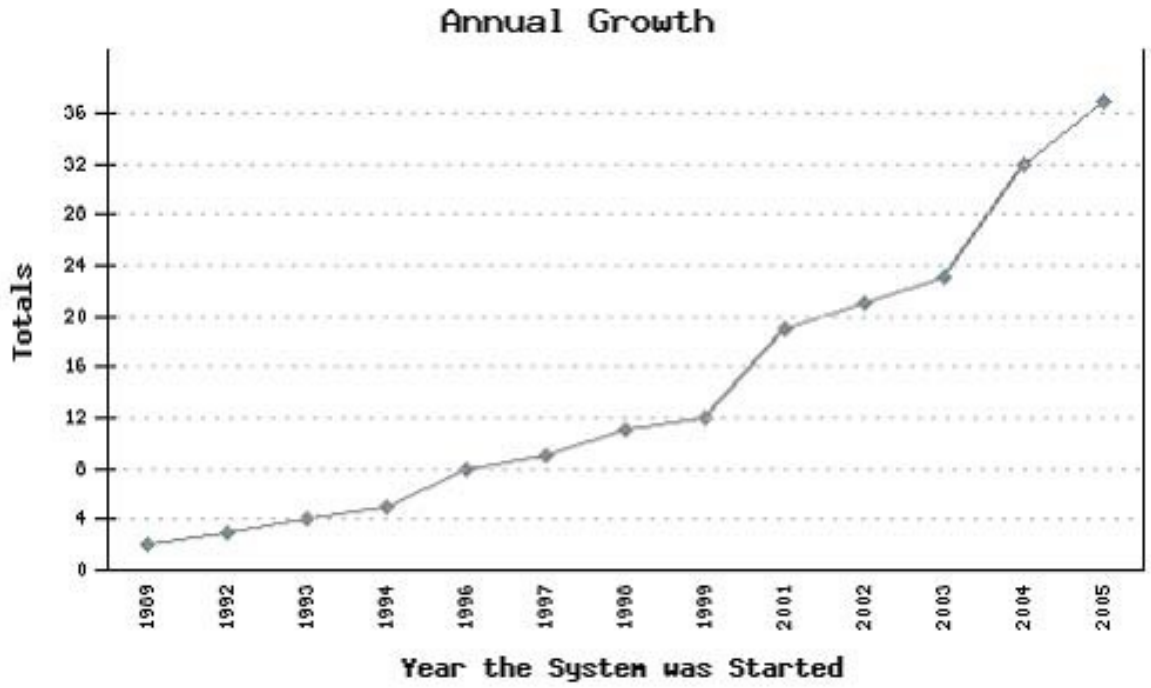
Table 1: Overall Results

Local Exchange Systems	Size of Membership	Population of Area Served by System
40	93,304	96,655,760

Broken down by Region, Asia has the systems with the most members in total, with 78,000, which is skewed due to the inclusion of the Tabu shell money used in Papua New Guinea. Removing that data, North America has the greatest total membership at 9,200, followed by Africa at 3,797, Asia at 3,292 and Europe at 1,705. Groups from Canada listed the most systems, 6, followed by Brazil and the United States listing 5 systems each, followed by Japan and Germany with 3 systems each.

Although there are many historical examples of complementary currency systems, the present movement is considered to have begun in 1980 with the Local Exchange Trading System (LETS). We start with this date in our drop-down box, and if more systems that started before this date register themselves, we may expand this list to include the years previous to 1980. Graph 1 shows the Annual Growth of the systems since 1980. 2004 was the best year since 1980 for the implementation of new systems with 9 new systems, but the systems with the most members were started in 2001, 7 systems started with 6,350 members, followed by 1998 and 2003.

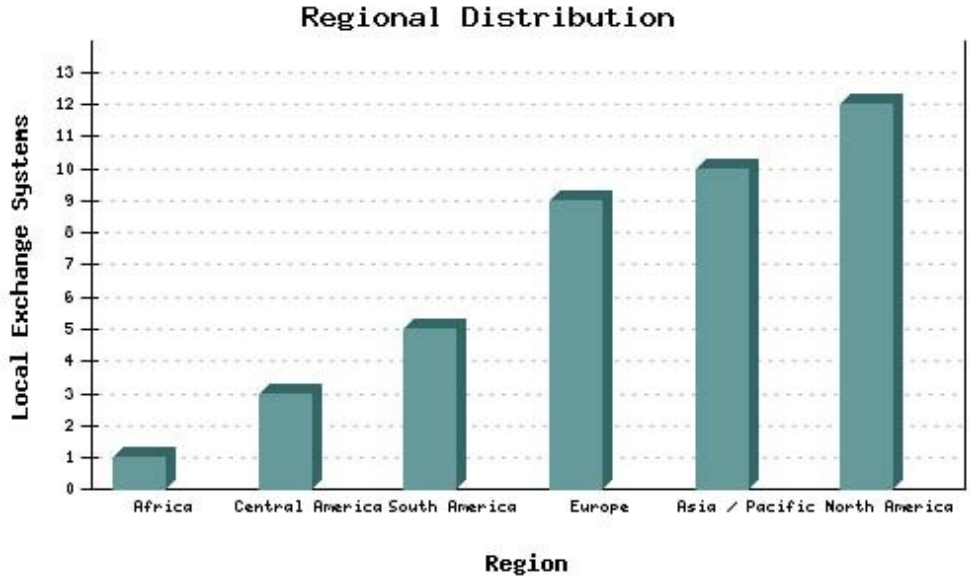
Graph 1



A breakdown of start dates by region reports that the first system registered from Asia and North America is 1989, in Europe it was 1993, in Central and South America it was 2001, and in Africa it was 2003. As more systems are added, this information will undoubtedly change.

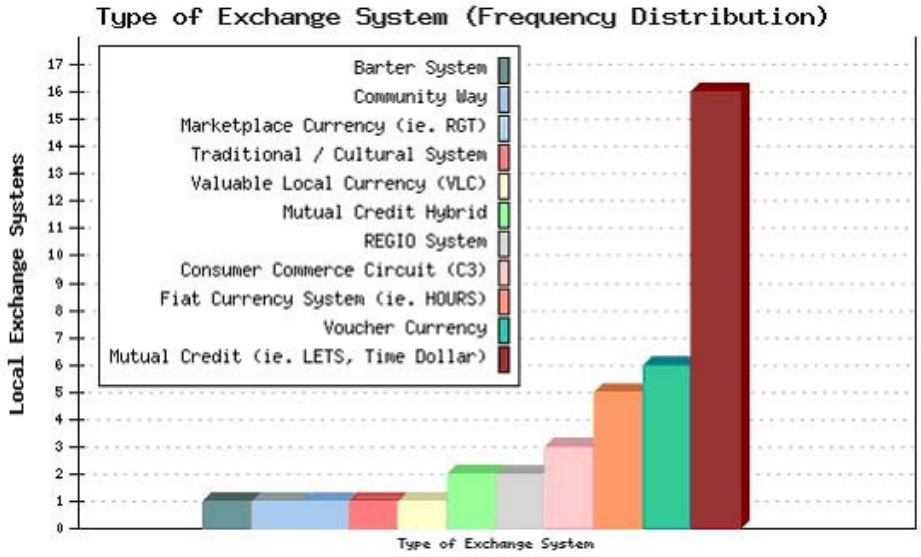
Complementary currency systems are found all over the world this is demonstrated in Graph 2, which shows the Regional Distribution of the systems. Clearly, there are nearly as many systems registered from Asia, as there are from Europe and North America.

Graph 2



The Local Exchange Trading System (LETS) is the most common type of system listed in the database, followed by Voucher Currency systems and HOURS systems. However, the data on the regional distribution of system types provides some interesting information: in Asia and Europe the most common systems are LETS, whereas in North America where LETS came from, the most common systems are HOURS. However, if we combine both LETS and Mutual Credit systems together, then they are even at 4 systems each. In Central and South America, at the present type only Voucher Currency Systems are listed. Asia and North America demonstrate the broadest diversity in systems, with 6 different types of systems listed for each of these continents.

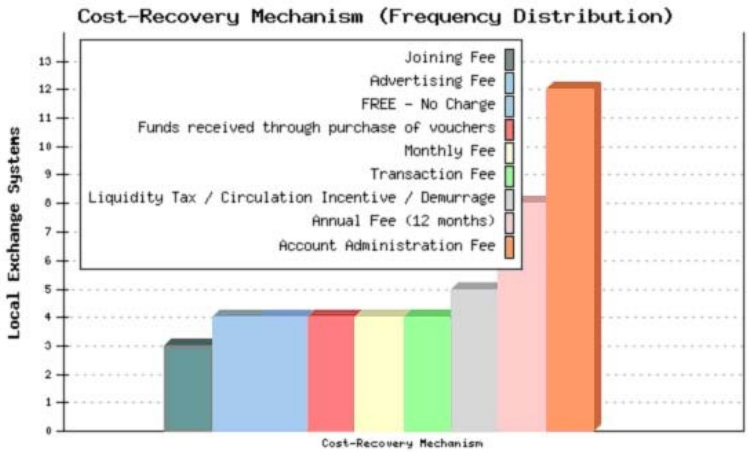
Graph 3

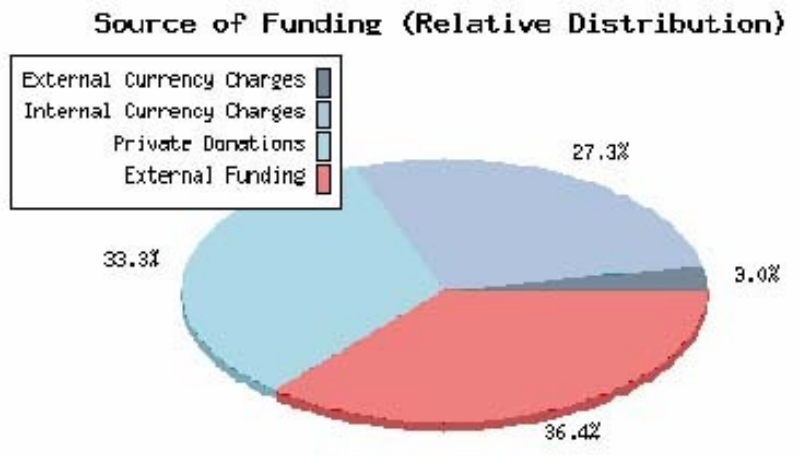


Cost Recovery Mechanism

In terms of Cost Recovery Mechanisms, the Account Administration Fee is the most common method, followed by Annual fees, Demurrage fees and Transaction fees.

Graph 4





Groups from Canada offered the broadest range of mechanisms with 6 different methods, followed by Brazil and America with 4 different methods. El Salvador, Germany, Japan, Sweden, New Zealand, South Korea and the UK used 3 different methods for covering their costs.

Closely related to the Cost-Recovery Mechanism is the source of funding. As many systems are new, sources of startup funding were needed to launch the system and carry it to the level where Cost Recovery Mechanisms would finance the ongoing operations of the systems.

Type of Organization

Also, different types of organizations sought startup funding from different sources. In Asia, Central and South America, funding from donor institutions was the most common source. In Europe and North America, funding from private individuals was the most common source.

Although this is perhaps due to the recent startup of systems in Asia and Central/South America, if we compare the Source of Funding related to the type of organization, we see that Unregistered Organizations generally access startup funding from private donations, or start their systems with no financing and move directly to the Cost Recovery Mechanism. Registered Non-Government Organizations (NGOs) and Cooperatives seek from both public and private sources, and Enterprises start with either bank loans or funds from private sources.

Nearly half of the systems listed, 19 of the 40 systems were not formally registered, followed closely by registered organizations and cooperatives at 17, and 3 Enterprises

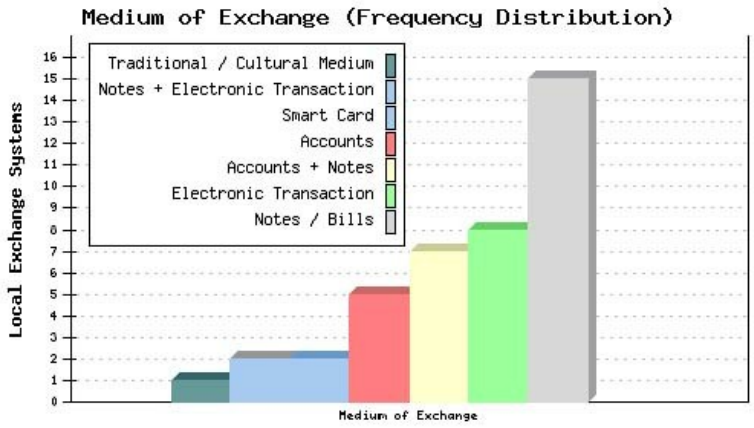
Unregistered Organizations were the most creative in their Cost-Recovery Mechanisms, listing 14 different types of fees, Registered Cooperatives and NGOs listed 8 and Enterprises listed 4 different ways of generating income to cover operational expenses.

Medium of Exchange

Regarding the Medium of Exchange used, Paper Notes are still the most common, followed closely by electronic transactions and mixed Accounting + Notes methods.

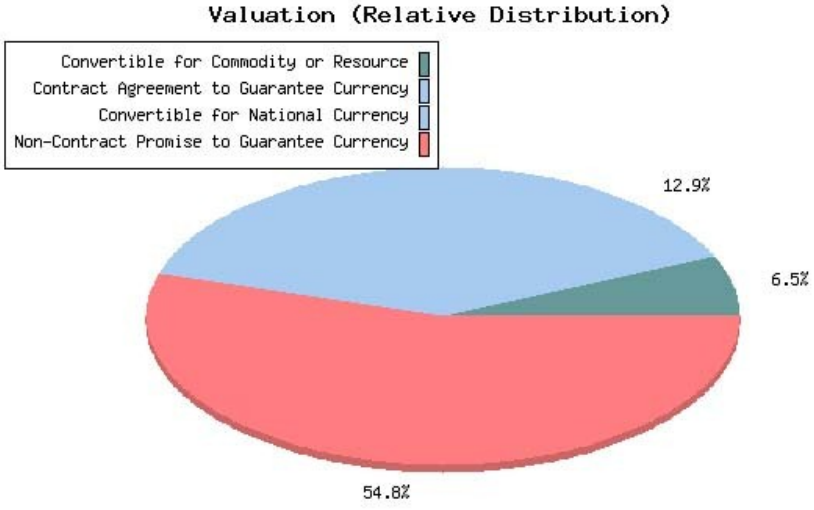
While Graph 5 shows the overall breakdown, when we look at the Regions, Asia and Europe use 7 different mediums of exchange, North America uses 4 and Central/South America uses 3.

Graph 5



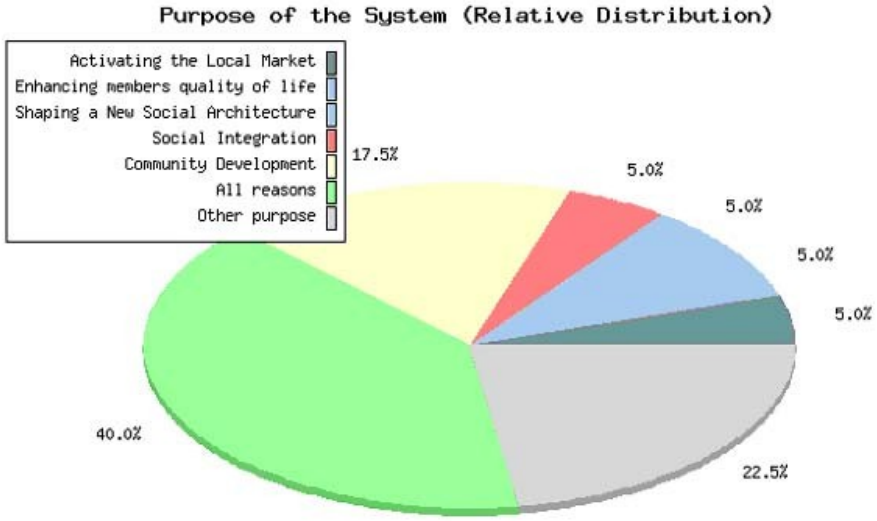
Valuation of the Currency

By Valuation, we mean the term "backing" which is normally used in English. However, as this caused difficulties in translation the term was changed to Valuation. Currencies can be valued by resources (commodities, electricity, resources, etc), time or national currency, and can either be convertible or not convertible. The vast majority of complementary currencies are valued in national currency backed by a non-contract promise to guarantee the currency, and only convertible for commodities or resources as a result of making exchanges within the system. However, the issue of valuation needs further study in order to develop a clearer set of indicators. Perhaps the indicator "Convertible for Commodity or Resource" should be limited to those groups that provide this on demand and not only as the result of trades. For example, many voucher systems offer the ability to convert complementary currency back to national currency through the administration, usually for a fee.



The Reasons for Implementing a Complementary Currency System

The 40 groups who provided information about their system gave 18 different reasons for starting their system. While the vast majority said that all 18 were good reasons to start a system, those who gave specific answers said that "Community Development" and "Activating the Local Market / Small Enterprise Development" were the most important reasons, followed by "Enhancing the Quality of Life", "Reducing the need for national currency", "Poverty Alleviation" and "Social Integration".



Conclusion

Feedback on the ccDatabase from those who translated it to other languages, submitted their information, or used it for their research provided valuable suggestions for improvement. In the course of preparing this yearly report, we noticed some further improvements to be made in the next upgrade. Constructive comments and suggestions by email are always welcome. We also look forward to increased public discussion about the ccDatabase and its contribution to the strengthening of these efforts.

Specific conclusions are in my opinion, best left to people with more research experience than myself, a rural economic development fieldworker living in Indonesia. However, as the designer of the ccDatabase, I think it is very important to forge a closer relationship between theory and practice, between academics, researchers, fieldworkers and promoters of these systems, between actual practices and best practices, and between what people say and what the reality is.

In general and as a conclusion, I think it is safe to make a few general statements based on the reports that the ccDatabase generated:

There are a lot more systems than these 40 that have not yet registered their systems, and there are a lot of systems that may never register their systems in the ccDatabase. It is therefore an accurate, but very incomplete snapshot of the complementary currency

movement as it is now. No systems from Argentina have been registered in the ccDatabase. I hope that this report will encourage more people to register their systems so that we can systematize our understanding and present an accurate picture of our effort.

Growth in the number of systems appears to be increasing and the regional distribution is quite even, which demonstrates that these systems are no longer primarily within the domain of the English-speaking countries. Growth in the number of systems in the Spanish-speaking countries in Central and South America has been very remarkable, and with it the development of concepts, theory, materials and practice in Spanish that English speakers should be reading and listening to.

Although the Local Exchange Trading System (LETS) is still the main type of complementary currency system, a wide range of new methodologies are entering into practice and are showing positive but still early results. One positive result is the formalization of these organizations and cooperatives, and the development of systems of governance and administration, cost-recovery and utilization of new mediums of exchange that point the way to increased participation and economic impact.

Perhaps most importantly, whereas previous research suggested that social inclusion, community development and other social goals were the main reasons for implementing systems, the rapid development of systems outside of the G8 countries and their interest in achieving these same social goals in the course of promoting micro, small and medium enterprise development and activating the local marketplace suggests a trend towards either formalized or private institutions playing a greater role in implementing these systems. I hope that the 2006 Report will assist in defining these and other trends more clearly, as more systems are registered in the coming year.

2005 : Report by Country

Click on the links below to visit the report on the system listed in the ccDatabase.

An internet connection is required.

Year the System was Started	Local Exchange Systems	Size of Membership	Population of Area Served by System	Estimated Yearly Operating Budget	Yearly Volume of Trade
Brazil					
2001	1	60	450	2 BRL	24 BRL
2004	1	--	2,000,000	--	--
2005	3	--	21,045,000	--	--
Canada					
1989	1	--	--	--	--
1996	1	500	1	130 CAD	200 CAD
2001	1	4,000	10,000	--	--
2004	3	145	55,500	3,000 CAD	--
China					

2001	1	700	7	--	--
El Salvador					
2001	1	50	5,000	--	--
2002	1	200	1,500,000	--	--
France					
1996	1	200	2,000	--	--
Germany					
Not Specified	1	8	150,000	--	--
2004	1	150	115,000	--	--
2005	1	7	500,000	--	--
Honduras					
2004	1	--	80,000	--	--
Japan					
Not Specified	1	--	--	--	--
2001	1	1,300	13,000,000	--	--
2005	1	22	100,000	--	--
Mexico					
2004	1	80	750,000	15,000 MXN	150,000 MXN
Netherlands					
1993	1	750	800,000	15,000 EUR	--
New Zealand					
1989	1	250	4,500	200 NZD	50,000 NZD
1992	1	100	8,000	--	--
Papua New Guinea					
Not Specified	1	75,000	100,000	--	--
Slovakia					
2001	1	40	430,000	--	--
South Africa					
2003	1	3,797	45,000,000	--	1,500,000 ZAR
South Korea					
1998	1	300	5,000,000	5,000,000 KRW	3,000,000 KRW
1999	1	600	1,500,000	41,045,495 KRW	4,919 KRW
Sweden					
2002	1	60	1	2,000 SEK	--
Thailand					
2003	1	20	300	--	--

United Kingdom					
1994	1	90	--	--	--
1997	1	400	10,000	300 GBP	--
United States					
1996	1	125	250,000	8,000 USD	100,000 USD
1998	1	4,000	4,000,000	--	50,000 USD
2001	1	200	1	--	--
2004	2	150	240,000	350 USD	--