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Complementary Currencies, Exchange Systems, Social Money

Complementary currencies, exchange systems, social money – these and other terms have been used to describe the different forms of alternative economic experiments that have developed over the past thirty years, and which have found considerable resonance in social science research. A group of scientists headed by the economist Jérôme Blanc has been involved with this topic since the 1990s. In 2010 the group invited for a twin event in Lyon: a scientific conference (the "International Conference on Community and Complementary Currencies" on 16./17.2.2011) followed by a "Practitioners Day" (17./18.2.2011). More than two hundred participants went to France to attend. They were mainly from Central and Western Europe, Brazil, Argentina, US, Canada, and Japan. However, project reports from other parts of the world, such as Africa, have shown that a close to global movement is in the making.

A kaleidoscope of alternatives and interpretations

In his "Call for Papers" Blanc had avoided placing emphasis on specific theoretical interpretations or individual types of complementary currencies. His aim had been to offer a forum for the variety of approaches that characterises this social movement . This objective

was fully achieved. 78 conference papers had been submitted, 55 of which were ultimately presented in three parallel workshops. The many facets of the topic are illustrated in the following examples:

A wide-ranging array of exchange or monetary systems had been presented. While professionally run time banks or voluntary exchange rings are mainly common in the social field, the many regional currencies have been established to offer an economically meaningful alternative. Christian Thiel and Krister Volkmann presented results from their PhD theses, written about the German "Regiogeld" systems. The presentations by Melina Young and James Stodder dealt with commercial barter systems. The most significant innovative force in this field is no longer in the northern hemisphere but in Latin America. In particular, the establishment of development banks in Brazil was intensively discussed.

In many countries, complementary currencies only play a marginal role. Zsuzsanna Eszter gave an outline of the small successes and the difficulties of various experiments in post-socialist countries in Eastern Europe. For many years, Greece had been a white spot on the map of exchange systems and alternative moneys. The first time bank was established in Athens in 2006. Irene Sotiropoulou explained that now, in light of the severe economic crisis, more projects of this kind are being set up.

Loren Gatch and Sarah Elvins have both made presentations analysing the use of "scrip", i.e. the issue of local currency notes during the Great Depression after the financial crisis of 1929. Elvin's analysis was rather sober – the local resources at the time were too limited to make a significant contribution to overcoming the economic crisis. Nathalie Ferreira offered a look back at the roots of this movement in the nineteenth century as she reminded the audience of P. J. Proudhon and his concept of a people's bank.

Other contributions attempted to structure the different types of systems by their characteristics. Furthermore, potential benefits of introducing new technologies have been

discussed extensively both in the official and unofficial part of the conference. Liezl Coetzee described the impact of the "Community Exchange System" developed in Cape Town, a software platform enabling exchange operations even outside the regional framework. As an Australian participant of this workshop reported, this programme has made a key contribution to the revival of the "Local Exchange and Trading Systems" in her country. According to Joel Thompson, who finished his presentation on Kenya with an optimistic outlook for the future, the possibilities of payment transactions via mobile services offer good opportunities for complementary currencies in Africa.

A number of contributions focused on the monetary aspects of these systems. Other presentations approached the issue from different angles: For example, based on her extensive empirical study on the Argentine "Trueque" systems, Georgina Gomez concluded that differences in the institutional frameworks are decisive for the success or failure of individual systems. The Japanese Makoto Nishibe presented his approach, which is based on evolutionary economics. Nishibe is one of the few scientists who have been researching this topic for many years.

A cross section through the range of events shows that complementary currencies are being linked to different goals and aspirations. In Romanic countries, in particular, they have been considered as key elements of a "solidarity economy." In countries such as Britain or Germany, social aspects play a large role too, however, a considerable weight is also being placed on ecological criteria. This raises the question, whether commercial barter circles should be taken into account. However, only few would have wanted to see the contribution by James Stodder about the Swiss WIR system founded in 1934 excluded. Based on his long-term research he could prove that the business cycle of this barter currency was counter-cyclical in relation to the one of the Swiss economy.

Practical Experiences – Reports

The opening event for the "Practitioners Day" which was also open to the public took place on the previous evening in the "Palais de la Mutualité." Particular attention had been paid to the Brazilian project "Banco Palmas." In addition to microfinance, vocational training courses and other instruments to stimulate the economy in a favela in Fortaleza city, the concept of this facility also includes a local currency. A number of development banks in Brazil have been established based on this model and more will follow.

In Europe, and to a degree in other parts of the world, activists and scientists see the future in multifunctional systems, which encompass different spheres of exchange transactions. In addition to private neighbourly help, this regularly includes the involvement of medium-sized business and sometimes social welfare functions. Projects in this category, which have been presented in Lyon, included the French "SOL" and the Austrian "Talente Tauschkreis Vorarlberg".

During the evening event as well as the following "Practitioners Day", the numerous representatives of the French barter circles "SEL" raised their voice. These facilities had been founded in the mid-nineties of the last century. Many of those being active in these institutions prefer an autonomous path beyond the established structures of state and market. Often this implies a lack of resources, which are necessary to run organisations in an efficient manner. In a personal discussion a younger participant expressed his scepticism about these older complementary currencies in the following way: "We don't want to restrict ourselves to the trading of homemade pies."

In general, the newcomers in this field are social entrepreneurs who are trying to meet the demand for professionalism. Service providers such as the Dutch non-governmental organisation STRO offer support, amongst other things with their software products or in respect of their know-how to make use of subsidies. According to the South American

representative of STRO, Camillo Ramada, convincing business plans are crucial for making a successful funding applications. However, this approach does not provide a solution to secure the long-term financial stability of such projects. This kind of dependencies had motivated first-generation activists to restrict themselves to the small niches beyond the established structures of market and state.

Perspectives

"Thirty years of complementary currencies – what is the next step?" These had been the words chosen by Jérôme Blanc to headline his "Call for Papers" for the scientific conference. It is the belief in the power of a new type of money, which had driven and continues to drive many activists in this field. The social sciences manage to break away only gradually from this populist idea. The economic issues raised by Gomez, which include the question of economic sustainability of complementary currencies, their socio-cultural and political environment, show that scientists not only interpret the movement's development but are capable of giving it a major impetus. The themes of the plenary sessions attempted to be a bridge between the past and future: by discussing the development of an infrastructure for scientific research on complementary currencies and the opportunities and risks of a political assessment of these social innovations.

To sum up, the main attraction of this event was the extraordinarily wide variety of contributions. However, diversity also means heterogeneity. Both may be used to explain why the conference in Lyon addressed the essential questions for the future of this movement while failing to establish its clear shape.