

Fare, M. (2011). The SOL: A Complementary Currency for the Social Economy and Sustainable Development. *International Journal of Community Currency Research* 15(D), 57-60.  
<https://doi.org/10.15133/j.ijccr.2011.022>

This article is published under a *Creative Commons Attribution-NonCommercial-ShareAlike 4.0 International (CC BY-NC-SA)*: <https://creativecommons.org/licenses/by-nc-sa/4.0/>



© The Author(s), 2011



# The SOL: A Complementary Currency for the Social Economy and Sustainable Development

Maries Fare

University of Lyon 2, Institut des Sciences de l'Homme  
marie.fare@univ-lyon2.fr

## Abstract

This paper reviews experience with The SOL, a very innovative and interesting complementary currency scheme which has been tested in France since 2007. It aims to contribute to the development of the social and solidarity economy, and contribute towards sustainable development. The SOL is the result of an informal working group who in 1998 examined the different models of existing complementary currencies schemes in the world. It aims to both introduce a new concept of wealth not exclusively based on money and to foster the social economy or third sector. Three different types of SOL are described: Co-operation SOL, Commitment SOL, and Dedicated SOL, and the paper reflects on the currency's strengths and weaknesses, and developmental issues for the future.

## Introduction

A very innovative and interesting complementary currency scheme has been tested in France since 2007 in order to contribute to the development of the social and solidarity economy and contribute towards sustainable development. The SOL is the result of an informal working group who in 1998 examined the different models of existing complementary currencies schemes in the world. It aims to both introduce a new concept of wealth not exclusively based on money and to foster the social economy or third sector.

## Three types of SOL

The SOL fits adequately onto the context of the experiment from the third sector or social economy to create a cooperative exchange scheme of social and ecological usefulness and thus combines three types of SOL in an electronic card (Delille and Whitaker, 2006). These are now described in turn.

## 1. Co-operation SOL

The "co-operation SOL" is a loyalty e-card created to promote the social economy activities and responsible consumption. The currency unit is in Euros (1 € = 10 SOL). The currency is linked to the Euro not only to avoid problems of conversion with time-based schemes but also inflation. SOL is backed by Euro in order to safeguard SOL's currency. But this security in Euro is limited because a "solist"<sup>1</sup> cannot convert SOL in Euro. An organization of social economy can give SOL points to a "solist", who can use them anywhere in the SOL network, i.e. in all organizations of social economy which participate to SOL. The SOL points bear "demurrage": the "solist" who does not use his SOL loses them gradually, which encourages the "solist" to spend them instead of saving them. The cancelled SOL points are invested in a mutual fund, managed by all the "solists" to support social economy projects. The aim of "demurrage" is to increase the circulation velocity of SOL, foster exchanges and avoid savings according to Silvio Gesell (1948).

## 2. Commitment SOL

The "Commitment SOL" aims to promote exchange time schemes and to make visible and accountable voluntary work. Like SEL or Time Bank, it is measured with time and it is used by time-based local exchange schemes. The latter mechanism is a mutual and free credit. The scheme is based on equality: one hour equals one hour, whatever the task. The objective is to enhance non-monetary activities and skills of each while developing social ties and conviviality. Another application is the possibility of combining local public services with voluntary work in order to develop exchanges between people who don't have much money.

## 3. Dedicated SOL

The "Dedicated SOL" is a voucher allocated by the public sector to specific target groups, allowing them to access specific goods or services suitable to reach the goals of the SOL scheme. This is a tool for public authorities. The dedicated SOL has several advantages. It helps include marginalised people in a larger circuit, giving them opportunity to participate in other SOL networks and to valorise their activities and capacities. In this way, the discrimination linked to traditional social vouchers disappears. But it can also guide consumption towards more environmentally friendly products.

Currently two components of the SOL, the commitment and dedicated ones, remain relatively undeveloped in the territories of implementation.<sup>2</sup> However some localities (for example Carhaix Brittany) have developed the dedicated SOL. Similarly the commitment SOL has been established in Grenoble. However, overall the SOL seems therefore more a green loyalty card like Wedge<sup>3</sup> card or NU card<sup>4</sup>.

### SOL: A multi-actor scheme

The SOL currency scheme is operational in seven French regions (Alsace, Aquitaine, Brittany, Ile de France, Midi-Pyrénées, Nord-Pas-de-Calais and Rhône-Alpes) and especially in certain localities in these regions including for example Carhaix, Grenoble, Lille, Rennes, Toulouse, Mulhouse, etc. Until the end of 2008 it was supported by a European program,

EQUAL<sup>5</sup>, funded by the European Social Fund.

**"The dedicated SOL has several advantages. It helps include marginalised people in a larger circuit, giving them opportunity to participate in other SOL networks and to valorise their activities and capacities. In this way, the discrimination linked to traditional social vouchers disappears."**

EQUAL supported SOL scheme up to 50% of funding during experimentation. Four organizations of social economy support it up to 20% of funding: "Chèque Déjeuner" (a worker's co-operative and one of the world's leaders in voucher issue and management), "Crédit Coopératif" (a co-operative bank), MACIF and MAIF (two mutual insurers).

Moreover, the SOL scheme operates in collaboration with many actors:

- The organizations of social economy or third sector, which could be, by statute, co-operative, mutualist or associative and which could offer goods and/or services as fair products, organic foods, solidarity tourism... Their aim is to encourage an economic, sustainable and local development. The participation of each organization to SOL network requires a certification. This certification contains four criteria. The first and the second are report to ethical and social issues ("contribute to an economy where the human has more place" and "developing democratic and cooperative practices"). The third criterion is environmental ("to contribute to a greener economy") and the last refers to local economic development to "foster the creation of activities, the sustainability of jobs and involvement in the territory".
- Regional government and public authorities who subsidize up to 30% and use SOL scheme as a tool for public policy. The integration of local authorities in the scheme gives it a highly innovative dimension. Indeed, it is rare that local authorities integrate these schemes and use money as a tool of public policy. In this context the SOL is in line with fourth generation schemes like NU card (Blanc and Fare, 2010).

- “Responsible consumers” who share the values of social economy and sustainable development and have a sustainable behaviour.

At the end of 2009 300,000 SOL had been in circulation, which is equivalent to 30,000 €. The SOL networks include 3,700 “solist” and 140 organizations of social economy. Critical mass of users, which is estimated at around 100,000 “solist”, is still far from being achieved and is relatively high, compared with other complementary currencies schemes. In fact, except the Red Global de Trueque in Argentina which counted over 5 million users (by adding all the members of all local associations), complementary currencies schemes involved few users. For example, in France, around 20,000 people take part in the SEL scheme (similar to LETS in United Kingdom). Also, reaching the critical mass is problematic. For this particular reason, it is necessary to establish a diffusion and promotion about what the SOL scheme is. But according to Jean-Philippe Poulnot, “Chèque-Déjeuner’s” R&D manager and SOL co-ordinator, one of the difficulties is to explain the complexity and innovation of the SOL scheme. For example, the idea of combining a co-operation SOL (in Euros) and a commitment SOL (based on time) was not an easy task for the project actors to understand. Besides, the communication campaign requires funds. It is difficult to avoid one other element. SOL scheme requires electronic technology, as point-of-sale (POS) scheme, chips cards and back-office, which not only request financial investment and technological know-how but also needs to educate users. This level of complexity and financial aspect might be a strong barrier for the development and reproduction of the SOL scheme.

## Issues of SOL development

One of the major points of interest about SOL is that it combines several overall objectives with three dimensions including their own different goals (Fare, 2007). In fact, it combines three complementary currencies schemes in a single scheme: a loyalty card providing a purchasing power, a time exchange scheme (as Time banks) and a voucher. First of all, it allows to stimulate local activities and to develop a social economy network and its activities. Besides this, it promotes consumer responsibility in fostering local and sustainable consumption (a defined brand and a charter), such as fair agriculture, fair trade, goods and services produced by local organizations, public services. Secondly, it attempts to address social and economic exclusion by giving exchange possibilities in SOL network with commitment SOL and dedicated SOL. SOL has an economic impact. Then it promotes a sustainable development because it encourages the solidarity and sustainable behaviour of “solists”. The environmental objective is to promote more

consistent practices with the principles of sustainable development by stimulating responsible consumption. For example it fosters the decrease of emissions of greenhouse gas emissions related to transport through the development of local production, also through the promotion of local products, organic or not. SOL is in line with “political consumerism’s” objectives which “is the choice of producers and products with the aim of changing ethically or politically objectionable institutional or market practices. Their choices are informed by attitudes and values regarding issues of justice, fairness, non-economic issues that concern personal and family well-being, and ethical or political assessment of favorable and unfavorable business and government practice” (Micheletti, 2004). SOL can be used as an incentive to encourage the adoption of a certain type of behaviour, here, more responsible behaviour like sustainable consumption (Fare, 2009).

The strength of SOL is the synergy produced by the multiples actors. But it requires both increasing the diversity of businesses of social economy and the membership base for widening the range of available goods and services and the provision of funds.

The establishment of SOL raises questions concerning the conditions of emergence of a currency. Indeed, the SOL currently remains a relatively small sized scheme. Several explanations can be advanced to explain this phenomenon as the technicality of its implementation, human factors, funding problems, the psychological barriers, etc. Another explanation for the low diffusion may lie in the lack of civil society in taking again of a scheme introduced from the top. Unlike other complementary currency schemes, the SOL does not result from an initiative of civil society (grassroots innovations), but it is the product of an analysis in a workgroup and then it was implemented in experimental territories. He remains held on a pyramid with a strong influence of the top (Cheque Dejeuner, Credit Cooperative, MAIF and Macif) despite certain decentralization at the regional level. We can therefore assume that this structure sometimes leads to limit the room for manoeuvre of territories and communication difficulties between grassroots (“experimenters”) and top (“theorists”) is causing lack of collective and local taking again control of SOL. However, since the end of the experimental period (since the end of 2008), the SOL has entered a new phase of reflection and reorganization (since 2010), which might lead to greater freedom of implementation territories.

## Endnotes

<sup>1</sup> A « solist » is a person who adheres to SOL.

<sup>2</sup> To know the development and to have more information of the SOL see the website: <http://www.sol-reseau.org/>

<sup>3</sup> See the website: <http://www.wedgecard.co.uk>

<sup>4</sup> See the website: <http://www.nuspaarpas.nl>

<sup>5</sup> The EQUAL Initiative brings fresh ideas to the European Employment Strategy and the Social inclusion process. Its mission is to promote a better model for working life by fighting discrimination and exclusion on the basis of gender, racial or ethnic origin, religion or belief, disability, age or sexual orientation.

## References

Blanc, J. and Fare, M. (2010) 'Quel rôle pour les collectivités locales dans la mise en œuvre de projets de monnaies sociales ?' XXXes Journées de l'Association d'Economie Sociale (AES) « Transformation et innovations économiques et sociales en Europe : quelles sorties de crise ? Regards interdisciplinaires », organisées par le Centre Interdisciplinaire de Recherche Travail, Etat et Société, Université Catholique de Louvain, Charleroi, Belgique, 9-10 septembre 2010.

Delille, P. and Whitaker, C. (2006) 'Le projet SOL : pour retrouver le sens des valeurs'. In Blanc, J. (Ed.) Monnaies sociales, Rapport Exclusion et liens financiers 2005/06, Economica, Paris pp. 382-94.

Fare, M. (2009) 'Les monnaies complémentaires, des outils au service de la RSE ?' 4<sup>o</sup> congrès du RIODD : "La RSE : une nouvelle régulation du capitalisme". Lille, 12 p.

Fare, M. (2007), 'Le rôle des réseaux dans la performance d'une idée : l'histoire du projet SOL, une monnaie à utilité sociale et écologique' Unpublished master's degree dissertation, University of Lyon 2.

Gesell, S. (1929), The Natural Economic Order : a Plan to Secure an Uninterrupted Exchange of the Products of Labour [1911]. Trans. Philip Pye. Berlin : Neo-Verlag.

Micheletti, M. and Dietlind, S. (2006) 'Concept of Political Consumerism'. In Lonnie, R. S. (Ed.) Youth Activism—An International Encyclopedia, Vol. 2, Greenwood Publishing, Westport