



www.ijccr.org · ISSN: 1325-9547

Volkmann, K. (2012). Solidarity economy between a focus on the local and a global view.
International Journal of Community Currency Research 16(D), 97-105.

<https://doi.org/10.15133/j.ijccr.2012.016>

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), 2012



International Journal of Community Currency Research

Volume 16 (2012) Section D 97-105

SOLIDARITY ECONOMY BETWEEN A FOCUS ON THE LOCAL AND A GLOBAL VIEW

Krister Volkmann*

University Of Potsdam

Aktionsladen Eine Welt Potsdam (Fair-trade Shop Potsdam)

ABSTRACT

According to conventional wisdom, money serves the following functions: it is a medium of exchange, a unit of account, and a store of value. However, if we broaden our perspective, we might conceive of money also as a medium of communication, as a means to either change society, or to preserve a community in the sense of “resilience” against outside threat. It is this idea, which the following article wants to further explore, against the background of the newly established regional currencies (Regionalwährungen) in Germany, Austria and Switzerland. If we are not solely occupied with the financial stability of a currency, but with how a currency can contribute to the stability and cohesion of a community and of society as a whole, then we are well advised to look at accompanying structures, physical and social, which may be subsumed under the notion of “solidarity economy”.

* Email: krister.volkmann@uni-potsdam.de

INTRODUCTION

According to conventional wisdom, money serves the following functions: it is a medium of exchange, a unit of account, and a store of value (see Wikipedia: "Money"). However, if we broaden our perspective, we might conceive of money also as a medium of communication, as a means to either change society, or to preserve a community in the sense of "resilience" against outside threat. It is this idea, which the following article wants to further explore, against the background of the newly established regional currencies (Regionalwährungen) in Germany, Austria and Switzerland. If we are not solely occupied with the financial stability of a currency, but with how a currency can contribute to the stability and cohesion of a community and of society as a whole, then we are well advised to look at accompanying structures, the physical and social infrastructure as well as regulatory systems. This is, what the article attempts to do. "Solidarity economy" might serve as a common denominator for the various concepts.

The first part will give a brief overview over the recent development of regional currencies in the German-speaking countries. In a second step, an attempt is made to learn from pre-modern currencies in Papua-New Guinea, which might turn out to be highly up to date again. The third section of the article links the new complementary currencies to other concepts of redistributing wealth, namely re-defining work and the introduction of a basic income, which are subsumed under the overarching concept of "solidarity economy".

REGIONAL CURRENCIES IN GERMANY, AUSTRIA AND SWITZERLAND

In the first decade of the 21st century, many initiatives for regional currencies have sprung up in Germany, Austria and Switzerland. Compared to previous local currencies and local exchange trading systems (LETS), these new regional currencies aspire to reach farther and to create a larger momentum (Kennedy/Lietaer 2004: 77). Whereas the typical LETS in these countries (Tauschring or Tauschkreis) are mostly based in one town or a city district, the regional currencies aim to strengthen the economic networks of a true region, i.e. a geographical space consisting of several towns, possibly a city, as well as the rural areas in between.

Currently there are 28 existing regional currencies in the three German-speaking countries plus dozens of initiatives, which strive to found an own regional currency in the near future. The variance of these currencies is great, though. The regional currency that is most known in Germany is the chiemgauer, which is based in the Upper Bavarian region called "Chiemgau": a relatively rural region about 60 km South-East of Munich. It is until now probably the only regional currency in Germany that already has a measurable economic impact. In Austria, the Talente-Tauschkreis Vorarlberg ("talent exchange circle" in the Austrian federal state of Vorarlberg) is another regional currency with an already remarkable impact. Vorarlberg is a small, Western

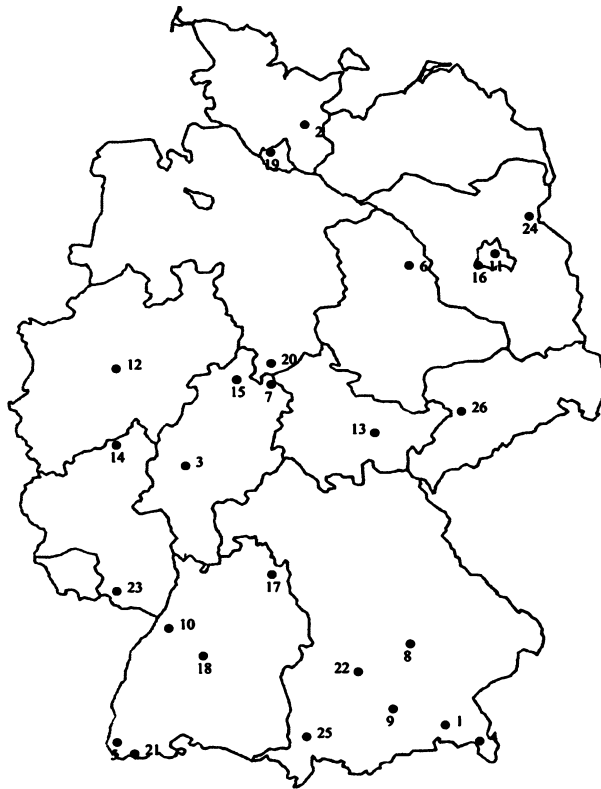
Austrian state, separated by the Arlberg mountain from the rest of Austria, with close links to the neighboring Swiss cantons. Its basic design differs in one important point from that of the chiemgauer: namely the question of how the new currency is backed.

There are presently two different prototypes of regional currencies. The first type, and until now the most widely spread, are regional currencies that are backed by the main currency euro. The alternative model has an arrangement that could be called "activity-based" currency. The idea behind this prototype is that a person or an enterprise does some work – or promises to do some work, to deliver goods and services – and that this activity, this work input, is the value basis for the currency. The nominal value is usually equivalent to that of the euro. This is principally the same mechanism as in the earlier LETS and Hours (cf. Ithaca Hours) currencies, with the slight difference that it is often first, in the starting phase, a promise or guarantee (and not the actual activity) to deliver goods and services. Next to these two very straight prototypes, a "mixed model" is being applied, which combines aspects of both principles, e.g. through an internal exchange mechanism, by which local "talents" or "hours" can be changed into the broader regional currency and vice versa. In fact, most activity-based regional currencies have developed out of necessity some forms, through which consumers can exchange euros into the regional currency, but not back again. For the future, a third backing principle can be imagined: a currency that is backed by concrete commodities, similar to the concept of a global Terra currency, as proposed by Bernard Lietaer (2002: 376-388).

If we turn first to the euro-based currencies, the case of the chiemgauer is illustrative. In 2003, a small pupil group of the local Steiner school started together with their economics teacher a pupil enterprise that began to circulate a paper money, which was accepted only in the local shops. In the beginning, the parents of the pupils exchanged euros into chiemgauers on a 1:1 basis. With these, they could buy bread, milk, paper goods, flowers and other goods in the local shops. The merchants now had the choice: either to change the chiemgauers back into euros with an exchange rate of 95 cents for each chiemgauer. In this case they suffered a 5% loss, which might have been acceptable as a form of reward for customer loyalty. The pupil company, in turn, took 2% of the exchange for its own expenses, but the remaining 3% went to some regional association, a cultural society, a sports club or an environmental organization. It was up to the initial user of the chiemgauer to decide, which particular association he/she wanted to support. This "donation function", as some have called it, has the great advantage that it arouses interest among the local and regional associations to participate in the regional currency, since they can use it as a means to raise funds for themselves.

But, of course, there is another choice for the merchant – actually the one that is even more intended. The merchant, if he/she wants to avoid the 5% loss, can look for a supplier, who in turn accepts the chiemgauer. In this case, the

Existing regional currencies in Germany (adapted from: Rohrbacher 2008)



Start 2003

1 Chiemgauer

Start 2004

2 KannWas
3 Justus
4 Sterntaler
5 Markgräfler
6 Urstromtaler
7 Kirschblüte
8 Hallertauer

Start 2005

9 Regio im Oberland
10 Carlo
11 Berliner
12 Volmetaler
13 Landmark
14 Broteinheit

Start 2006

15 Bürgerblüte

16 Havelblüte
17 Tauberfranken
18 Nahgold

Start 2007

19 Alto
20 Augusta
21 Dreyecker
22 AmmerLechtaler
23 Pälzer
24 Oderblüte
25 Regio im Ostallgäu
26 Zschopautaler
Rössle (Stuttgart) and Regio in München

In Austria: Styrrion, Talente-Tauschkreis Vorarlberg, Waldviertler

In Switzerland: Talent Schweiz

chiemgauer is as strong a currency as the euro. Only in this case, the main aim of the regional currency is achieved, namely the knitting of a regional economic network. An example is a local dairy that has found new ways to sell its products in the own region, rather than relying solely on export (Bode 2004: 87). In 2008, there were 300,000 chiemgaues circulating, creating a turnover equivalent of 3.7 million euros (the circulation speed of the chiemgauer is 2.5 to 3 times that of the euro). Whereas in the initial year 2003, 90% of the chiemgaues were changed directly back into the euro, in 2008, 70% were kept circulating. More than 600 enterprises accept the chiemgauer. (all data: www.chiemgauer.info on 8 Nov 2009)

The Chiemgau region is a relatively wealthy region in a Germany-wide comparison, and even in the context of wealthy Bavaria. According to one classification, it is a high-potential peripheral region¹ (Segert/Zierke 2005: 99). How can a regional currency work in less privileged regions, e.g. in shrinking rural regions (with high demographic losses) in Eastern Germany, but also in declining regions in Western Germany? According to the makers of regional currencies in these stagnating regions, a different

approach is needed. A very illustrating example is the urstromtaler in Saxony-Anhalt, a federal state in Eastern Germany struggling with high unemployment, a negative image and emigration of the talented. The havelblüte and oderblüte² in the federal state of Brandenburg follow a similar design. In the urstromtaler system, shops, enterprises and even private people, who sell self-made goods or services, can receive a certain amount of starter money in urstromtaler, if they sign a contract that they are willing to accept this currency as payment. Unlike in the chiemgauer system, the urstromtaler cannot be changed back into euros, instead the participants have always to find someone, who in turn accepts the regional currency as payment. The participating enterprises and individuals can choose a percentage, which can be paid in the regional currency. If a mechanic has to buy material and equipment from outside the region contributing on average to 60% of his turnover, he/she can decide to accept only 40% of the payment in the regional currency (as he is unable to convert it into euros). The amount of the initial starter money, which can be seen as an unlimited, interest-free credit, depends on the size of the company and the percentage for the acceptance of the regional currency. In the case of the havelblüte, a company receives 1,000 havelblüte for each employee times the acceptance percentage. This "credit" needs only to be paid back, if the company decides to quit the system. There were

1 "Agglomerationsferner ländlicher Kreis mit höherer Dichte": These districts, relatively remote from agglomerations but with rather dense internal structures, are according to Segert and Zierke often underestimated from an urban perspective. They are part of the periphery, but evidence in the German context an unspectacular, but stable regional development with remarkable approaches towards sustainability. Among the rural regions in Germany they rank second, and in the European context they are well-positioned as well. (Segert/Zierke 2005: 99)

2 Suffixes as -taler and -blüte are popular in the naming of German regional currencies. „Taler“ refers to both an inhabitant of a „Tal“, a river valley, while it is also an ancient German currency (the same origin as „dollar“). „Blüte“ in turn is both the flower of a plant, but also a slang word for „fake money“.

24,500 urstromtaler (in 2006), 31,000 havelblüte (in 2007) and a smaller amount of oderblüte in circulation (www.regiogeld.de on 8 Nov 2009). At this point, this type of regional currency has not reached the same impact as the euro-based model, at least if the chiemgauer is taken as a benchmark (however, many other euro-based regional currencies are equally small as the activity-based ones). The remarkable potential of activity-based currencies is, however, demonstrated by the Austrian Vorarlberg talents. They as well include private persons in their system, and currently the system counts about 1,800 participants with 750 user accounts (www.talentierte.at on 8 Nov 2009). While euro-based systems are probably more successful in integrating traditional shop-keepers (if there are still any in the region left) and thus are better in offering the consumers a wide variety of goods and services, the particular strength of the activity-based currencies lies in their potential to activate and empower the inhabitants of a region, to provide new sources of (side) income and to build social capital (which of course is endorsed by regional currencies generally, if compared to the main currency).

The sterntaler in the region of Berchtesgaden (also Upper Bavaria) is an example, where aspects of both design principles are combined. It can be ranked as a middle-sized regional currency with a current circulation of 63,000 sterntaler and 205 participating enterprises (www.regiostar.com on 8 Nov 2009). The sterntaler itself is quite similar in design to the neighboring chiemgauer, with which recently some kind of clearing system, an inter-regional exchange mechanism with a 1% tobin tax, has been established (www.regiostar.com/93.0.html on 8 Nov 2009). But the sterntaler is at the same time linked to a local LETS (Herrmann 2005: 34-36). The "mixed model" of the sterntaler is characterized by two rules. Next to changing euros into sterntaler, it is also possible to pay part of the sum in LETS talents. The advantage for the LETS participant is that he/she can now buy goods and services from a larger supply coming from the whole region, not simply the home town. On the opposite side, sterntaler can be changed back into euros with a loss, but also into LETS talents (and additional euros). In this case, the regional currency supports the LETS activity. The consumer is in this case rewarded with a lower exchange loss (whereas he/she gets only 90 euros for 100 sterntaler, he/she can choose 60 euros plus 35 talents).

As already mentioned, most of the German activity-based currencies allow for some limited exchange of euros into the regional currency, but not backwards. This exchange is in some cases even endorsed by a favorable exchange rate, e.g. 105 havelblüte for 100 euros. The reason for this weakening of the principle comes from the obstacles that are posed for simple consumers to join and endorse the system. Unless they participate as producers, they could otherwise obtain the regional currency only if they were employed by one of the participating enterprises (if they accepted the currency as part of their wage). Some mer-

chants, of course, also use the regional currency to reward customer loyalty by handing over regional notes as a "Thank you" for a bigger purchase.

There is one highly defended feature, which unites (almost) all regional currencies in Germany, Austria³ and Switzerland: the money loses its value over time. This characteristic goes back to the "free money" ideas of Silvio Gesell (1862-1930), who argued that money should be allowed to "rust" and "decay" in the same way as all natural goods do. This would be a matter of fairness, to put money owners at the same risk as all other farmers, workers and entrepreneurs. And it would stimulate exchange, as everyone would be eager to keep the money circulating by changing it into useful things. Gesell and his followers saw this as a means of getting rid of the whole system of interest. The amazing experience of the Austrian city of Wörgl during the Great Depression, when the mayor decided to introduce a local money based on Gesell's ideas, shows that such a money system can achieve a remarkable development under specific circumstances (in Wörgl, public infrastructure, some lasting until today, was built with the local "free money" - www.unterguggenberger.org on 8 Nov 2009). This tradition is incorporated in almost all present-day regional currencies, frequently named circulation "impulse" or "ensurement". The most common form is a small devaluation every three months (mostly 2% of the denominated value). In order to keep using the note, the user has to buy an update mark and glue it on the backside of the note. Another way to ensure the circulation is to limit the validity of the note. When the period of validity (usually a year) is over, the old note needs to be exchanged against a fee into a new one. Still a new method of continued devaluation has recently been implemented with the e-chiemgauer, the electronic form of the chiemgauer, which can be accessed through a special form of bank card. In this case a continuous devaluation of the money is possible.

In a comparative study (Volkmann 2009), the structures of the supplier side (the enterprises participating in the system) have been analyzed for 16 regional currencies. In a first step, the total of 2,300 suppliers has been categorized according to 77 branches. These include agriculture and food (fruit and vegetables, dairy products, bakeries, wood, etc.), small production (artisans, traditional crafts, etc.), food retail (organic food shops, fair trade shops, supermarkets, etc.), traditional merchants (clothes, shoes, stationaries, flowers, electrical appliances, books, pharmacies, etc.), services (computer and internet, design, coaching, alternative health, book-keeping, baby-sitting, seminars, etc.) and gastronomy (restaurants and cafes, both traditional and alternative, etc.).

The general results of this statistical overview show that on a total, a broad variety of services and goods can already be obtained with regional money. In other words, regional money could be used as a working complement to the main currency and play a considerable role in an everyday econ-

3 The Vorarlberg talents are an exception

omy based on regional suppliers and circuits. This positive image, however, is largely a result of the big success of the pioneer of regional currencies, the *chiemgauer*. Over 600 enterprises take part in this system, and together they offer a supply of goods and services that covers most aspects of consumer life. There are two more regional currencies with over 200 participating enterprises, which can offer a relatively broad supply as well. Four regional currencies had 100 to 200 participating enterprises and nine had less than 100 (as of summer 2007).

As an obstacle to the creation of true regional economic circuits, however, the bulk of suppliers comes from the field of trade and services. With the exception of local farms, there are few original producers integrated into the system. The top ten suppliers for the 16 analyzed regional currencies are: alternative health (110 of 2300), traditional restaurants (103), technical know-how (90), fruit and vegetables (89), artisan products (73), counseling and coaching (67), seminars (66), bakeries (65), computer and internet (63), and clothes and fashion (62). On the opposite, factories do not participate with the exception of a bio-fuel production facility. However, if it is possible to integrate local (organic) farms into the regional food retail system, this could be considered a success already, keeping in mind that the big supermarket chains often import even those food varieties from far away, which are at the same produced in the immediate vicinity. Helping local farmers and artisans to gain access to the regional markets is an important feature of regional currencies. In a small, rural region, even a regional currency with less than 100 suppliers can make a difference through achieving this objective.

The comparison showed a relatively clear difference in the supply structure between the two largest representatives of a euro-based and an activity-based currency are compared, the *chiemgauer* and the *urstromtaler*. Whereas traditional merchants (clothing shops, shoes, electrical appliances, book stores, pharmacies) are well represented in the former with a share of 32%, many of them are missing in the activity-based counterpart with a share of only 12%. On the other hand, semi-professional offers (such as self-made jam, baby-sitting, tutoring, computer help) are the strength of the *urstromtaler* with a share of 55% compared to only 26% in the *chiemgauer* system. This picture becomes less clear, if other regional currencies are included. Whereas some euro-based and mixed-system currencies such as the *waldviertler* and *sterntaler* resemble the *chiemgauer* structure, other euro-based currencies such as the *kannwas* and *berliner* have more in common with the activity-based *urstromtaler*. For the minor regional currencies, the results are equally ambivalent. The lack of traditional merchants, however, is a general feature of all activity-based currencies. How to evaluate this observation is still another question. It depends on the starting conditions and the specific objectives. If the aim is to provide an attractive offer for the consumers in the region, and to achieve a big turnover, then the euro-based system might be better suited. But if the objective is to activate the locals and to provide the un- and underemployed with a side in-

come, then an activity-based system might offer some advantages.

A common aim that was mentioned in the complementing qualitative interviews of entrepreneurs (participants as well as non-participants) was the idea to establish more direct links between producers and consumers, to deepen the understanding of how and under what conditions food and other goods are produced, and to create some sort of partnership and fair exchange similar to the principles of fair trade. This was accompanied by a vision to create a vivid, manifold network of small-scale, decentralized activities in the region. Despite all differences, this seems to be a common objective of all those regional currencies that are united under the non-profit, democratic and community-oriented charter of the *Regiogeld-Verband* (Regional Money Alliance).

LESSONS FROM PAPUA-NEW GUINEA

If we leave Central Europe for a while and travel mentally to the other side of the globe, Papua-New Guinea could be considered a "superpower" of complementary currencies. The more than 800 nations of this country have a long tradition of shell money. This shell money is a kind of "community currency" that reproduces social relations in a very different manner than the Western national currencies. According to Geoffrey Ingham, "all money is constituted by credit-debt relations – that is, social relations" (2004: 72). But whereas Western national currencies connect the state with the dominant classes (Ingham 2004: 107-133, 131 in particular), PNG shell money has been crucial to reproduce the social links within a group, making it more resilient against outward threat. (Preissing 2007) And although the context differs greatly from the Central European situation, some important lessons might be learned from the people in PNG and their way to build social capital.

Probably the most important feature about the PNG shell money is the fact that products and (ritual) services do not have a fixed, exact price (cf. Preissing 2007). Rather, the price of a product depends much on the concrete social situation. This is similar to observations in other socially rich cultures, such as the women-dominated local economy of Juchitán, Mexico (cf. Bennholdt-Thomsen 1994). Furthermore, the price of a product or service (mostly teaching of traditions or a ritual) is not paid exactly among the examined Tolai people in PNG, but rather the price remains vague so that the payment either falls a bit short of or exceeds the socially adequate amount (Preissing 2007: "non-liquidizing exchange"). The exchange thus is oriented towards the future as it establishes an obligation for further social interaction between the two exchange partners. A development aid worker told the story of how a village woman brought loads of vegetables and fruit to his family upon their arrival and how they hastily picked some things out of their travel cases to reply the gesture. The village woman, however, was suddenly very disappointed. Later, the development workers learned that the gifts of the woman were an invitation to begin a social relation and that their immediate "counter-gift" meant a rejection of this

offer. Of course, they were expected to answer the favor some day, but not immediately. Quite similarly, every payment in shell money functions thus as a reaffirmation of the social fabric. This could be seen as a concrete example of what Karl Polanyi described as the “social embeddedness of markets” (1971: 56-67).

Social anthropologists have termed this institution a “cultural reserve”. Cultural reserves enable communities and nations to keep up social and economic life under stress. Sigrun Preissing (2007) has argued that shell money of the Tolai people have empowered this nation to survive even during very endangering periods, e.g. under the pressure of the colonial powers to integrate and subordinate the Tolai and other nations in Papua-New Guinea into the colonial money system and economy. Wisely, the Tolai called the reichsmark (the currency of the colonizing German Empire) a “weak currency”, because it was only able to buy luxury goods, such as alcohol. Their own shell currency, called tabu, they considered instead as a “strong currency” as only this one was able to reproduce social relations within the group (Preissing 2007). Realistically seen, the PNG shell currencies are of course not static and are subject to change, so the usage of this community currency is changing within the larger context of the society. Sigrun Preissing reports that nowadays the local embeddedness of the shell currencies is decreasing and they consequently adopt more features of “Western” money – also because the national government of PNG now has introduced an official bank for the exchange of shell currencies into the national currency and vice versa (Preissing 2007). Accumulation of shell money and anonymity in trade are now easier with reduced social control of the transactions.

It is exactly this special feature of community currencies such as that from PNG, the fact that they introduce “friction” into money transactions, that can be learned for the further development of regional and other complementary currencies in the rich parts of the world, LETS and hours in North America, taler and blüten in Europe, fureai kippu in Japan. It is quite similar to the idea of a tobin tax (a tax on financial transactions) pushed by networks like attac. Both tobin tax and community currencies aim to create “friction” in the money transactions, to throw a spanner in the works (the name of the newsletter of attac Germany is “Sand im Getriebe” - “sand in the gearbox”).

This simultaneousness of homogenizing global trends and of new diversity at the local and regional level was termed “glocalization” by Roland Robertson (1995). The concept refers to a very dynamic relationship of the global and the local. Regional currencies, if seen this way, are not a simple – and possibly dangerous – return to old traditions and national romantic (now in the form of the region), but they stand for a new mix of adapting old traditions to a new context. Regional currencies in Europe and North America are suddenly closely linked to traditional, but themselves

changing, complementary currencies, such as those in PNG. The American political scientist Iris Marion Young elaborated an understanding of the post-colonial concept of “hybridity”, which likewise points to structures of domination and simultaneous countervailing strategies, resulting in “hybrid” cultures. She strongly argued for learning from the wisdom of other, non-European cultures in order to reconceptualize self-determination and global governance: “The project of rethinking democracy for a postcolonial age, I am suggesting, benefits from a hybrid vision of the history of societies and governments that refuses the traditional/modern, savage/civilized dichotomies.” (Young 2007: 24)

From this point of view, the task for regional currencies is the creative integration of different perspectives and the provision of maneuvering room for problem-solving (Schubert 2007: xiii). Regional currencies serve as an economic means of communication, which help to negotiate solidarity and justice in a constant process of action (ibid., cf. Joas 1996). They allow for a development of regional identity, which is in communication with global problems and challenges (Schubert 2007: xiv).

THE GREATER CONTEXT – SOLIDARITY ECONOMY

If regional currencies are regarded to facilitate communication and the search for creative solutions to problems within a region, while at the same time not forgetting the global picture, the idea of a “solidarity economy”, developed in Brazil, seems to be a very useful frame. The original Brazilian notion focuses in particular on self-governed enterprises, closed-down factories that were taken over by their employees and are now run by them on their own risk. From a European perspective, it might be sensible to widen the understanding of “solidarity economy” to all economic forms that include aspects of solidarity and fairness in opposition to pure profit-maximizing. Fair trade, idealistic provision of public goods (e.g. education) and regional currencies (which aim among others at a deepened understanding of the situation of neighboring producers and a strengthening of the regional community) could all be seen as contributing to a “solidarity economy” with blurred boundaries towards the mainstream economy, allowing the individual to choose the degree to which he or she wants to participate in the solidarity realm. This could allow for a gradual move towards the adoption of routines of alternative economic and social activity⁴.

In the first section, we have seen that activity-based regional currencies possess a strength of integrating non-formalized and often marginal-income activities (such as self-made food and personal assistance) into the regional economy, many of them embedded in some “network of solidarity”. If this approach is taken seriously, then the development of a new understanding of “work” is on the agenda: one that includes a broad variety of human activities beyond the traditional, formalized, income-earning

4 Cf. transcript of a presentation by Frank Jansky at a meeting of „Regional currencies in Eastern Germany“ (RIO) on 24 November 2007 in Könnern, Saxony-Anhalt.

work based on a 40-hour work week (in the wealthy industrialized countries). And, as our present systems of social security are based exactly on this traditional notion of “normal work”, a new logic of providing social security, of reducing the impact of individual life risks, is needed as well.

The French philosopher André Gorz has argued that technological and capitalistic “progress” has decreased drastically the amount of paid work – jobs in the common understanding (Gorz 2000: 9, 22-24). He points out that even in the emerging market economies, such as China, India and Brazil, economic growth takes place only in certain regions of the country (about twenty in China), whereas large parts of these countries remain outside this income growth (Gorz 2000: 37). According to Gorz, “the greater the rise in productivity and the enthusiasm of the workers, the greater is also the rise of unemployment, poverty, inequality, social exclusion and the profit rate” (ibid.: 67, translation from the German edition: K.V.).

Gorz calls for a new understanding of work. Instead of considering discontinuous work as “inferior, insecure, forced upon, discontinuous work must become a desired, socially secured right, a socially respected form of human versatility, a source of independent every-day culture and new socialness”. (Gorz 2000: 77-78, translation: K.V.). The basic income needed for life should no longer be dependent on paid work, but guaranteed for all members of society. Gorz argues that there is not a lack of work – there is enough work to be done in society – but there is a lack in the fair distribution of richness. (Gorz 2000: 102) A guaranteed basic income for all would encourage to see work in terms of “being active”. Life would be constituted of “multiactivity” rather than the “job” one is doing. (Gorz 2000: 102-109)

A guaranteed basic income may sound Utopian. This is not necessarily so. A detailed calculation based on real micro-level household data, carried out by the Finnish Green Educational Foundation (Visio) and the Finnish Social Insurance Agency (Kela), simulated the effects of a partial basic income (Honkanen/Soininvaara/Ylikahri 2007). The model was based on an unconditional partial basic income of 500 euros for each citizen between 18 to 65 years (older citizens already get a guaranteed basic income higher than that today). The financing would require a reform of the tax system, introducing a flat income tax (of 48%) on all incomes, i.e. including capital income. Present-day income transfers such as rent assistance would be continued to be paid by the state for those who are unable to add-on themselves to the partial basic income. The results are very encouraging: 42.5% of the Finnish population (mainly in the poorer income deciles) would be better off as a result of the partial basic income; for 37.0% (mainly the middle income segments) the financial situation would remain mostly the same as today; only about 20.5% (in the upper two income

deciles) would be worse off due to a higher taxation of capital income (Honkanen/Soininvaara/Ylikahri 2007: 67). All poverty indicators would improve, albeit the median income and thus the reference point would rise: The relative poverty would drop from 3.7% to 1.7% (40%-poverty), from 10.1% to 7.8% (50%-poverty) and 16.5% to 14.0% (60%-poverty). The Gini-coefficient as a measure for income distribution would improve from 26.1% to 22.7% (ibid.: 71).

The authors of the study stress that a basic income itself has only a limited effect to make incomes more equal. Taxation is instead the main factor to reduce income inequality (ibid.: 77). Also, it is impossible to predict how human behavior will change if the incentives are changed (ibid.: 52). However, a (partial) basic income can be seen as not simply an instrument for social policy, but for economic policy as well: Having an unconditional, partial but guaranteed income, many small and limited jobs would become attractive. Society as a whole would gain. Also, it is a means to encourage entrepreneurship – exactly the kind of small-scale entrepreneurship that is also endorsed by regional currencies. A village grocery store, that is no longer profitable, might give employment to a person with a partial basic income. This is not only a gain for this individual, but for the whole village community, which will keep its village store, both as supplier of daily goods and as a social meeting place. And even nature gains, because car trips to remote supermarkets are reduced⁵.

As the Finnish authors pointed out, it is difficult to predict how people will react if incentives are changed. A concrete scenario based on detailed statistical evidence on the amount of work done in Germany is the vision of a “half-day society” (Halbtagsgesellschaft) by Carsten Stahmer, Susanne Hartard and Axel Schaffer (Stahmer 2006). According to surveys by the Federal Statistical Office, men in Germany work on average 1,700 hours a year in paid work. Women, in comparison, work 1,150 hours a year in paid work. On the other side, about two thirds of the housework is done by women. About 10 million persons in Germany do not have a paid job, not all are officially unemployed, because some simply have given up to find a job and may live on the income of their spouse or their savings. The team around Carsten Stahmer suggests an ideal, where men and women equally work about 1,000 hours a year. This means a reduction for both. This would set free paid work for those 10 million persons, who do not have a “job” today. (Stahmer 2006: 11) And those, who have a “job” today, would gain time for volunteer work, for child-rearing and care of the elderly, and for continued education. Society, again, would gain as a whole (ibid.: 7-8). The proponents of a “half-time society” do not suggest radical changes. They do not suggest that the average person would start working part-time. Instead, they envision a model where it is possible to work some years full-time, but there is an option to leave work for a limited time when

5 There are other arguments for a basic income grant, most prominently the human right to live in dignity, but also as a corporate dividend to unselfish productive innovations coming from society

the children are young, for personal development, or when the old parents need special care. (ibid.: 9) This would require a system that allows for distributing the life work time unequally across the years. They suggest some kind of time currency as a complement to the income in the main currency. (ibid.: 25, 30-31) Raising children or caring for neighbors would add to the time account, which in return could be used if the same person needs help when he or she is old or ill. Those who prefer to work full time all their life are free to do so, but they would have to pay higher taxes in order to compensate the loss for society as they contribute less volunteer work to the community (ibid.: 22-23).

The last insight, that society – and the economy as well – derives much of its functioning from the unpaid work contribution for reproduction from its members – and in particular from women – is the main argument of an approach of feminist sociology called the “subsistence approach”. Similar to the post-colonialist notion of “hybridity”, which strives to overcome the classical dichotomy of traditional/modern, the subsistence approach aims to transfer the idea of subsistence, of self-sustaining work, from its traditional context as “primitive, pre-modern economy in developing countries” to the context of Western societies by focusing on the every-day work that is done in households and communities to prepare food, to provide clothing, to clean and repair, to take care of people, who need assistance and so on (Bennholdt-Thomsen/Mies 1997: 14-18). Some proponents have developed this idea for a specific urban context (Dahm/Scherhorn 2008), including in particular community work in the neighborhood and beyond the family, into this concept. The subsistence approach takes a rather radical position. It questions the standard creation of “new” jobs, stating e.g. that a service-job in a shopping mall is not close to equal the quality of a small, independent shopkeeper or craftsman, who has been made unemployed by the massive state subsidy to build a large shopping mall in the name of creating “new” jobs – at the same time destroying old ones (Bennholdt-Thomsen 2003: 244-245). Veronika Bennholdt-Thomsen, one of the conceptual thinkers of the subsistence approach, has set up five criteria for a “subsistence orientation” (ibid.: 249):

1. The useful, that what is needed, has priority.
2. The small has priority over the big.
3. Personal relations are better than anonymous ones.
4. Decentralized solutions are better than centralized ones.
5. The local has priority over the international.

These demands have much in common with the ideas of actors who initiate regional currencies. They as well want to strengthen small, local enterprises, knit decentralized networks in the region, establish direct contacts between producers and consumers and create a form of money that is based on its usefulness for the people (cf. Volkman 2009: 115-118, 123, 240). Bennholdt-Thomsen writes: “[...]

it is possible even in complex societies to manage without money, not immediately in the whole world society, nor at once in the whole country, but locally and regionally. I think of Local Exchange Trading Systems (LETS), as they are developing in Germany in many cities and which might well be supported by the municipality [...] But another point is important to me in this context: Namely that not money itself is the problem, but how we deal with it.” (Bennholdt-Thomsen 2003: 250, translation: K.V.).

Under the heading “opportunities of shrinking”, the theologian Hans-Peter Gensichen has composed a list of innovative social infrastructure based on Gorzian multiactivity, which is especially needed in less advantaged (rural) regions: village schools, public libraries, local markets, community gardens, self-help repair shops, care partnerships etc. (2007: 137-145). If we see regional and other complementary currencies as agents of change, then they are closely linked to a new understanding of work – including being active for one's own sake, for the community, and for society at large –, and to a corresponding infrastructure of social institutions. All might be put under the roof of the term “solidarity economy”.

REFERENCES

- Bascetta, M. 1994 *Nuove Servitù* [The New Servitude], (Rome: Manifestolibri)
- Bennholdt-Thomsen, V. 2003 'Subsistenzorientierung statt Geldorientierung: Wovon leben unsere Städte wirklich?' [Subsistence orientation instead of money orientation: What do our cities really live from?]. In Werlhof, C., V. Bennholdt-Thomsen and N. Faraclas (Eds.) *Subsistenz und Widerstand. Alternativen zur Globalisierung*, (Vienna: promedia) pp. 242-254. English edition 2001: *There is an Alternative: Subsistence and Worldwide Resistance to Corporate Globalization*, (London/New York: Zed Books)
- Bennholdt-Thomsen, V. and M. Mies 1997 *Eine Kuh für Hillary. Die Subsistenzperspektive* [A cow for Hillary. The subsistence perspective], (Munich: Frauenoffensive)
- Bennholdt-Thomsen, V. 1994 *Juchitán – Stadt der Frauen* [Juchitán – Women's City], (Reinbek: Rowohlt)
- Bhabha, H. 1994 'DissemiNation: Time, narrative and the margins of the modern nation'. In Bhabha, H. (Ed.) *The Location of Culture*, (London: Routledge) pp. 139-170.
- Bode, S. 2004 *Potentiale regionaler Komplementärwährungen zur Förderung einer endogenen Regionalentwicklung* [Potentials of regional complementary currencies for the promotion of an endogenous regional development] Unpublished Master thesis, (University of Osnabrück).
- Dahm, D. and G. Scherhorn 2008 *Urbane Subsistenz. Die zweite Quelle des Wohlstands* [Urban Subsistence. The second source of wealth], (Munich: oekom and Wuppertal Institute)

- Gensichen, H.-P. 2007 Uckermark. Zukunftsroman [Uckermark. Future novel], (Wittenberg/ Tübingen: ICHverLAG)
- Gorz, A. 2000 Arbeit zwischen Misere und Utopie, (Frankfurt/Main: Suhrkamp). French original 1997: *Misères du présent. Richesse du possible*, (Paris: Editions Galilé)
- Grinde, D.A., and B.E. Johansen 1991 *Exemplar of Liberty: Native America and the Evolution of Democracy*, (Los Angeles: UCLA American Indian Studies and UC Press)
- Herrmann, M. 2005 Potentiale von Regionalgeld-Initiativen als Multiplikatoren für eine nachhaltige Entwicklung [Potentials of regional currency initiatives as disseminators for a sustainable development] Unpublished Master thesis, (University of Lüneburg).
- Honkanen, P., O. Soininvaara and V. Ylikahri 2007 *Perustulo. Kohti toimivaa perusturvaa* [Basic income. Towards functioning basic security], (Helsinki: Vihreä sivistysliitto/Gröna bildningsförbundet)
- Ingham, Geoffrey 2004 *The Nature of Money*, (Cambridge/Malden: Polity Press)
- Joas, H. 1996 *Die Kreativität des Handelns*, (Frankfurt/Main: Suhrkamp). English edition 1996: *The Creativity of Action*, (Chicago: University of Chicago Press)
- Kennedy, M. and B.A. Lietaer 2004 *Regionalwährungen. Neue Wege zu nachhaltigem Wohlstand* [Regional currencies. New paths towards sustainable wealth], (Munich: Riemann)
- Lietaer, B.A. 2002 *Das Geld der Zukunft*, (Munich: Riemann). German special edition of *The Future of Money*.
- Polanyi, K. 1971 (1944) *The Great Transformation. The political and economic origins of our time*, (Boston: Beacon Press)
- Preissing, S. 2007: *Komplementärwährungen und Tausch als Reserven gegen Globalisierung?* [Complementary currencies and barter as reserves against globalization?] Master thesis (University of Tübingen). Published as: Preissing, S. 2009: *Tauschen – Schenken – Geld? Ökonomische und gesellschaftliche Gegenentwürfe* [Barter – Gift – Money? Economic and social alternative concepts], (Berlin: Dietrich Reimer)
- Putnam, R.D. 1994 *Making Democracy Work. Civic Traditions in Modern Italy*, (Princeton: Princeton University Press)
- Robertson, R. 1995 'Glocalization: Time-Space and Homogeneity-Heterogeneity'. In Featherstone, M., S. Lash and R. Robertson (Eds.) *Global Modernities*, (London: Sage) pp. 25-44.
- Rohrbacher, I. 2008 *Regionalgeld-Initiativen als Netzwerke? Eine Untersuchung am Beispiel der Havelblüte* [Regional currency initiatives as networks? A case study of the havelblüte] Unpublished Master thesis, (University of Potsdam).
- Schubert, H.-J. 2009 'Foreword'. In: Volkman, K.: *Regional – und trotzdem global* [Regional – and still global], (Münster: LIT)
- Segert, A. and I. Zierke 2005 *Regionale Ungleichheiten aus der Perspektive nachhaltiger Regionalentwicklung. Das Beispiel ländlicher Räume in Deutschland* [Regional disparities from the perspective of sustainable regional development. The case of rural areas in Germany] (Potsdam: Brandenburgische UmweltBerichte, Vol. 16)
- Stahmer, C. 2006 *Halbtagsgesellschaft. Anregungen für ein sozial nachhaltiges Deutschland* [Half day society. Impulses for as socially sustainable Germany] Manuscript, (University of Bielefeld), Published online:
http://www.uni-bielefeld.de/ZIF/KG/2004Modellierung/Halbtagsgesellschaft_Stahmer.pdf (03.07.2008)
- Volkman, K. 2009 *Regional – und trotzdem global. Solidarische Ökonomie im Spannungsfeld zwischen Regionalität und Globalität. Eine explorative Studie zu Regionalwährungen* [Regional – and yet global. Solidarity Economy between regionality and globality. An exploratory study of regional currencies], (Münster: LIT)
- Young, I.M. 2007 *Global Challenges. War, Self-Determination and Responsibility for Justice*, (Cambridge/Malden: Polity Press)