Ecological Economics 86 (2013) 65–77

Contents lists available at SciVerse ScienceDirect

Ecological Economics

journal homepage: www.elsevier.com/locate/ecolecon

Analysis

Growing green money? Mapping community currencies for sustainable development

Gill Seyfang *, Noel Longhurst

Science, Society and Sustainability (3S) Research Group, School of Environmental Sciences, University of East Anglia, Norwich NR4 7TJ, UK

ARTICLE INFO

Article history:
Received 9 March 2012
Received in revised form 3 October 2012
Accepted 3 November 2012
Available online 9 December 2012

Keywords:
Complementary currencies
Community currencies
LETS
Time banks
New economics
Grassroots innovations
Sustainable development
Degrowth

ABSTRACT

Parallel sustainable monetary systems are being developed by civil society groups and non-governmental organisations (NGOs), informed by ecological economics perspectives on development, value, economic scale and growth, and responding to the unsustainability of current global financial systems. These parallel systems of exchange (or community currencies) are designed to promote sustainable development by localising economic development, building social capital and substituting for material consumption, valuing work which is marginalised in conventional labour markets, and challenging the growth-based monetary system. However, this international movement towards community-based ecological economic practices, is under-researched. This paper presents new empirical evidence from the first international study of the scope and character of community currencies. It identifies the diversity, scale, geography and development trajectory of these initiatives, discusses the implications of these findings for efforts to achieve sustainable development, and identifies future research needs, to help harness the sustainability potential of these initiatives.

© 2012 Elsevier B.V. All rights reserved.

1. Introduction

The need for more socially, economically and environmentally sustainable systems of finance and exchange has never been more evident than it is at present, in the midst of a global economic and ecological crisis (Mellor, 2010). Conventional policy framings of sustainable development suggest ecological modernisation solutions based around market transformation and green growth (OECD, 2011; UNEP, 2011), but these approaches have been criticised as inadequate in scope and ambition by academics (Daly, 1992; Ekins, 1993; Jackson, 2009; Martínez-Alier et al., 2010; Seyfang, 2009; Victor and Rosenbluth, 2007), commentators (Douthwaite, 1992; Robertson, 1999), policy advisory bodies (Porritt, 2003) and think tanks (Spratt et al., 2009). Instead, a 'new economics' approach is proposed, which argues that economic systems must be constrained by ecological and social limits, and which therefore advocates alternative conceptions of wealth and progress along the lines suggested by UNCED (1992), ethical business models, and new forms of money to realise these goals — or 'prosperity without growth' (Boyle and Simms, 2009; Jackson, 2009). While some proposals such as adjusted GDP models of national progress and wellbeing indicators are being incorporated into mainstream policymaking (DEFRA, 2010; Michaelson et al., 2009; Stiglitz et al., 2009), the larger challenge remains to create new systems of provision which embed more sustainable consumption patterns (Seyfang, 2009; Southerton et al., 2004). For many proponents of this new economics perspective, the development of new monetary systems is a critical factor in the shift towards sustainability (Boyle and Simms, 2009).

Beyond the realm of banks and governments, just such sustainable monetary systems are being developed by civil society groups and non-governmental organisations (NGOs). The terminology in this field can be confusing and contested (Blanc, 2010; Collom et al., 2012). In this paper the term complementary currencies is used to reflect the broader family of parallel money systems that exist in a range of different forms, from loyalty points systems to business barter schemes (Seyfang, 2009). Their purpose is to provide some kind of means of exchange and create new 'circuits of value'. Within this wider family, the sub-set of community currencies (CCs) have been proposed as new tools to promote sustainable development (Lietaer, 2001). Such systems are organised around 'not-for-private profit' principles and are intended to serve specific geographic communities (Collom et al., 2012). The rationale is that money is a socially-constructed institution, so alternative systems of exchange, or financial services provision, can build-in more sustainable incentives and structures than conventional money (Douthwaite, 1996; Lietaer, 2001). Drawing inspiration from 1930s paper-based 'scrip'[1] currencies, and other experiments in Europe such as the Wir, Wara and Wörgl (see Douthwaite, 1996, Ch. 3), CCs such as time banks, local exchange

* Corresponding author.
E-mail address: g.seyfang@uea.ac.uk (G. Seyfang).

[1] Scrip is a substitute for legal tender, often paper-based. Many CCs could be considered forms of scrip but the term is often associated with systems that developed during the Great Depression in the USA (Elvins, 2012; Gatch, 2012; Greco, 2001). Certain forms of scrip required stamps to be periodically purchased and affixed, a design feature called *demurrage* which is intended to encourage the currency to be spent and which is a feature of some contempory models such as certain German Regiogeld systems.

0921-8009/$ – see front matter © 2012 Elsevier B.V. All rights reserved.
http://dx.doi.org/10.1016/j.ecolecon.2012.11.003

trading schemes, 'trueque' barter markets and city-wide local currencies have spread across the globe in recent decades. Often with connections to green social movements and organisations, their aim is to deliver services and functionality that mainstream cash cannot — such as keeping money circulating locally, or providing liquidity in cash-poor areas to relieve unemployment and enable people to meet their needs (see Slay, 2011 for a review of evidence). These community currencies have emerged from civil society and the third sector (see for example Dauncey, 1996; Douthwaite, 1996; Greco, 2001) as part of a bottom-up movement promoting 'grassroots innovations' to support a more radical approach to sustainable development (Seyfang, 2009; Seyfang and Smith, 2007).

Community currency schemes have recently received central government support in Brazil and Venezuela, with other countries awaiting the outcome of these experiments. In the UK the 'Big Society' political agenda has led to policy interest in forms of 'reciprocal exchange', leading to financial support for a range of innovative grassroots experiments, whilst in France the SOL reflects an experimental currency partnership between the third, public and private sectors. However, the evidence base for this policy interest is patchy and geographically uneven. Existing academic research has examined CCs as initiatives to: tackle social exclusion and unemployment (Pearson, 2003; Seyfang, 2001b, 2003, 2004; Williams et al., 2001); localise economies and improve resilience (Graugaard, 2012; Gregory, 2009); build social capital and civic engagement (Collom, 2008; Seyfang and Smith, 2002); promote sustainable consumption (Briceno and Stagl, 2006; Seyfang, 2001a, 2006), and as alternative social movements (Collom, 2011; North, 2007). Generally, these studies rely on small numbers of case studies, or national surveys of particular CC types. To date there has been no international study to examine the scope, scale and character of community currencies in existence. This paper therefore presents findings from the first international mapping study of community currencies.

We present new empirical evidence from an international scoping study of community currencies (CCs). This study draws on documentary analysis, key informant interviews among academics and practitioners, and direct engagement in the field through an international workshop and journal special issue. We identify the most established and prominent distinct CC types in operation, evidenced through national clusters or networks of particular CC types. We show how they are informed by 'new economics' values and are being used to promote sustainable development. Typically, during economic downturns, popular interest in CCs rises and the current conditions are no exception — this paper therefore presents a timely analysis, to inform researchers, practitioners and policymakers of the scale and potential of these initiatives to promote sustainable development, at a time when conventional economic systems are in crisis.

The paper proceeds as follows: a literature review provides theoretical context for the study, presenting a green 'new economics' perspective on sustainable development. We then explain the rationale for the promotion of community currencies amongst sustainability activists and organisations who share these views. Our research methodology is described, identifying the originality of our study, and its limitations. Following this, we present our new empirical evidence of the scope, scale and geography of major community currencies, and then discuss these findings. Finally we conclude with reflections on the implications of this study for promoting sustainable development.

2. Theoretical Context: The New Economics And Community Currencies

2.1. The new economics of sustainable development

Over the last three decades, 'sustainable development' has risen up the international environmental agenda, although initial proposals such as that from Agenda 21, to develop "new concepts of wealth and prosperity which allow higher standards of living through changed lifestyles and are less dependent on the Earth's finite resources and more in harmony with the Earth's carrying capacity" (UNCED, 1992: Section 4.11) have struggled to be realised. As countries sought practical ways to pursue sustainable development, in 2003, the New Labour UK Government was the first to announce a strategy for sustainable consumption and production — which it defined as "continuous economic and social progress that respects the limits of the Earth's ecosystems, and meets the needs and aspirations of everyone for a better quality of life, now and for future generations to come" (DEFRA, 2003:10). In 2011, the UK Conservative–-Liberal Democrat coalition government announced new sustainable development priorities which emphasise "stimulating economic growth and tackling the deficit, maximising wellbeing and protecting our environment, without negatively impacting on the ability of future generations to do the same" (DEFRA, 2011:2). In practice, there is little difference, as both aim to decouple economic growth from environmental degradation, through a range of market-based measures, reflecting an international hegemony of ecological modernisation which is neatly summarised in two recent key documents: The United Nations Environment Programme states "the greening of economies is… a new engine of growth" (UNEP, 2011:3) and the OECD's Green Growth agenda is "the familiar agenda of economic policy with the added realisation that it can be as good for the environment as for the economy" (OECD, 2011:8).

This market-based approach to achieving greener economic growth has been criticised on a number of grounds, not least by the UK government's own Sustainable Development Commission (Jackson, 2009; Porritt, 2003), for a failure of scope, ambition and achievement. Critics claim that, amongst other things, its oversimplification of market transformation driven by rational, environmentally-informed choices and consumer sovereignty, is blind to the culturally-embedded, social and psychological drivers of consumption behaviour, and secondly it fails to see the social infrastructure and institutions which constrain choice to that available within current systems of provision (Levett et al., 2003; Monkhouse and Dibb, 2011; Sanne, 2002; Southerton et al., 2004). Furthermore, it fails to recognise environmental limits to economic activity, and assumes efficiency measures will solve environmental problems, when actual consumption levels have been far outstripping the savings from efficiency measures in recent years, meaning that absolute (rather than merely relative) levels of consumption must be addressed (Jackson, 2009). This perspective argues that current systems of provision limit the potential for individuals to choose to consume more sustainably. Consequently, new, alternative infrastructures and institutions of provision and consumption are required, based upon a foundation in alternative values, development goals, motivations and definitions of wealth. Advocates of this approach draw out the political economy of, and richer sociological meanings attached to consumption and point to collective institutions as the source of potential change (Fine and Leopold, 1993; Maniates, 2002). But what values should these new institutions embody?

Critics of the conventional ecological modernisation approach to sustainable development propose an alternative vision of sustainable development, based upon a 'new economics' heterodox paradigm (Boyle and Simms, 2009; Daly, 1992; Ekins, 1986, 1993; Henderson, 1995; Jackson, 2009; Martínez-Alier et al., 2010; Schumacher, 1993; Seyfang, 2009). This 'new economics' perspective encompasses various disciplines, such as feminist, ecological, humanistic and institutional economics. It combines concern for social equity and environmental protection with embedded, resilient economies, and argues that sustainability requires a realigning of development priorities away from the primary goal of economic growth (Jackson, 2009). With longstanding foundations (see Lutz, 1999), the UK's 'New Economics Foundation' was established in 1986 (see Ekins, 1986) and the USA's 30-year old Schumacher Society was reborn as the New Economics Institute in 2010 to further these theoretical and policy-relevant ideas

متن کامل مقاله ← دریافت فوری

ISIArticles
مرجع مقالات تخصصی ایران

- ✓ امکان دانلود نسخه تمام متن مقالات انگلیسی
- ✓ امکان دانلود نسخه ترجمه شده مقالات
- ✓ پذیرش سفارش ترجمه تخصصی
- ✓ امکان جستجو در آرشیو جامعی از صدها موضوع و هزاران مقاله
- ✓ امکان دانلود رایگان ۲ صفحه اول هر مقاله
- ✓ امکان پرداخت اینترنتی با کلیه کارت های عضو شتاب
- ✓ دانلود فوری مقاله پس از پرداخت آنلاین
- ✓ پشتیبانی کامل خرید با بهره مندی از سیستم هوشمند رهگیری سفارشات