



www.ijccr.org · ISSN: 1325-9547

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Blanc, J. (2012). Editorial 2012 (Volume 16 Special Issue): Thirty Years of Community and Complementary Currencies. *International Journal of Community Currency Research* 16(D), 1-4.  
<https://doi.org/10.15133/j.ijccr.2012.006>

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# International Journal of Community Currency Research

Volume 16 (2012) Section D 1-4

## SPECIAL ISSUE EDITORIAL

### THIRTY YEARS OF COMMUNITY AND COMPLEMENTARY CURRENCIES: A REVIEW OF IMPACTS, POTENTIAL AND CHALLENGES

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This special issue is composed of seventeen papers of which first versions were presented at the Lyon CC-Conference that was held on 16-17th February 2011<sup>1</sup>.

Since the creation of the first LETS in Vancouver Island in 1983, CCs have widespread and differed, leading to a long series of small variations and major distinctions. There is no historical evidence of such a growing wave of currency schemes since the beginnings of industrialisation at the turn of the 19th century. This wave has boosted interest amongst certain humanities and social sciences researchers since the 1990s, but an assessment of what has been done to date provides a mixed picture. We should most assuredly acknowledge the emergence of this new field of research (new because of its extent and nature), but it must be regretted the insubstantial influence that these works have generally had within humanities and social sciences, and the lack of academic visibility that continues to leave the field on the periphery of research.

The aim of the international, multidisciplinary and trilingual conference organized in Lyon on 16-17th February, 2011 was not only to demonstrate why scholars' works on these currencies are of scientific value, reflecting the practical value of the experiences themselves, but to affirm that they should obtain a significant role with regard to various disciplines that are concerned with this type of trading schemes, such as economics, geography, sociology, political science, anthropology, history, law, etc.

One purely academic problem certainly arises from the fact that they relate to fields of research at the crossroads of a number of disciplines: development studies, local development, market exchange, Third sector or social economy, sustainable development, monetary uses, monetary spaces, sovereignty, new spaces of transaction and sociability, social movements claiming for economic transformations, social cohesion, community dynamics, women's economic initiatives

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<sup>1</sup> The conference was organized by the research centres Triangle (UMR 5206) and LEFI (EA 4012), supported by the University Lumière Lyon 2, its Chair of entrepreneurship in Social and solidarity economy, the Institut des sciences de l'homme (ISH) and the ENS Lyon, where it was held. Financial supports include: Veblen Institute for Economic Reforms and FPH (Fondation Charles Léopold Mayer pour le Progrès de l'homme), Institut Caisse des dépôts et consignations pour la recherche, Cluster 12 « Dynamiques sociales et territoriales » of the Rhône-Alpes Region, Rhône-Alpes Region itself, Direction générale à la langue française et aux langues de France of the Ministry of Culture and Communication, Co-operative RES and Conseil général du Rhône.

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etc. Therefore, the Lyon conference had to be multidisciplinary; papers from different disciplines were welcome, as well as papers that were interdisciplinary in their very scope.

The two-days academic conference included 53 communications and two panels<sup>2</sup>. The first panel questioned the intellectual infrastructure for CC research and showed both its present weaknesses and its progressive emergence. The second panel focused on the links to public policies and showed the difficulties to make CCs a tool for public policies without losing the autonomy and innovation capacity attested by their history. The third day was dedicated to practitioners. This three days event gathered 264 persons from more than 20 countries. Thirty years after the beginning of the present wave of CCs in the world, progress is still required to know and understand the diversity of existing schemes and their scope, though much has already been done and the research dynamics on CCs obviously accelerate.

The seventeen papers of this special issue are not representative of the extent of what was discussed in Lyon since, for example, several areas are missing or are under-represented (Latin America, francophone countries)<sup>3</sup>. However, they already cover a wide range of cases and topics and they rely on various research and analytical methods. The special issue is structured around four sections.

## 1 HISTORICAL ACCOUNTS IN THE U.S.

Historical studies certainly provide a major key to a better understanding of the possibilities, failures and successes of what is happening today. All along its history, the U.S. has been a hotspot of monetary experiences. The three papers of this section consider debates that developed on money and democracy from the end of the eighteenth century and scrips experiments of the Great Depression.

**Saul Wainwright** contrasts the current major aspiration of putting democracy into money by CC advocates with two moments of the US monetary history wherein money and democracy were linked: the Federalist implementation of a monetary system that would be compatible with capitalism and inequalities, and the Greenbackers who advocated a democratic control over monetary issue through government paper money creation. He shows that the notion of a democracy is deeply different in these three cases: CCs rather argue for “a type of democratic money that no longer seems compatible with capitalism”.

As stressed by Loren Gatch and Sarah Elvins, the years around 1932-33 were years of a boom in scrips of many kinds in the U.S.: broadly speaking, clearinghouse certificates, scrips of barter and self-help groups, stamp scrips and tax-based scrips from local governments, etc., leading to hundreds of cases all over the United States.

**Sarah Elvins** analyses the arguments of advocacy for implementing scrips in the US around 1932. She shows that argumentation mostly relied on the ideas of marshalling local resources for the recovery of a particular community, self-help as the continuation of individualism, that is the contrary of charity; in such conceptions, scrips would be considered a momentary solution to “prime the pump” of an economic system that was still considered sound.

**Loren Gatch** focuses on tax-anticipation scrips from local governments that flourished between 1931 and 1935, with a particular boom in 1933 as consequences of the “bank holiday” declared by Roosevelt in March 1933 as a way to avoid the final collapse of the banking system. These scrips were issued extensively, by big cities like Chicago or Detroit, and generally lasted more than other scrips. They notably served as partial wage and salary payments. Gatch analyzes the problem of distinctive confidence of the public in these scrips, their relations to legal problems and the way municipalities had to manage their circulation in order to avoid or reduce discounts on their face value. In a series of cases, they benefited from businesses’ support. Gatch emphasizes the proper management of the circulation by municipalities as one of the key factors of success.

## 2 THEORETICAL ISSUES

What about CCs in theory? In a historical, theoretical and ideological context, money is inescapably considered either the tool of sovereignty or, for those who acknowledge the possibility of monetary plurality, a specific financial asset submitted to rational choice and thus to competition principles. A better understanding of CCs obviously requires theoretical reassessments of money and what can be done with it. The papers of this section suggest ways to make such reassessments.

**Makoto Nishibe** provides the reader with an interpretation of CCs as a communication medium. Whereas Luhman views money as a “symbolically generalized medium”, which is uniform (because unique), under Nishibe’s view CCs also integrate the two other dimensions of a medium: language that enables communication of meanings and an extended medium that extends the reach of communication by language. CCs appear eventually as a replicator for “new

2 The call for papers, the programme and the list of the presented papers are available on the Conference website <http://triangle.ens-lyon.fr/spip.php?article1588>. See also the wider website (in French only) built on the basis of the dynamics of the three days of academic conference and practitioners’ event: <http://www.monnaiesendebat.org/> and the news website <http://www.scoop.it/t/social-currencies>

3 Several papers from the conference that covered these areas have been published in the francophone RECMA journal (Revue internationale de l’économie sociale, n°324, April 2012, see <http://recma.org/node/1909> ) and are to be published in the Spanish-speaking Prólogos journal (Revista de historia, política y sociedad, Universidad nacional de Luján, Argentina).

species in the socio-economic evolution", leading Nishibe to link his analysis to evolutionary economics.

**Nozomi Kichij and Makoto Nishibe** contrast different sorts of money creation: from concentrated (banknotes and paper money type of CC) to dispersive (LETS type), through quasi-dispersive (deposit money creation). They analyze the relative efficiency of the two opposite cases. LETS appear to be more efficient in terms of transaction realization than a concentrated and pre-issued currency, because the latter requires a money stock in advance. However, the authors emphasize the risk of free riding through LETS dispersive money creation and assess the debit limit to be implemented to avoid it.

**Hugo Godschalk** extensively presents the variety of demurrage meanings, approaches and implementations. He distinguishes three sorts of proposals: table money, stamp scrips and expiry money and goes into proposals of Gesell, Fisher and some others. While Gesell's nationwide and permanent system was never implemented, local experiments have taken place, already, during the 1930s and since the 1990s. He states that the level of demurrage had a negligible role in the possible (but far from being general) success of local experiments and shows that, contrary to the general understanding, US transaction-based scrips achieved a much higher circulation velocity than the US dollar.

In a self-criticism on the earlier stages of a research project on exchange networks and parallel currencies in Greece, **Irene Sotiropoulou** tries to put in perspective the practices developed in the Greek CCs and barter practices. She states, "our inability to see multiple currency systems and non-monetary transactions as possible positive political-economic tools, stems from our idea that a monetary economy with one currency only is the best social option, especially compared to other economies where a variety of exchange mechanisms exists." As a consequence, it must be acknowledged that these practices that have been "dismissed, disdained and even disrepute" have "never ceased to exist".

### 3 SHORTCOMINGS AND ACHIEVEMENTS

A fair part of the academic literature on CCs is dedicated to assessments of various sorts of difficulties they face and their possible successes. Key factors include the relation between their objectives and their organization, the way they are governed, their size and the diversity of users, the way they balance the commitment they require of their users and efficacy requirements, the way they build production/consumption chains, etc. Aspects of these factors are dealt with in this section.

**Georgina M. Gómez** emphasizes the role of CC governance in their sustainability through a comparative analysis of the governance mode of the three main trueque networks in Argentina, which proved to respond differently to the general downfall of CCs after 2002. She builds a taxonomy of Argentinian CC nodes after the split of the movement and

shows that none managed to be sustainable enough. She concludes on what seems to be the best-suited governance concerning the scale and size of schemes, suggesting: "on a national, large scale, there seems to be no sustainable governance system for a CCS".

Assessing the Bavarian Chiemgauer's success, **Christian Thiel** refers to the theoretical framework of the commons when defining the general objectives pursued by Regiogeld. Pointing out the risk of free riding in this context, he states: "one cannot explain the Chiemgauer-use with a rational, opportunity-optimizing attitude". People use it because it is a moral money: "A 'moral money' offers them possibilities which they don't have with 'normal money': the currency 'assists shopping (...) by attributing a moral quality to products and shops', and they provide a means to exert a power over each one's personal expenses but also over others'.

**Krister Volkmann** analyzes the distinctive features of German-speaking area Regiogeld experiences, distinguishing three sorts of CCs: euro-based currencies like the Chiemgauer; activity-based currencies like the Urstromtaler; and mixed currencies articulating euro-based and LETS-like systems like the Sterntaler. He links the basic objectives of CCs to a "solidarity economy": "all economic forms that include aspects of solidarity and fairness in opposition to pure profit-maximizing". Regional currencies then allow "the individual to choose the degree to which he or she wants to participate in the solidarity realm".

**Molly Scott Cato and Marta Suárez** present an account "from the inside" of the creation and early stages of the Stroud Pound, in the UK. They raise one major question on the relevance of CCs. Like others, the Stroud Pound aimed at prompting consumption of locally produced goods and services. However, are they the best first step, would it not be more efficient and direct to encourage local production? Interestingly, the authors state that, in the case of Stroud, "the extremely limited range of local produce that is available, and the small percentages of locally produced goods that were for sale in the local shops, radically undercut the design of the scheme by making local supply chains near impossible for the largest volume of economic activity in the town."

The paper of **Petr Jelínek, Zsuzsanna Eszter Szalay and Alois Konečný** provides the reader with a picture of Visegrad countries where CCs have not experienced a great success to date. Community currencies have developed in Poland, Czech Republic, Slovakia and Hungary but never reached a wide level and mostly disappeared, with the exception of Hungary. Several explanations help understand this; among them, one can stress the case of self-interest centred activists, the homogeneity of members, the exhaustion of leaders, little economic need and insignificant impact, etc.

**Hiromi Nakazato and Takeshi Hiramoto** focus on the way CCs may generate social support among a community, through a comparative network analysis of a LETS-type CC

in Sweden (BYTS) and an ecomoney-type CC in Japan (Ichi-Muraoka). "In both Ichi-Muraoka and BYTS, there is almost no relationship between the frequency of use of community currencies and 'the degree of satisfaction with the support received in daily life'", which means that social support coming from these CCs is only peripheral to everyone's life. Though, these CCs are acknowledged to provide forms of social support that are all the more important as users become conscious of the possibilities provided by CCs.

**Ken-ichi Kurita, Yoshihisa Miyazaki and Makoto Nishibe** try to assess the consequences of shopkeepers' behaviour on the actual use and circulation of a case of redeemable CC coupons in a district of Tokyo, which have commercial and non commercial purposes. While the scheme seemed to be a success in terms of awareness of inter-group links and consumer behaviour, shopkeepers tend to redeem coupons in cash immediately. The authors identify three main reasons: first, accounting difficulties with sales in CC coupons; second, unclear comprehension on the part of shopkeepers on the possible uses of CC coupons; third, a psychological resistance due to the idea that reusing CC coupons would require additional efforts of the shopkeepers.

Finally, **Melina Young** focuses on US, Canadian and Australian B2B barter systems, which she considers sharing "many of the characteristics of social currencies", though they are mostly "for-profit businesses operating in the private sector". She analyzes how these so-called "barter" systems are so deeply connected with the national economy: they cannot be considered ways to deviate from it, to flee taxes or market competition etc. She also discusses the peculiar and interesting feature of "two-currency pricing mechanism", whereby prices, whereas nominally stable, might refer to higher or lower parts of national currency and barter currency, depending on the choices of sellers.

#### 4 PROSPECTS AND PROJECTS

One major strength of CCs over the last thirty years has been their impressive capacity to give birth to social innovation. The two last papers of this special issue contribute to this trend.

**Hélène Joachain and Frédéric Klopfert** deal with CCs as part of policy instruments for environmental sustainability, drawing on the case of the Belgian project INESPO: energy saving through the coupling of CCs and Smart Meters. They use former experiments and proposals as benchmarks to help design a new project, notably referring to the NU-Spaarpas in the Netherlands and the Belgian e-portemonee and Toreke cases. One important line of cleavage is whether participation is mandatory or not and whether the desired environmental impact of the scheme through behavioral change is connected to social or economic issues as other CCs do. They build a precise taxonomy of the constitutive parameters of CCs, which is applied within the framework of the INESPO project.

**Mark Brakken, Preston Austin, Stephanie Rearick and Leander Bindewald** propose an articulated and hierarchical monetary system able to acknowledge the variety of values in society. They state: "an economic system with a single currency will only recognize a very limited set of activities as valuable"; they deduce from this first statement the necessity to design "appropriately differentiated currencies capable of denoting different types of value". To do so, they elaborate an analogy with the trophic pyramid of ecology. The theoretical framework presented in the paper is at the root of a project that aims at promoting time banking for "community responsive economic systems".

Finally, the variety of these selected papers from the Lyon CC Conference may serve as a fair picture of the present state of CC research. Whereas proposals and experiments have proven to be audacious, empirical research shows the major limits and shortcomings that this movement experience. Whereas these researches are more empirical than theoretical, theoretization emerge that require addressing the primary question of the possible irreducible specificities of CC practices, purposes and eventually conceptualization. Thirty years after their first emergence, CCs still have to prove they can change the present state of things, while research agendas are increasingly considering them.