Solidarity economy between a focus on the local and a global view
Regional currencies in Germany, Austria and Switzerland

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This paper presents the main thoughts of the Ph.D. thesis on regional currencies "Regional – und trotzdem global. Solidarische Ökonomie im Spannungsfeld zwischen Globalität und Regionalität. Eine explorative Studie zu Regionalwährungen" (University of Potsdam, Faculty of Economics and Social Sciences 2009) for an international audience.

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 36 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.

Generally there are presently two or three different prototypes of regional currencies, depending on how abstractly the lines are drawn. The first type, and until now the most wide 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 third model might be identified as a “mixed model”, 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 (or fourth) 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).

How do the new regional currencies function concretely?

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 by 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 *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. In the Chiemgau region, a local dairy has e.g. 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 *chiemgauers* 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 *chiemgauers* 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 region[1] (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 *oderblüte*[2] 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, but 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. E.g. 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

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“.

of the regional currency. E.g. 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 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.talentiert.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).

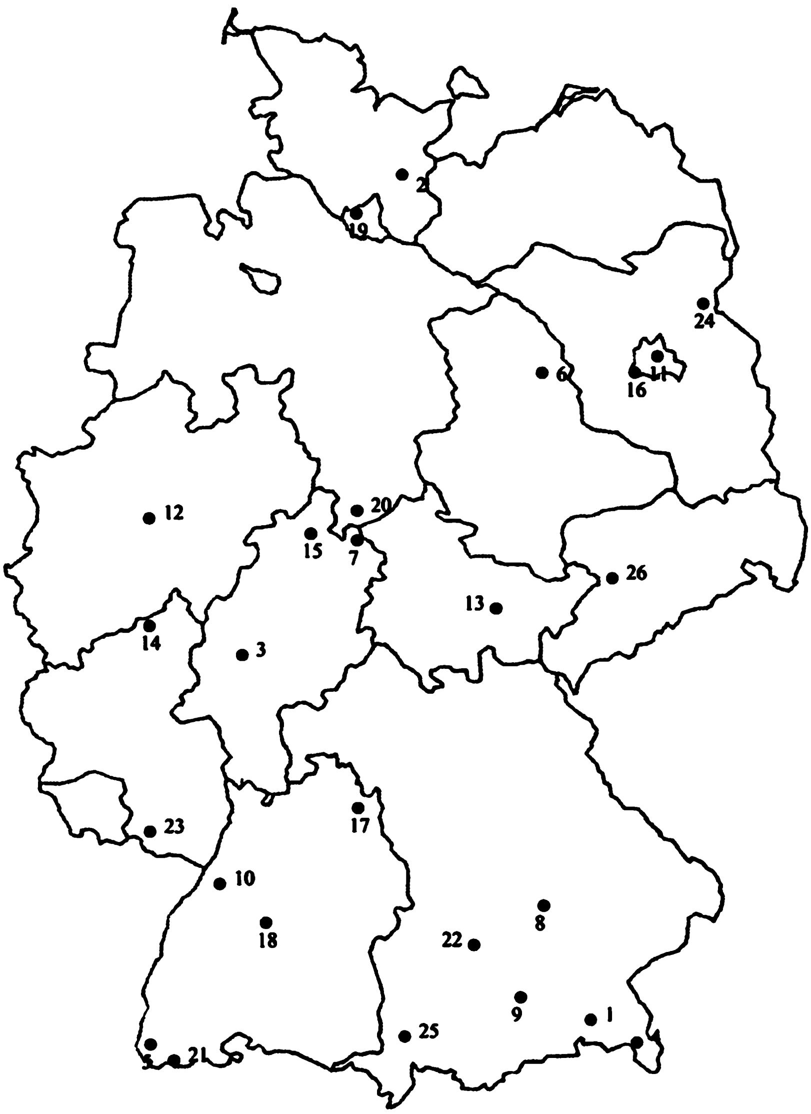
The *sterntaler* in the region of Berchtesgaden (also Upper Bavaria) is an example, where aspects of both design principles are combined. It can be ranked as a middle-sized regional currency with a current circulation of 63,000 *sterntaler* and 205 participating enterprises (www.regiostar.com on 8 Nov 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 merchants, 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, Austria[3] 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

3 The Vorarlberg *talents* are an exception.

Existing regional currencies in Germany (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 (Munich)

In Austria: Styrrion (Graz, Styria), Talente-Tauschkreis Vorarlberg (Vorarlberg), Waldviertler (Waldviertel)
In Switzerland: Talent Schweiz (Switzerland)

Regional currency initiatives in the planning phase – Name (Region):
Allgäuer (Kempten and Allgäu), Amper Taler (Dachau), Braktus (Hildesheim), Bützower (Bützower Land), Die Ortenauer (Ortenau), Eder-Taler (Edertal-Anraff), Eifel-Mark (Esch bei Gerolstein), Elbtaler (Dresden + surrounding area), Emstaler (Meppen), Freitaler (Freiburg), Friedenstaler (Osnabrück), Grafschafter Geld (Nordhorn), Gwinner (Schwarwald-Baar-Heuberg), Hohenloher Franken (Schwäbisch Hall, Hohenlohe), Lausitzer (Lausitz), Lechtaler (Augsburg), Leine-Kies (Hanover), Lokale Agenda 21 in Trier (Trier), Münsterländer (Münsterland), Neuwieder RING (Neuwied), Pauer (Aachen + surrounding area), Pro Regiogeld im Kraichgau (Sinsheim), Regio Lunar (Lüneburg), Regio Überlingen/ Bodensee (Überlingen/ Lake Constance), Regiogeld Tübingen/ Reutlingen (Tübingen, Reutlingen), Regiogeldinitiative Hunsrück (Hunsrück), Regiogeldprojekt Esslingen (Esslingen), Regioinitiative MittelFranken Süd (Büchenbach), RegioNetz (Kallmünz), Sonnenscheine (Mittelweser), Steintaler (Belzig, Fläming), Tauschkreis Schwerin (Schwerin), Teutotaler (Bielefeld), Waldmünchen Aktiv (Waldmünchen).

(from: www.regiogeld.de on 8 Nov 2009)

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.

A comparative study of 16 regional currencies

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 economy 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.

Are there differences in the supply side, which derive from the particular design of the currency? Does it make a difference whether it is a euro-based or an activity-based currency? In order to find answers to these questions, the more frequent of the 77 branches were arranged in three indexes: professional suppliers (who supposedly have a formal qualification and derive their main income from their offers), semi-professional suppliers (who probably do not have a formal qualification and for whom the offered service or goods provide only a side income), and particularly regional offers (agricultural products, bakeries, artisans).

If the two largest representatives of a euro-based and an activity-based currency are compared, the *chiemgauer* and the *urstromtaler*, then a clear difference in the supply structure can be observed. 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 income, then an activity-based system might offer some advantages.

Another analytical distinction was made between regional currencies in economically strong versus economically weak regions. Concerning this question, a slight trend can be observed (with some caution, because the classification into “strong” and “weak” regions is somewhat difficult). The already described differences among the middle-sized euro-based currencies hint at a stronger representation of semi-professional suppliers and a relative lack of traditional merchants in the economically weaker regions (as can be observed in the case of the *kannwas* from Schleswig-Holstein and the *berliner*). The regional currencies in the economically strong South of Germany (*chiemgauer* and *sterntaler*), on the contrary, are characterized by a broad field of traditional merchants. Probably many other regions, especially in the East of Germany, do not even have anymore a working local retail structure that would allow them such a broad range of participants. Consequently they face the difficulty of rebuilding a regional economic structure, whereas the economically stronger regions in the South can use regional currencies to protect the still existing structures. However, here too, some exceptions can be found. Traditional merchants are well represented in the *waldviertler* and *volmetaler* systems (coming from a poor rural region in Austria and from Hagen, a declining industrial city in North-Rhine-Westphalia). This points to the possibility that factors other than the currency design may play an important role in the shaping of the supply side, namely the actors, who implement the currency. The *volmetaler* was created largely upon the initiative of a local businessman and consequently he may find it easier to approach fellow businessmen unlike e.g. NGO activists.

The comparison of rural and urban currencies did not reveal as many interesting insights. The only remarkable observation could be made in the field of gastronomy. In Berlin, but also in the industrial city of Hagen, the overwhelming share of alternative cafés and restaurants was striking: 85% in Berlin and 47% in Hagen. Agriculture and food (including bakeries) are underrepresented in the urban currencies (16% in Hagen, 11% in Berlin, 7% in Potsdam) compared to an average of 22%. The highest share of agricultural products and food could be found with 34% in the relatively small (57 enterprises) rural currency *kirschblüte* (Northern Hesse).

A common aim that was mentioned in the complementing qualitative interviews of entrepreneurs (some participating, some not yet (?) participating) 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).

The focus on the local and the need for a global view

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 could be seen as a special form of “community currency” that is strongly embedded in social relations. 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 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 (Preissing 2007). Realistically seen, the PNG shell currencies are of course not static and are subject to change, so the usage of this social currency is changing in the larger context of the society. Sigrun Preissing reports that nowadays the social 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 social 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 social 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”).

On a more theoretical level, the attempt of such a global-local link can be framed with the concepts of “glocalization” and “hybrid cultures”. Glocalization as defined by Roland Robertson (1995) is characterized by the parallel trends of homogenization and heterogenization. At the same time as powerful global actors spread universal patterns world-wide, local communities adopt these influences into their every-day lives on the basis of their particular local context and culture. The adoption of outside impulses thus takes place – at least to some degree – on the conditions set by the local people. As Robertson put it: “Shakespeare no longer belongs to England. Shakespeare has assumed a universalistic significance; and we have to distinguish in this respect between Shakespeare as representing Englishness and Shakespeare as 'local-cum-global' relevance. Fourth, clearly many have seriously underestimated the flow of ideas and practices from the so-called Third World to the seemingly dominant societies and regions of the world.” (Robertson 1995: 38-39) According to the concept of glocalization, local communities can, even under pressure, keep up a certain degree of autonomy, provided they have some “cultural reserves” they can draw on. This is not to play down the endangerment brought by global capital, but this observation empowers local people to become actors rather than being solely victims.

The concept of hybridity derived from post-colonial theory is related to this insight. The late American political scientist Iris Marion Young has employed this idea, combining lessons from post-colonial and feminist theory, for an approach to rethink political science (Young 2007). “Understanding colonial history as hybrid, according to Bhabha, means reversing the linearity of the official story, and allowing 'strategies of subversion that turn the gaze of the discriminated back upon the eye of power.' Events and institutions in any locale may appear as products of cultural interaction where Europeans are as much influenced as influencing and the temporality and spatiality of action themselves are multidimensional." (Young 2007: 17, quoting Bhabha 1994: 112) Young picks up an argument by Donald Grinde and Bruce Johansen (1991), according to which there have been important subtle, indirect influences from the Iroquois Federation on the writing of the U.S. Constitution. For example, Benjamin Franklin was well aware of the Iroquois people and their federation (Young 2007: 21). According to Young, a "hybridization strategy inserts the subjectivity of colonized people into the imperial narrative, allowing the reflective emergence of a 'time lag' between the moment of signification and its hearing. History becomes then not the narrative of a single subject or national identity, but the encounter of cultural difference." (Young 2007: 17) She strongly argues for learning from the wisdom of other, non-European cultures in order to reconceptualize self-determination and global governance. For the context of complementary currencies in the North *and* the South, we can take her advice: "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)

Such a view must not be mistaken as a relapse into and simple re-adoption of traditional norms and methods. Rather, the task is that of a "creative positioning" of differentiated perspectives as long as they are open towards problem-solving (Schubert 2007: xiii). The dichotomy of the *homo oeconomicus*, who is solely interested in maximizing his utility, and the *homo sociologicus*, who is simply steered by existing social norms, is challenged by a theory of "creativity of action", developed by Hans Joas (1996) based on the pragmatist school of John Dewey and George Herbert Mead. According to this theory, solidarity and justice have to be developed creatively and communicatively in a constant process of action (Joas 1996: 367-378, Schubert 2007: xiii).

The greater context – solidarity economy

A typical (Western) approach to regional currencies is to quantify its effects: How many new jobs did they create? How much did the gross regional product rise thanks to them? And so on. Of course it would be nice to present impressive figures as an answer to these questions. At the present stage, however, the answers are likely to be rather disappointing as most regional currencies are still in a very early stage. These questions also divert the attention away from qualitative aspects of life. According to Schubert (2007: xiii) regional currencies could be seen as an economic means to facilitate communication and the search for creative solutions to problems within a region. If the quality of life (and of work) can be improved by this, then this might have in the long run also an effect in quantitative terms. But even so, the direct link might be hidden behind multifaceted and sometimes indirect causalities.

At this stage, it appears to be more fruitful to examine which would be a suitable greater, societal context for regional currencies to have a significant impact. - The idea of a "solidarity economy", developed in Brazil, seems to be useful for such framing. 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 more routines of alternative economic and social activity.[4]

If regional currencies are to reach greater significance, then the development of a new understanding of "work" is central. The French philosopher André Gorz has argued that tech-

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.

nological 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). The highly qualified employees are incorporated into the companies as the "whole person", their whole life is given meaning by the work they do for their employer, so they get into a "universal, personal dependence" similar to that of earlier servants:
"[Postfordism] demands from the individual unconditional devotion to the objectives of the company. It exploits the whole person for its service – her expressive, learning, planning and analytical abilities. For this purpose, the company acquires 'first the person and her devotion' and develops only thereafter her 'ability to perform abstract work'. This way it forms and conditions this person and reduces 'her horizon to that of the company'." (Gorz 2000: 56, with quotes from Bascetta 1994, translated from the German edition by K.V.) On the other end, precarious employment spreads, increasing the insecurity of large parts of the population.

Based on this analysis, 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, translated from the German edition by 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 a 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 (approx. 700 USD) 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: Of 2,793,000 persons, 1,188,000 (mainly in the poorer income deciles) would be better off as a result of the partial basic income; for 1,034,000 (mainly the middle income segments) the financial situation would remain mostly the same as today; only about 571,000 persons (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. 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 reduced. The strongest argument for a basic income is the human right to a life in dignity. But a basic income can even be defended with a reference to property rights: Capitalistic corporations derive their productivity increases mainly from new ideas and innovations. But many of these originate in civil society, where people experiment in their spare time in numerous ways and develop clever inventions (technical and social). So, if profits rise due to this kind of pioneering work in society, it is only fair if private companies give something back to society and its members in the form of a basic income. (ibid.: 28-29)

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 have the option to leave work for a limited time when 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 shop-keeper 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. Volkmann 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, translated from the German edition by K.V.).

Quite similar as in educational and child welfare policy, it is important not only to focus on financial assistance to the individual, but to provide well-functioning institutions and infrastructure: child-care institutions, free school education, affordable music schools, public sports facilities, libraries etc. If regional currencies are used to give disadvantaged regions new opportunities, then they, too, need to be accompanied by an innovative public infrastructure. The theologian Hans-Peter Gensichen has called this the "opportunities of shrinking" (2007: 110-145). Among the institutions he envisions for disadvantaged rural areas in Eastern Germany and elsewhere are: village schools, cleverly designed buildings, which can easily be enlarged and reduced, local markets, community gardens and repair shops, creativity agencies, which help the citizens to develop new activities, care partnerships in addition to family care, repairable consumer goods. In relatively prosperous regions such as the Chiemgau in Bavaria a lot of economic and social infrastructure is already – or still – available. But in other, less advantaged regions, such – innovative – infrastructure has to be build up in arduous, small steps.

The same is true for a supporting culture of mutual help and cooperation – often termed "social capital" (Putnam 1994). The Indian-American author Suketu Mehta has observed the differences in dealing with a catastrophe in New Orleans and Mumbai (Bombay). Whereas in New Orleans, after hurricane Katrina, public order broke down disastrously, in a similar flood catastrophe the inhabitants of Bombay did not wait for official support (which would not have come anyway), but started to help complete strangers even of different class and background. Public order did not break down. "On July 27, 2004, the maximum amount of rain ever recorded went down in Bombay: 94 centimeters in one day. The cloudburst made visible the best and the worst sides of the city. Hundreds of people died in the floods. But in contrast to the situation in New Orleans after hurricane "Katrina", public order did not break down. And even though police was not present, there was no rise in criminality. The reason was that people did everything to help each other. Slum dwellers ran to the urban highway to help stranded car drivers. Many were offered shelter in the slum shacks, where up to seven adults lived in one room. Voluntary helpers waded through the hip-high water in order to provide the 150,000 people, who were trapped in the railway stations, with food. And people gripped to their hands and formed human chains in order to rescue the drowning from the floods. - The government and its organs were hardly to be seen, but no one had expected that. The inhabitants of Bombay helped each other, because they had completely lost their hope in help from the government. And exactly this will be the situation in the 21st century for most people in the world." (Mehta 2006: 154, translated from the German edition by K.V.)

It is not a question of luck what happens in face of such a catastrophe. It is a question of culture and of repeated practice of cooperation and such social norms that strengthen the community. Regional and other complementary currencies might be a way to support and build up such cooperative culture.

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