International Journal of Community Currency Research

VOLUME 19 (2015) SECTION D 1-5

INTRODUCTION: MONEY AND DEVELOPMENT

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This special issue of the International Journal of Community Currency Research (IJCCR) includes 15 papers that their authors presented in their earlier versions at the 2nd International Conference on Complementary and Community Currency Systems, 'Multiple moneys and development: making payments in diverse economies'. It was held at the International Institute of Social Studies (ISS) of Erasmus University Rotterdam in The Hague between 19th and 23rd June, 2013. It was organised as an event of the Civic Innovation Research Initiative in collaboration with the Qoin Foundation (Amsterdam), the think-tank New Economics Foundation (London), and the Palmas Institute (Brazil and Europe)[1]. The event was attended by almost 450 participants from 31 countries, including academics, practitioners, consultants, policy makers and representatives of grassroots organisations. This special issue seeks to reflect that diversity and includes articles on Complementary and Community Currency Systems from most corners of the world.

The second international conference on CCS in The Hague stems from the intention of a group of researchers to establish the tradition of meeting regularly to discuss advances in the production of knowledge on Complementary and Community Currency Systems (CCS). The first international conference, 'Thirty years of community and complementary currencies – what next?', was organised by a committee led by Jerome Blanc at the research centres Triangle (UMR 5206) and LEFI (EA 4012) and was 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[2]. The third international conference, 'Social currencies in social and solidarity economies: innovations in alternative development', will be held between October 27th and 30th, 2015 at the School of Administration of the Federal University of Bahia in Salvador, Brazil. The practice of regular meetings also aims at building bridges between communities of knowledge and communities of practice. Academics, practitioners, activists and policy-makers have participated in all events, while each group has had dedicated spaces for reflection according to their specific practices and needs. It remains a challenge to bring together the different groups and catalyse the forging of a community while respecting the different worldviews and demands entailed in this diversity.

1 Further support was received from the European Union North-West Europe Interreg IVB programme through the Community Currencies in Action Project, the Global Fund for Cities' Development (FMDV), United Nations Non-Governmental Liaison Service in Geneva, and the Veblen Institute. The event also received financial support from the Municipality of The Hague and the Dutch foundations Stichting Doen and Fonds 1818.

2 Financial support included the Veblen Institute for Economic Reforms and FPH (Fondation Charles Léopold Mayer pour le Progrès de l'homme), the Institut Caisse des dépôts et consignations pour la recherche, the Cluster 12 'Dynamiques sociales et territoriales' of the Rhône-Alpes Region, the Direction générale à la langue française et aux langues de France of the Ministry of Culture and Communication, the Co-operative RES and the Conseil General du Rhône.

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To cite this article: Gómez, G. (2015) 'Introduction: Money and Development' *International Journal of Community Currency Research* 19 (D) 1-5 <www.ijccr.net> ISSN 1325-9547

The event at ISS in The Hague opened with a working definition of CCS: social networks to exchange goods and services that use non-official means of payment. They are civic innovations by which citizens claim from the state the right to create means of payment and regain control over their resources. The conference closed with the question of whether there is a new global social movement that promotes monetary diversity and concentrates the contributions of academic research, progress in practical know-how and innovations in policy instruments for a more sustainable local economy.

The articles in this special issue of the International Journal of Community Currency Research have been selected for their connection to the main theme that "money matters in development" because it promotes the variations of socio-economic systems. The academic strand of the conference lasted two days and accommodated the presentation of 40 papers which are permanently posted at www.iss.nl/ccs2013. The research reflected in the papers covered a variety of subjects, dimensions, foci and used multi- and single-disciplinary approaches. In his closing speech, ISS Professor A.H.J Helmsing noted some important continental differences: while Japanese and Korean researchers focus on the awareness and motivation to participate in complementary currency systems and their effects on users, European researchers seem more interested in understanding the nature of the system, its design and how to make it work. In contrast, Latin Americans see Europe as promoting alternative local development initiatives while they themselves seem more concerned with monetary complementarity as a means to survival and income generation among low-income groups.

The predominant perspective of mainstream economics sustains that money is neutral and, hence, nothing but an instrument to facilitate payments and settle debts. This view shadows the importance of money and monetary innovations for development. Scholars and advocates of Complementary Currencies see much more in money than a tool to support payments and debts. To start with, there is some consensus among them that it is not just an instrument of the state but a social construction with various meanings and representations for the communities that circulate it. Money reflects values (economic, cultural, political and social) and in that sense it is a complex institution (Ingham 1998). It binds networks, supports social cohesion, transmits information and allows for variation and mutation of socio-economic systems (Nishibe 2012). From an evolutionary economics perspective, Complementary and Community Currency Systems enable transformations or mutations in the economic system that activists and practitioners strive to achieve by creating this new money. Most of their aspirations converge on the idea of a more "human economy" that would distance itself from the capitalist system centred on profit maximisation and self-interested behaviour, often resulting in environmental degradation. By being the result of collective action and solidarity, this money becomes a stepping stone to create an "autonomous geography" whose mere existence questions the characteristics of the prevailing economy (Pickerill and Chatterton 2006). Indeed, some complementary currency systems propose a significant political challenge to the widespread principle of "one country = one money", as expressed by Kuroda (2008).

Some of the schemes that have been part of the studies published in the IJCCR have strong emancipatory discourses and practices and the participants seek to create 'a human economy' that would de-link from the capitalist system to various extents. Other groups concentrate on the social networks that promote solidarity and social integration, on which they also depend, and that may achieve economic implications in the longer run, like facilitating the entry of the unemployed in the labour market. Some groups expect complementary currency systems to strengthen the local economy through buying locally with local money, and yet others prioritise the promotion of a low carbon economy that minimises transportation and so on. In terms of economic development, complementary currencies are perceived as the bloodstream of an additional economic circuit in the local economy that can alleviate the effects of unemployment and low-income, which makes the scheme attractive in the present economic downturn. Ultimately, complementary currencies create the opportunity to forge a new socio-economic system and it is up to their organisers and their circumstances to define in what ways and to what degree they will achieve a variation.

The list of potential benefits that complementary currencies could generate is certainly longer and promising. So, it has attracted the interest of policy-makers and multilateral organisations. However, the scheme is still relatively unknown to appeal to the general public. As Blanc (2012: 1) stated, "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", yet, the failure of CCS to scale up remains unexplained, quite like the question on whether they should scale-up, to what extent and on what grounds. Moreover, the academic visibility of research on monetary innovations and the variations of socio-economic systems that they support are still quite low, despite the fact that economic variation seems more necessary in the present economic and environmental crisis than ever before. Spain and Greece are pressed by these needs, for instance, and yet, complementary currency variations seem to be growing at a much slower pace than unemployment in the regular economy in these countries.

While in Europe and North America the schemes with unofficial currencies focus on promoting a more sustainable economy, in Latin America they are mainly seen as tools for income generation and the improvement of welfare. The Argentine CCS versions, called Redes de Trueque, were probably the benchmark in that regard and protected the lives and lifestyles of 2.5 million participants during the economic meltdown around the turn of this millennium, but they have practically become invisible to researchers and media since their demise around 2003. Brazil has taken over as the country where complementary currency schemes are most active and dynamic, while its community currencies are often coupled with credit to run community or individual enterprises.

The difference in focus between Europe and Latin America motivated Helmsing to ask in his closing speech at the ISS conference in The Hague: is monetary diversity a pathology or a virtue? The question refers to the pre-conditions that allow for variations in money. In Europe and North America, complementary currency schemes appear as the offspring of democracy in a discourse of emancipation that leads empowered citizens to reclaim their rights to issue money and regain control of their local economies. In Latin America, in contrast, they seem to be a survival effort in the context of economic crisis although it is a survival effort that depends on collective action and, hence, civil society organisations with a strong sense of solidarity to sustain the action. Poverty appears as a permanent state of economic crisis, exclusion, and disempowerment which feeds the creativity and desire for a better future of communities and their organisations in developed as well as developing countries. The comparison between the CCS in France and Argentina and the innovative work in informal urban settlements in Kenya and Brazil explore these differences. They are a reminder that there is no basis to expect monetary mutation to go in one direction alone and that, they are bound to generate several variations in socio-economic institutions which relate to the conditions that generate the transformation.

This special issue is organised in two sections. The first section deals with the type of socio-economic system that emerges from the monetary variation represented by complementary currency systems and their embeddedness in the regular economy. The articles in that section explore meanings and effects of monetary diversity for business development (Brazil and Kenya), social and community regeneration (Korea, New Zealand and Japan), public services (Japan, Kenya, Brazil and Italy), employment creation and local economic development (short term and long term unemployed in France, poverty alleviation in Kenya and Brazil). The second section discusses various aspects of how complementary currency systems work and compare to each other. Specifically, the articles analyse the different logics, price-setting mechanisms, velocity of circulation, costs and funding sources to launch a CCS, the ways to construct bridges between them and advances on how to assess their success and viability.

THE SOCIO-ECONOMIC SYSTEM OF CCS AND THEIR EMBEDDEDNESS

Community development banks (CDBs) in Brazil are coordinators of various financial mechanisms that aim at restructuring poor and peripheral local economies. Marie Fare, Carlos de Freitas and Camille Meyer the development strategy of CDBs, which include an instrument to facilitate access to microfinance and a community currency, combined with vocational training programmes and support for business start-ups. Put together, these different activities constitute the endogenous and resilient territorial development strategy. The authors discussed the symbolic meanings conveyed by the currency of Banco Palmas, the first and most prominent CDB, and found that its local money serves as a medium for the institutionalization of the community organisations, among other roles.

William Ruddick, Morgan Richards and Jem Bendell report on the development of Bangla-Pesa, a complementary currency system that allows Kenyans in informal urban settlements to trade goods and services and meet sustainable development objectives. The system uses a 'collaborative' or 'mutual' credit model through a network of local business, whose owners often struggle to meet their basic needs. The paper documents the reasons for its creation, how it was launched, the immediate positive benefits upon launch, and some of the difficulties faced. Bangla-Pesa is shown to have facilitated, upon its launch, exchanges of roughly 50 Euros in value per day among 109 businesses, which is projected to raise living standards in the community primarily through the utilisation of excess business capacity.

The role of complementary currency systems on unemployment has attracted interest since research on CCS started. Maëlle Della Peruta and Dominique Torre refine the study of this relationship by building theoretical model that analyses virtual currency circulation inside a local community of unemployed people. They elaborate on the assumptions that the circulation of complementary currencies has two properties: they help unemployed workers to overcome the double coincidence of wants typical of barter exchange and they contribute to maintain or develop unemployed workers' skills and employability outside job. They find that the initial level of trust in the complementary currency and its properties are crucial. Moreover, they show that CCS, in general, have a positive influence on the rate of employment and on the expected utility of employed workers in comparison with a job market without a CCS.

Georgina M. Gómez explores the price fixing mechanisms in the Complementary Currency Systems in Argentina until 2006 and discusses in what ways these methods were different to those in the regular economy. The author found that prices in CCS did not follow those in the regular economy but were affected by relative supply and demand, production costs, and ethical and institutional factors. Each CCS group was organised as a price network in which critical prices - namely those of groceries bought in pesos - were used as reference for other prices. The result was a power asymmetry in favour of those who had pesos to get supplies in supermarkets. Some traders refrained from obtaining the maximum profit and preferred to ask for a "fair price", although notions of fairness and shared values varied widely, like the effectiveness of the institutional controls put in place to keep prices down.

Local communities in Japan are struggling to increase the number of participants in volunteer activities in order to revitalise local life. Ken-ichi Kurita, Masayuki Yoshida and

Yoshihisa Miyazaki refer to the problem of. To maintain the enthusiasm of active volunteers and entice new ones, CCS have been introduced as a reward to provide extra motivation. However, there is no evidence so far that CCS have appealed to the volunteers and the authors investigated whether CCS play a role in raising local residents' motivation to do volunteer work. They found that CCS can generally raise motivation, even in some of those people with a no-reward orientation. The results show that volunteer perceptions towards CCS and cash are dramatically different, although CCS have has the same monetary value as cash.

While agents desire to trust others, they are also reticent to do so against the evidence of opportunism. The ways in which CCS depend and create trust among participants is the object investigated by Robin Krabbe, who refers to ambivalent trust to address the conflict between trusting and not trusting others. The author investigated the potential of negotiated exchanges in a community to address the problem of trust, considering that complementary currency systems are a hybrid between monetary exchange and gift exchange. The article focuses on the case study of a recent project in North-West Tasmania, Australia, called CENTs – Community Exchange North-West Tasmania, which seeks to incorporate the concept of a reputation currency. Although in the early stages of development, CENTs is already showing potential to build trust via the concept of community exchange, albeit on an incremental basis.

Joonmo Kang and Baeg Eui Hong report on Community Currency Systems in Korea and found 43 groups that use them since 2012. They investigated how the coordinators envision the system using Q-methodology, a method to find the subjective views on the topic, and found four types of perceptions on community currencies: 'neighbourhood as a community' in which coordinators agree with mainstream economic values and view community currencies as a tool to revitalise the community and to empower local residents; 'alternative community' in which coordinators view currencies as the means to resist the dominant neoliberal ideology; 'community through eco-friendly affinity groups' in which the scheme is a tool to promote an ecologically-friendly lifestyle; and, 'ecological community' in which coordinators believe that it is an alternative to capitalism and to maintain an ecological community.

Complementary Currency Systems may solve or at least reduce the problem of financing public, solidarity and care economies with public resources. Maurizio Ruzzene concludes that time-based systems of measure, exchange and credit can foster sustainable financing of non-capitalist economies in a more economically efficient, localised and ecological ways. The key is to link alternative currencies to an average value of labour time, which can significantly widen their power, functions and economic role. Moreover, this can foster a new type of universal ecological protection against speculative finance and exploitation of resources, promoting a return to 'taking care' of ourselves, of others, of our community currencies and the world we live in.

COMPARATIVE RESEARCH ON CCS: HOW DO THEY WORK?

Since 2010 there has been an increasing proliferation of complementary currency systems in France and other European countries facing the Euro crisis. These Complementary Currency Systems are shaped by the interest in civic reclaim of the currency and the aspiration for a full-citizenship in which two principles stand out: participation and autonomy. Ricardo Orzi compares these aims with those of the community currencies in Argentina between 1995 and 2005 and discusses in what ways the French CCS may inspire the present social currencies in Argentina. Despite differences in the macroeconomic structures and context, the author concludes that present Argentine CCS may include various state and financial sector organisations and the civic dynamics of the 'consom-acteur'.

The organisational costs of launching a CCS are too often overlooks, as well as the question of who bears these costs. Rolf F.H. Schroeder analysed the different types of costs incurred in the launch of new Complementary Currency Systems and enquires about the appropriate means to finance such projects. The author explores external public and private sources. Self-financing appears to be a viable option but the burden to be carried by the participants by themselves is a significant constraint. In the final part, the author considers whether and how it can be possible to finance regional currencies that would have a significant economic impact. A scenario illustrates the potential of this feature with regard to the construction of new types of systems.

Josep Lluis de la Rosa and James Stodder analyse the velocity of several complementary currencies, notably the WIR, RES, Chiemgauer, Sol and Berkshares dollars. They seek to explain the diversity in their velocity of circulation. Using a comparative method between cases, the article explores a number of possible explanations on the differences in velocity, apart from prevailing demurrage approaches. For example, WIR velocity is 2.6 while RES velocity is 1.9 despite being similar currencies. The higher speed may be explained by WIR blended loans among other benefits and by the fact that there are nearly 20.000 unregistered members who contribute with their transactions.

The question of prices formation is appraised also in the context of Greece. Irene Sotiropoulou investigated how prices were set within the exchange network of Chania, Crete, and examined what prices reveal about the value of the goods offered, within the context of the local economy of the Chania area. The data have been gathered during regular visits to the open markets of the scheme since January 2012. The article attempts to contribute original research findings concerning prices in parallel currency schemes and the study highlights several important issues which arise in multiple currency practice.

Cooperation and interchange between complementary currency systems is not yet very common, perhaps because it has not been considered. Jens Martignoni describes complementary currency as an instrument of cooperation and on the technical terms of trade to establish cooperation between such systems. Basic principles of interchange appear necessary for success, such as the ideas of trade balance, compensation funds, exchange rates and clearing, setpoints and limits, references, anchoring money and tolls and taxes. The author further discusses some aspects of governance and negotiation and presents a nested framework of rules adapted to currencies. A case study of CCS in the Zurich region is presented, where there is an on-going process of negotiation for a trade network.

Credibility and legitimacy are required to improve the design and implementation of complementary currency systems and to engage with public institutions and secure funding. However, only about a fourth of the studies touch upon impact evaluation processes. Christophe Place and Leander Bindewald review the literature and propose two complementary approaches to assess the impact of CCS: a prototype of an integral Impact Assessment Matrix based on the goals, objectives and performance indicators, and a tool based on the 'Theory of Change' methodology as a common, comprehensive and incremental approach for impact evaluation. Both propositions are currently being applied and further developed by the authors.

Complementary currencies can be considered successful in terms of the motivations that led to the creation of these currencies and the degree to which their initiators reach their original goals. Lukas Fesenfeld, Jan Stuckatz, Iona Summerson, Thomas Kiesgen, Daniela Ruß and Maja Klimaschewski draw on two explanatory factors for success: the motivation of the currency's founders and the degree of organisation. They reviewed seven CCS projects in Croatia (CROM), Germany (KannWas, Engelgeld), Greece (Ovolos, TEM) and the United Kingdom (Bristol Pound, Brixton Pound) and found that projects which pursue several different motivations are more successful than those with fewer goals. As for the degree of organisation, projects which score high on all dimensions of organisation are correlated with higher project success. They propose a typology of two groups: Type 1 has low diversity of motivation and organisation and Type 2 has high diversity of motivation and organisation.

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