

The Multiplicity and Meanings of Money: A Political Ecology Perspective on Local Currencies

‘If *money* is the bond binding me to *human* life, binding society to me, connecting me with nature and man, is not money the bond of all *bonds*? Can it not dissolve and bind all ties? Is it not, therefore, also the universal *agent of separation*?’

Marx, K. (1844). The Power of Money. Economic and Philosophical Manuscripts. Progress Publishers, Moscow. p. 182

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Frontpage pictures: five examples of local currency paper notes; Bristol Pounds, Ekos, Pêches, Brixton Pounds and Torekes (Sources: Allnumis, 2018; Ebay, 2018; Le Miroir des sciences, 2018; Chandler, 2016; Samenlevingsopbouw Gent, 2018).

Summary

Introducing money and local currencies

The rise of capitalism and later on neoliberalism, has led to the current interest-based, privatised, 'amoral' monetary system in which speculating, investing and saving have become increasingly common. This has resulted in high debts, systemic breakdowns, growing inequalities within and between countries and the exploitation of both humans and nature. While in the last centuries many improvements have been made, for example in regard to health care, education and living standards, these negative consequences have become worrisome.

Since the financial crisis in 2007-2008, diverse ideas emerged about altering financial and monetary structures and creating alternative ones. This demonstrates that changing values and norms in society, specifically a distrust in current monetary institutions, can influence the shaping of these institutions. Moreover, it shows that money is not amoral but socially constructed as it reflects norms and values in society.

In the last years local currencies have gotten much attention. These are complementary monetary systems, bound to a specific geographic area, not aimed at replacing another monetary system but being an addition to it. Besides the focus on stimulating the local economy, a main characteristic of local currencies is its zero or negative interest rate. In addition to the aims of enhancing democratisation and monetary diversity, local currencies can possibly contribute to social, economic and environmental resilience. During the Great Depression, these alternative monetary systems have briefly been successful in supporting local economies, before they were banned by nation states. Nowadays, all over the world diverse actors, including government authorities, citizens, local businesses and nongovernmental organisations, are collaborating and sharing knowledge to institutionalise local currencies.

Conceptual framework and methods

In this research, it is examined what social and environmental injustices are perceived, (not) addressed and (not) counteracted by stakeholders involved with local currencies. The perceived, addressed and counteracted injustices are operationalised as motives, actions and impacts or a lack thereof. A political ecology perspective is used to be mindful of the interconnectedness of society and nature, social constructions and real impacts and alternative and hegemonic power dynamics. The Multi-actor Perspective is a clear-cut framework that adds to political ecology as it helps to analyse how within society the state, market, community and third sector can be sites of struggle and/or cooperation.

The motives, actions and impacts of local currency initiatives in the Global North and specifically in the United Kingdom are analysed in this thesis by studying literature, news articles, policy documents and local currency websites. Furthermore, 39 semi-structured interviews have been conducted in regard to the Totnes, Brixton and Bristol Pound.

Findings

In regard to the motives of stakeholders involved with local currencies, this research found that the dominance of the market sector is perceived as a great injustice as it marginalises alternative practices and undervalues the environment. Additionally, two main perceived injustices within the market sector are the unfair competition between small independent businesses and multinational companies and a disempowerment of employees and consumers.

The Transition ideology, founded in the experimental, environmentally-minded town Totnes, is clearly visible in this motivation, which explains that in 2007 the first Transition currency was established in this town in the South West of the United Kingdom. Consequently, Transition towns have been established all over the world because of a shared concern about

peak oil, economic instability, climate change, overconsumption and a lack of bottom-up control. The main aim is creating local resilience in social, economic and environmental terms. While a local currency could be part of this approach, in Totnes motivation to engage with this alternative monetary system has faded over the years. Currently, Totnes Pounds are mostly used by tourists and collectors, as local residents are busy with other local initiatives.

The main action taken by local currency stakeholders is establishing alternative market practices, including the creation of local money, local credit unions and local trading networks. Thus the injustice of the dominance of the market sector in its current form is addressed by providing an alternative. Moreover, the use of local currencies empowers communities and stimulates environmentally friendly behaviour.

Nevertheless, due to a lack of local suppliers, local shops and motivated customers, circulation of local money remains limited. Furthermore, empowerment of citizens is often unequal as marginalised groups in society are unintentionally excluded in local currency initiatives.

An example of this is the Brixton Pound, founded in 2009 in the multicultural, lively but deprived neighbourhood Brixton, situated in London. Due to gentrification, many residents and small shops are forced to move out, while new residents and chain stores move in. Together with the Lambeth Council, the Brixton Pound organisation has been trying to empower the local community and economy and stimulate a sense of belonging and pride. While such social advantages of local currencies are partly achieved in Brixton, the initiative is not strong enough to counter the injustice of gentrification.

Currently, evidence that local currencies have economic and environmental impacts is very limited. There is a lack of evaluation of these initiatives, potential advantages result in unreasonable expectations and local money is mostly used by particular people in small amounts on luxury products. Still, alternative monetary systems counteract social injustices, as they provide a sense of empowerment, enhance trust, social cohesion, cooperation and raise (environmental) awareness. They can be perceived as part of a larger, intangible, paradigm shift in which social, political and environmental aspects are integrated in the economy. While wealth inequalities are not counteracted by local moneys, they are frequently used to focus attention on such issues.

The Bristol Pound, running since 2012, is one of the most successful local currencies in recent years. Bristol, the European Green Capital in 2015, has the first city-wide local pound system in the United Kingdom and has an elaborate infrastructure. Yet, only a specific group of higher educated and socially and environmentally engaged citizens is involved in this scheme and the currency is only used in neighbourhoods that have (enough) local shops. Therefore, the economic and environmental impacts of the Bristol Pound are currently insignificant. While the Bristol Pound is a great marketing opportunity for small businesses and it strengthens social relations in Bristol, not everyone benefits from such advantages.

Conclusion and recommendations

Local currencies challenge the dominance of the market sector in its current form and empower communities. The social, educational and empowering aspect of money are most visible in local currency initiatives. However, these initiatives are quite exclusive so that economic and environmental impacts are neglectable and structural injustices in society are not addressed. Therefore, it can be recommended that experimentation with local currency projects continues if they become more inclusive and set clear, reachable targets.

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Chapter 1. Introduction

1.1 Problem Description

‘Capital is money, capital is commodities. ... By virtue of it being value, it has acquired the occult ability to add value to itself. It brings forth living offspring, or, at the least, lays golden eggs’ (Marx, 1867: 171).

During the financial crisis of 2007-2008 it became clear that the design of the current, increasingly globally interdependent, monetary system is unsustainable. The only way to restore the economy was by clearing the exceedingly high debts of banks with the use of public money. The consequence of enormous bailouts were recessions, which are still enduring. It was not a first time, as the capitalist, interest-based system has repeatedly led to systemic breakdowns, in which extremely high debts had to be cleared (Bauwens, 2012; Lietaer *et al.*, 2010; Sassen, 2015). This is problematic because, in the words of the anthropologist Graeber (2011: 4): ‘debt has come to be the central issue of international politics. But nobody seems to know exactly what it is, or how to think about it.’

As a reaction to the last financial crisis, which created much distrust of the current monetary system, diverse ideas emerged about altering the monetary system as well as designing different ones. These include alternative local, regional, national and global concepts, such as public banking, time banks, Bitcoin and local currencies. Such diversification may create stability and thus oppose the dependency on and the instability of the current world economy (Bauwens, 2012; Lietaer *et al.*, 2010).

This research investigates local currencies, which are complementary monetary system, bound to a specific geographic area, not aimed at replacing another monetary system but being an addition to it. Besides the focus on stimulating the local economy, a main characteristic of local currencies is its zero or negative interest rate (Bauwens, 2012; Seyfang, 2009).

The design of local currencies is similar to the design of monetary systems in pre-industrial societies because, due to religious beliefs, making profit was perceived as a sin. Lending money at interest was immoral, as eventually one has to repay more than one has been given by taking it from someone else, which would lead to distrust and increased inequality. Instead the use of negative interests rates were common, meaning that money lost its value over time, comparable to the natural decay of the environment. A negative interest rate stimulates the economy as it becomes wiser to spend money now than to save it for another time (Bauwens, 2012; Lietaer *et al.*, 2010).

While within traditional societies a static worldview was common, this changed during the industrial revolution and the rise of capitalism and nation states. Interest-based money and (endless) growth became fundamental for societies, and the centralisation of money enhanced the power of nation states. Instead of using money as merely a medium of exchange, saving and investing became increasingly important (Bauwens, 2012; Lietaer *et al.*, 2010).

Nowadays, many former state-owned banks have been privatised as capitalism evolved into neoliberalism. While industrialisation brought about many advantages, such as better health care, education, and higher living standards, the disadvantages have become worrisome. Inequalities within and between nation-states are expanding and both humans and nature are being exploited to an alarming degree (Bauwens, 2012; Lietaer *et al.*, 2010; Piketty, 2017).

The economist Raworth argues that currently the field of economics, by mainly focussing on endless economic growth, lacks in fundamental normative and political debates. Therefore, social and environmental concerns are often overlooked which makes growing inequalities, exploitation and degradation possible (Raworth, 2017). Similarly, the journalist Luyendijk, after researching financial bankers in London, claimed that financial bankers act amorally, as the system in which they work is perceived as amoral, which leads to immoral results (Haegens, 2015). Thus, it can be argued that, nowadays, money is, as the theorist Michel Bauwens states (2012): '[...] not a neutral means of payment, but a tool that is designed to benefit some people, and inevitably hurts others' (Bauwens, 2012: 5).

This compact historical description of monetary systems shows its embeddedness in and influence on economic, political, social and environmental aspects of society. In the light of increasing distrust, inequality and environmental degradation, local currencies can possibly contribute to social, economic and environmental resilience by locally creating an alternative to the dominant (increasingly global) means of production, trade and consumption.

This alternative may help to counteract negative effects of the unsustainable global interest-based monetary system. While some advocates focus on beneficial economic aspects of local currencies, such as more equal opportunities for small local businesses and a prospering local economy, others highlight that local money enhances trust and a sense of belonging in communities. Moreover, environmental advantages are stressed, for example the fact that strong local economies are less dependent on global trade transport, which can result in a decrease in carbon dioxide emissions (Richey, 2007; Seyfang, 2009).

Thus, supporting local currencies can be based on diverse motives including economic, social and environmental features. Nevertheless, a fundamental common objective underlying these features is taking control of the way money acts. It is recognised that money can serve certain purposes and that these purposes can be created, altered and reinforced by the users of money. While one's role in the global monetary system may seem insignificant, one's involvement in the local economy can directly impact one's natural and/or social environment (Siegenthaler, 2017).

The fact that the impact of local currencies can be significant is clear from the Great Depression in the 1930s as many local complementary currencies emerged in Europe and the United States of America. An example is the Austrian Wörgl Shillings, which was decreased by value with one per cent every month so that local money was spent quickly. This local currency and others were quite successful as some local populations benefitted greatly while there were extremely high unemployment rates at this time. Nevertheless, nation states and their central banks felt threatened by these local initiatives and banned them, being afraid to lose monopoly power on money creation. Consequently, thriving local economies collapsed (Raworth, 2017; Koonce, 2010; Steed & Bindewald, 2015).

After the last financial crisis, nongovernmental organisations (NGOs), citizens and local and national governments all over the world have started experimenting with local currencies again. Currently there are around 300 local currencies in use (Siegenthaler, 2017). In some cases, such as Japan, the national government plays a crucial role in developing local currencies (Richey, 2007). In other cases, for example the United Kingdom, volunteering citizens are the main initiators. Still, in the latter example, the government has played a role in stimulating citizens to volunteer in the so-called Big Society (Verhoeven & Tonkens, 2013).

In this research local currencies and monetary systems in general are perceived as political tools as users can be disempowered and empowered by its design. Furthermore, users can be involved

in creating and altering its design to achieve normative goals, opposing the idea that a monetary system is or should be neutral or amoral.

Consequently, power relations can be altered, such as relations between national governments, municipalities and citizens, and between large corporations, small businesses and consumers. A shift in power relations can result in an increase in empowerment, equality and justice. Many scholars, including the economists Raworth and Lietaer, have argued in favour of implementing local currencies, due to its potential to counter social and environmental injustices. Similar to the 1930s, local currencies could increase employment and stability. Furthermore, they can enhance trust, equality, resilience and the sustainable use of natural resources (Helleiner, 2000; Raworth, 2017; Seyfang, 2009; Lietaer *et al.*, 2010). This research focuses on the social and environmental injustices that stakeholders involved with local currencies perceive, (do not) address and (do not) counteract.

1.2 Research Focus and Questions

This research is focused on providing an in-depth understanding of local currencies from a political ecology perspective. This perspective is useful for examining shifting power relations and power struggles, specifically the struggle for social and environmental justice. The roles of citizens, government officials, companies, consumers, NGOs and research institutions that are involved with local currencies are examined in regard to the social and environmental injustices they perceive, (do not) address and (do not) counteract.

The main objective of this research is to create understanding on both the potential of local currencies to tackle social and environmental injustices and the blind spots; injustices that are not addressed and (not) counteracted. By focussing on changing power relations, including both empowerment and disempowerment, this research can explain why some injustices are perceived, addressed and counteracted, while others are not. Therefore, this research can clarify the successes and failures of local currencies in regard to the normative aims of social and environmental justice.

The main research question of this thesis is:

Which social and environmental injustices are perceived, (not) addressed and (not) counteracted by stakeholders involved with local currencies in the Global North and specifically in the United Kingdom?

This question addresses recognised social and environmental injustices and whether they are dealt with and counteracted by stakeholders involved with local currencies. A distinction is made between perceived and addressed injustices as injustices can be acknowledged but not tackled and vice versa. Moreover, an injustice can be addressed but without having significant impact in which case the injustice is not counteracted.

Thus, this research question includes both perceptions, actions and actual changes, which is fundamental in political ecology as both constructed ideas and real impacts are central aspects. This perspective is elaborately discussed in the next chapter.

My hypothesis is that stakeholders involved with local currencies try to create social and environmental justice by sharing, creating trust, empowering and respecting environmental limits. However, there are always blind spots and side effects that can lead to the maintaining or even worsening of social and environmental injustices. It is essential to become aware of these unintended consequences.

The main question can be divided into perceived, (not) addressed and (not) counteracted injustices. Moreover, a distinction can be made between social and environmental injustices and the Global North in general and the three specific cases in the United Kingdom.

1.3 Scope

This thesis focuses on social and environmental injustices that are perceived, (not) addressed and (not) counteracted by stakeholders involved with local currencies due to changing power relations. Therefore, this research mainly concentrates on political, social, economic and environmental aspects, while mostly neglecting financial and technical features of local currencies.

Furthermore, this research addresses local currencies in the Global North, as many local currency initiatives are developing in Europe and the United States of America and consequently much literature is available on local currencies in this part of the world. Within Europe, mostly projects in West-European countries are analysed. Additionally, this research specifically focuses on the United Kingdom because local currencies have become quite successful in this country in the last years. As many of them are already in use for five to ten years, it is possible to examine whether there have been any significant changes and impacts. Currently, seven local currencies are in use in the United Kingdom, namely in Hull, Bristol, Totnes, Kingston-upon-Thames, Liverpool and in South and East London. While the Stroud and Lewes pound are no longer in use, Birmingham and Glasgow are expected to establish their own currency within a year (Christie, 2017). Besides, the Findhorn Ecovillage in Northern Scotland has its own local currency (Sheffield, 2017). This thesis focusses on the London and South West region of the United Kingdom, specifically the neighbourhood Brixton in London, the city Bristol and the town Totnes.

1.4 Methods

First, a literature study is done to create an in-depth understanding of the perspectives and theories that are described in the next chapter, the conceptual framework.

Secondly, literature on local currencies is studied which is combined with an analysis of news articles about and websites of local currency initiatives. In regard to the gained information, a distinction is made between economic injustices, societal injustices and environmental injustices.

Thirdly, three case studies in the United Kingdom are examined, namely the Totnes, Brixton and Bristol Pound. Totnes is a small town, Brixton a Southern neighbourhood of London and Bristol a city. These cases are quite different in their characteristics, which is why it is interesting to compare them. Besides, these cases are relatively close to each other, which made it easy to travel from one place to another.

An examination of literature, policy documents, news articles and websites provided background information on the United Kingdom and the city, town and neighbourhood where the local currency is investigated. Furthermore, knowledge is gained through semi-structured interviews with people that are directly involved with the local currency. In total 39 people are interviewed, including initiators of the currency, a researcher, municipality officials and shopkeepers.

The five key interviewees are Duncan McCann, researcher at the New Economics Foundation, George Ferguson, former mayor of Bristol, Stephen Clarke, director of the Bristol Pound, John Elford, director of the Totnes Pound and Lib Peck, leader of the Lambeth Council. The first

four are recorded semi-structured interviews of approximately one hour, while the fifth interview was a correspondence via email.

Additionally, in Brixton, I have interviewed eight shopkeepers and recorded one of the interviews. In Bristol I have interviewed eighteen employees at local businesses located either in the centre, in North Street in the South or the Gloucester Road in the North. None of these interviews have been recorded. Eight shopkeepers were interviewed in Totnes without being recorded. Generally, the unrecorded interviews were between five and fifteen minutes. When not recording the interviews, notes were made during the conversations and elaborated upon immediately after the interviews. All the notes and recordings have been transcribed as soon as possible after the interviews. In the appendix, three general questionnaires are presented, stating the main questions asked to initiators, local businesses and partners of the Totnes, Brixton and Bristol Pound.

1.5 Structure

Firstly, the conceptual framework is clarified in chapter 2, which firsts clarifies the concepts of money and local currencies. Then the political ecology perspective is introduced, followed by an explanation of the concepts of social and environmental justice and citizenship. Additionally, the Multi-actor Perspective and the related concepts of power and actors are discussed. Moreover, a recent shift in power relationships is examined in this section. Next, all the theories are connected and the research question is operationalised.

Secondly, in chapter 3, the role of local currencies in perceiving, (not) addressing and (not) counteracting social and environmental justice is examined. In this chapter, first economic injustices are discussed, followed by injustices in society more generally and environmental injustices.

Thirdly, three cases in the United Kingdom are examined. The introduction explains the context of the United Kingdom in which the cases emerged. Then, for every case, both a description of the specific place and an analysis of the local monetary systems is given, using mostly empirical data.

In chapter 5, some remarkable topics in regard to the conceptual framework, the methods and the findings are discussed.

Eventually, in chapter 6, some concluding remarks are stated and recommendations are given to civil society, NGOs and government officials.

Chapter 2. Conceptual Framework

2.1 Introduction

As money is embedded in the everyday life, its far-reaching influence is often overlooked or taken for granted. In this theoretical chapter, the concepts money and local currencies are investigated. The ways in which monetary systems influence human-human and human-nature relations and vice versa are examined. The theoretical approaches of political ecology and the Multi-actor Perspective are used to get a better grip on the reciprocal (power) relations between society, money and the natural environment. The main question that is kept in mind in this chapter is how local currencies may challenge and alter power inequalities to achieve certain normative objectives that are not addressed by dominant monetary systems.

2.2 Local Currencies

2.2.1 The Concept of Money

‘Bring paper money into a country where this use of paper is unknown, and everyone will laugh at your subjective imagination’ (Marx, 1841: 113). While money is often perceived as a neutral economic tool, monetary systems are socially constructed and politically influential. The design and use of monetary systems affect the way people value, behave and relate to others and to nature. Through social relations, the monetary value of goods, services and relations are continuously created and changed. Money essentially is the agreement that something is interchangeable for other things. Trust is an important factor for this agreement to be kept because the value of money is only true as long as it is collectively believed that it does exist and will keep existing. The paper, metal or electronic bit one pays with is only valuable as long as there is a kept promise that it is valuable (Ingham, 2004). In the words of Narula (2016), the Director of the Digital Currency Initiative: ‘money is a collective fiction’.

For a currency to be successful, a group of people have to trust and use it, a reliable institution has to issue it and rules and regulations have to ensure it is used in a legal and fair manner. Trust in monetary institutions is closely interlinked with the stability of these institutions. As trust is a core aspect of money, it is fundamentally about social relations (Doria & Fantacci, 2018; Helleiner, 2000). Still, Evans (2009) argues that economic motivation is also a crucial aspect. He explains that values and money reciprocally influence each other as certain socially constructed values are implied in a monetary system, but these systems can consequently change as other values become more important. The design of money influences the shaping of social relation, namely how one acts and what responsibilities and interdependencies are created. Simultaneously, new and changing values and social relations contribute to altering monetary systems and the creation of alternative systems (Evans, 2009). An example is the creation of national currencies by nation-states, which enhanced nationalism and new collective identities (Helleiner, 2000).

Currently, as Doria and Fantacci (2018: 1305) state: ‘[...] capitalist money rests upon the non-payment of debts’. The interest-based monetary system depends on an ever-expanding economic system, which both influences societal structures and how natural resources are valued and used (Brooks, 2015).

This continuous capitalist expansion builds on the dominant monetary systems and specifically debt that increases and has to be repaid (Flintoff, 2013). In the words of Brooks (2015: 16): ‘the current debt-based system of money creation relies on an ever-expanding economic system, to allow for repayment of loans with interest’. It is argued that decreasing ecological footprint is necessary because this footprint is greater than the world’s absorbing capacities and unequally shared, which can be perceived as a great environmental injustice (Longhurst & Seyfang, 2011; The New Economics Foundation, 2015). Nevertheless, this debt-based system continues as powerful actors in the market sector, especially financial institutions, reinforce it (Brooks, 2015).

Money is increasingly used for investing, speculating and storing value, which results in enormous debts and crises, while another main purpose of money is to exchange it for commodities and services (Doria & Fantacci, 2018). The economist Lietaer (2011) defines this as the current monoculture of money as there is only one monetary system in which diverse purposes are embedded. Banks are the main issuer of money and ‘make private profits. The benefits of the money system are therefore being captured by the financial services industry rather than shared democratically’ (Huber & Robertson, 2000: iii). According to Greenham (2012), a former researcher at the New Economics Foundation, money should act as a mechanism that helps society meet its objectives, however nowadays it does not seem to be able to accomplish this. He argues that the creation of money should not merely be carried out by private banks as trust in them is diminishing and it will take too long for these big institutions to change their objectives (Greenham, 2012). Additionally, Barber (2013) explains that cooperatives and community banks were mostly unaffected by the last financial crisis as trust in these local institutions persisted.

2.2.2 The Concept of Local Currencies

‘Money emerges in response to social complexity, as people find new ways to express their values by creating new money’ (Evans, 2009: 1029). The establishment of a local currency can be perceived as a statement, stressing that certain norms and values are not addressed in the common currency and/or that the common monetary system may not be suitable and trusted to address these. Therefore, local currencies are sometimes referred to as moral money or solidarity economies. In times of crises, when trust in financial institutions is declining, local currencies are often popular instruments (Evans, 2009). Nevertheless, nowadays, local currencies with long term objectives are created, aimed at becoming sustained parallel monetary systems (Helleiner, 2000). While in 1992 there were around 20 alternative currencies, in 2011 this number has increased to 224 (Pfajfar, Sgro & Wagner, 2012).

As explained in the introduction, local currencies, also known as community, alternative, parallel, regional, complementary and convertible currencies, are complementary monetary systems, bound to a specific geographic area, not aimed at replacing another monetary system but being an addition to it (Bauwens, 2012; Seyfang, 2009). Local currencies are diverse in their design, use and objectives as they are very context-dependent, meaning that local values and interests are taken into account in the design of the currency. Overall, local currencies may have economic, social and environmental objectives or a combination of these. According to Seyfang and Longhurst (2013) the main objectives of local currencies, in terms of sustainability, are environmental and economic. While social motives are present as well, mostly economic arguments are used by stakeholders engaged with local currencies to gain support from other actors (Seyfang & Longhurst, 2013).

While some are mostly focused on contributing to (local) sustainable development and consumption, for example by tackling carbon dioxide emissions and issues of energy supply, others are trying to reduce poverty rates, increase social capital and/or create a social movement (Dittmer, 2013).

Local currencies often have a legal tender currency and are mainly aimed at localising the economy. Additionally, they can help to diversify the economy, support local independent enterprises (instead of multinationals), create autonomy and resilience and thus (try to) counter the dependency on the globalised monetary system. A long term perspective, instead of short term profit, is preferred and social relations, market relations and nature are valued in diverse ways (Bauwens, 2012; Seyfang, 2009; Evans, 2009). A local currency is merely meant as a means of exchange, not as a means of storing value, due to its zero or negative interest rate. The system is often materialised in paper money, digital accounts or both (Dittmer, 2013).

It is important to consider who establishes local currencies as municipalities, local businesses, consumers, activist, volunteers, local NGOs and others may be involved and they all have different interests. It is crucial to examine who is part of the start-up phase and who is engaged later on in the process (Blanc & Fare, 2013).

According to Lietaer (2011), the fact that diverse actors may be involved with local currencies, which leads to the emergence of different kinds of currencies, enhances the resilience of monetary systems. He explains that social systems, just like ecosystems, should be resilient by balancing efficiency on the one hand and diversity and interdependency on the other. The creation of a monetary ecosystem implies diversification. Therefore, Lietaer (2011) defends the idea that varied monetary systems should operate alongside each other on different scales. In practice this means that in addition to the current main role of banks, other institutions and individuals engage in monetary systems, such as companies, citizens, municipalities and NGOs (Lietaer, Ulanowicz & Goerner, 2009; Lietaer, 2011).

Many recent establishments of local currencies are projects in which local authorities are involved and electronic means of payment are used to make it easily accessible for many people. While there are quite successful stories as many people are reached in this way and thus the system and its impact expand, some argue that this approach is not radical enough by stressing that such an approach is mainstream, not autonomous and not promoting alternative (sustainable) lifestyles properly. Activists demonstrate that a local currency is not merely a means to achieve certain ends, but a means and an end in itself as it can 'reinvent money, reform banking and financial institutions, and democratise financial power' (Seyfang & Longhurst, 2013: 75). The engagement of multiple actors and organisations with a local currency can be perceived as political activism as people take control of the way money acts, which contributes to democratisation. However, the question remains how radical and autonomous the implementation of a local currency is and can be (Seyfang & Longhurst, 2013).

Additionally, many local currencies are and have been struggling with short-term unreliable funding, for example due to distrust or neglect of government bodies. Institutionalisation is crucial for local currencies to sustain, meaning that legal recognition and support are key. An example of such institutionalisation is municipalities and bottom-up initiators working together but not dominating each other by staying true to local grassroots objectives (Seyfang & Longhurst, 2013; Blanc & Fare, 2013).

A distinction can be made between initiators, partners and users of local currencies. The initiators of the currency can be a group of volunteers, an NGO, a company, a municipality or

a combination of these actors. Partners of the local currency may include financial support from a government, the European Union, NGOs and businesses and knowledge support from NGOs and research institutes. The users of the currency are those who spend a local currency, accept it, pay salary/tax in it and receive salary/tax in it (Seyfang & Longhurst, 2013; Blanc & Fare, 2013).

2.2.3 Conclusion

Money both affects and is affected by norms and values in society. This explains that due to changing values and norms, monetary systems can be altered and new ones can be created. While local currencies are not a new invention as they have been used throughout history during recessions, nowadays diverse actors on a local scale are collaborating to institutionalise local currencies. This can be perceived as a way to enhance monetary diversification to increase monetary resilience and to democratise societies. Besides the possible social, economic and environmental aims of local currencies, they vary from being quite radical in opposing dominant structures and encouraging alternative lifestyles to being mainstream by creating systems that attract as many people as possible.

2.3 Political Ecology

2.3.1 Introducing Political Ecology

In this thesis, a political ecology perspective is used, which is an interdisciplinary field, stressing the underlying political economic context of power inequalities, when analysing the social and natural dimensions of societies, including the fields of demography, ecology, history, anthropology and geography. This perspective emerged in the 1970s and is characterised as neo-Marxist due to the focus on (structural) power inequalities within the broader perspective of interdependent human-nature relations. Inequalities are generally perceived as injustices, in which class, gender and ethnic differences are crucial to examine. As political ecology is quite a broad perspective, there are diverse specialisations within this field (Schubert, 2005; Biersack, 2006).

A common agreement within political ecology is the fact that natural circumstances should be analysed in regard to political, social and economic circumstances. However there are many different ways of doing this. Both natural and social scientists can be part of political ecology as long as they focus on the dependency of humans on nature as well as (unequal) dependencies between humans. In any case, the perspective is a combination of social (political) and natural (ecology) science (Biersack, 2006; Robbins, 2004).

Political ecology both acknowledges and concentrates on the power of social constructions and the impact of economic, social, political and environmental circumstances. The relations between humans and between human and nature are frequently perceived as socially constructed, which means that by interpreting these relations differently, they can be de- and re-constructed. This may alter physical impacts and vice versa; physical impacts may alter certain social constructions. Moreover, this means that the existence of different conceptualisations is important to consider throughout a political ecology research (Schubert, 2005; Biersack, 2006).

A frequently used argument in political ecology is that social and environmental injustices, including natural degradation, are consequences of short term capitalist interests, that benefit the few that have power over labour, capital and resources. Within this neo-Marxist perspective the questions who owns certain resources and who has access to them is essential. For example, in regard to the concept of development, it can be questioned who defines development and who benefits from it. Development is a common focus in political ecology, as the ideology of progress or growth is increasingly unsustainable and degrading the environment while it is heavily dependent on its resources. Therefore, political ecology gives a voice to certain struggles opposing the status quo, so that, in this case, alternative conceptions of development become part of the development debate. This demonstrates how hegemonic forces can be challenged, making it possible to de- and reconstruct the status quo (Biersack, 2006).

Diverse methods can be used in political ecology research. In this thesis a place-based approach is used, which combines understandings of agency of communities with global structural dynamics. A place-based approach is essential for understanding how (global) capitalist relations are being altered on a local level and how local people simultaneously can influence local, regional and global structures. This results in diverse complex interdependent forms of economic activity on a local level. Thus, both international capitalist pressures and resistance, engagement and activism of heterogeneous local populations are addressed when using this approach (Biersack, 2006).

By pointing out injustices related to inequalities and giving a voice to alternative ways of thinking and doing, political ecology researchers are frequently trying to actively change the ways humans interact with their social and natural environment. Therefore, some research in political ecology can be perceived as activist research, ranging from slightly implicit to very explicit advocacy. The geographer Robbins (2004: 12) explains that within political ecology there is a 'normative understanding that there are very likely better, less coercive, less exploitative and more sustainable ways of doing things'. In this regard, the discipline of political ecology can contribute to understanding how humans and nature are interconnected and interacting, which can, among other things, be used to advice policymakers about ways to change certain unsustainable relations (Robbins, 2004).

2.3.2 Social and Environmental Justice

Justice

Social and environmental justice are common concepts in political ecology as they are used to examine the struggles of marginalised, poor and/or indigenous people. Furthermore, social and environmental movements have supported and influenced the shaping of the concepts of social and environmental justice. Schlosberg (2009) explains that the normative concept of justice can be interpreted in different ways as it is a moral ideal. While some scholars, like Fraser (2009) emphasis equal distribution of and access to resources and knowledge combined with the aspect of recognition, others, like Nussbaum (2003) highlight the importance of capabilities and participation (Schlosberg, 2009).

This shows that a distinction can be made between, what in this thesis is called *passive justice* and *active justice*. The former concept is about the things that are supposed to be given, such as access to public transport, fresh foods and education and to be treated non-discriminatory. The latter concept is about being able to be meaningfully involved in society. These two types of justice are closely interlinked as participation in society can lead to better access, distribution and treatment and vice versa. These concepts can be linked to the ideas of negative liberty or *freedom from* and positive liberty or *freedom to* as described by the philosopher Berlin (1969).

Freedom from is the absence of constraints and exploitation, which is related to passive justice, while freedom to is the presence of self-determination; being able to act autonomously, which is related to active justice (Berlin, 1969).

In this research injustices are defined as inequalities that are perceived as unjust, including both passive injustices (unequal distribution, unequal access and not being recognised) and active injustices (not being allowed to participate in society).

Social Justice

Social justice promotes the empowerment of people, especially those who are vulnerable and/or marginalised, to create a more just world. In this inclusive approach solidarity, human rights, dignity and freedoms are often mentioned as key aspects (Fraser, 2009; Schlosberg, 2009). It is not about helping those in need, but about structural changes that create safety and equal opportunities for everyone (Fraser, 2009). The economist Milanovic explains that the word inequality instead of poverty should be used because the word inequality demonstrates that there are unequal relations which concerns all, while poverty indeed indicates that one is not per se responsible for the infortune of others but able to help less fortunate people. This shows that social justice is both a right and a duty. Moreover, Milanovic states that inequality is an unjust social construction and therefore can and should be changed. Instead of individual problems, the structural discrimination of certain groups of people should be addressed (Thomas, 2017).

Many different actors can and do contribute to tackling social injustices, including (international) NGOs, governments, (global) grassroots movements, unions and cooperatives. In democracies, governments as well as citizens can be quite influential as they can change public regulations and so redistribute wealth equally and non-discriminatory within a nation-state (Fraser, 2009; D'Alisa *et al.*, 2015). This demonstrates the link between passive and active justice.

However, inequality goes beyond national borders. In regard to social injustices between the Global North and the Global South, some (international) social justice movements argue that Northern countries should consume less, consequently making more resources available for Southern countries. These global interdependencies show that social justice is interlinked with economic, cultural and environmental justice (Fraser, 2009; D'Alisa *et al.*, 2015).

Environmental Justice

Social justice is a relatively old concept, as for example already in the 18th century the philosopher Paine defended the ideas of a minimum basic income and the abolishment of slavery. Contrary, the term environmental justice has only been in use since the 1970s. Environmental justice has two main aspects. The first feature, what is also known as environmentalism of the poor, focuses on environmental impacts on poor and suppressed communities. It is argued that environmental benefits, such as green parks and clean air, as well as environmental burdens, including air pollution and contaminated water, should be equally shared. These environmental issues range from allocation of natural resources in urban areas to the waste transportation from the Global North to the Global South (Schlosberg, 2009; D'Alisa *et al.*, 2015). This aspect is defined as passive environmental (in)justice in this thesis.

Secondly, environmental justice, or sometimes referred to as ecological justice, is about managing and protecting the environment in sustainable ways. Thus, this feature is not about distributing benefits and burdens, but about valuing the environment, which is active justice and both benefiting humans and nature. Environmental injustices are often the result of short term capitalist interests while ecological values are neglected. Also in this case local, national

and international measures need to be taken to tackle environmental problems, such as climate change, on different scales. In this light the concept of climate justice emerged (Schlosberg, 2009; D'Alisa *et al.*, 2015).

Linking Social and Environmental Justice

Many studies have shown that greater inequality is correlated with greater environmental deterioration such as loss of biodiversity, less environmental policies and worse public health (Boyce *et al.*, 1999; Baek & Gweisah, 2013; Berthe & Elie, 2015; Kasuga & Takaya, 2017). This can be explained by the fact that 'egalitarian societies, associated with higher levels of mutual trust and more civic behaviour, are more likely to demand environmental policy' (Berthe & Elie, 2015: 195). Greater inequality leads to a part of society getting marginalised. This part consequently has less bargaining power, less rights and less influence on environmental policies (Boyce *et al.*, 1999; Baek & Gweisah, 2013; Berthe & Elie, 2015; Kasuga & Takaya, 2017). This demonstrates that social and environmental injustices should be considered as interdependent aspects as they influence each other greatly. Moreover, this shows that inequalities and injustices can worsen as people can become increasingly marginalised in different ways. In other words, a lack of active justice can result in a lack of passive justice and vice versa.

2.3.3 Citizenship

Closely related to social and environmental justice is the concept of citizenship. Similarly to the concept of justice, citizenship has both passive and active features, including rights as well as responsibilities (Dean, 2001).

This thesis focuses on the active – responsibility – aspect of citizenship, namely being actively involved in society by creating or adding something for the greater good. Citizens can be intrinsically motivated to be involved and/or involvement can be stimulated by authorities that promote the participation and emancipation of citizens. By defending a certain moral stance that should, according to the defender, be integrated in society, citizens feel responsible, change their role and become increasingly self-governing, either on an individual level or as a group. Citizens that are using citizenship as a role can help to empower grassroots movements, to create local change and to pressure politicians. Thus, citizenship can be used by citizens to counter social and environmental injustices, in spite of or on behalf of government authorities (Dean, 2001; Smith, 2005).

Citizenship is part of a democratisation process as the amount of people participating in public politics and their access to resources and networks increase. This process can enhance active justice which consequently can lead to the enhancing of passive justice, resulting in equalisation and trust. In cities and regions characterised by such high commitment in combination with a high amount of capital, it is possible that autonomous rule systems emerge, which decreases dependency on the nation-state (Tilly, 2004). The relation between citizens and their nation-state in democracies can be defined as a constant struggle between authority and autonomy as citizens are both subjected to rules and able to alter the rules democratically (Wolff, 1990).

There are diverse kinds of citizenship, both in focus, for example on ecological sustainability or social cohesion, in underlying norms and values, like a preference for either solidarity or hierarchy, and to what extent society is influenced. In regard to the latter aspect, some may be motivated to contribute to the wellbeing of a specific (disadvantaged) group of people, while others may be concerned with altering fundamental dominant structures in society (Dean, 2001).

While citizenship is often focused on social aspects, the concept of green citizenship is about tackling environmental injustices. In an innovative way ‘green citizens’ want to share green spaces and contribute to ecological sustainability. It can be perceived as the consequence of a growing concern about environmental issues and simultaneously a lack of suitable governance arrangements. Acknowledging that humans are dependent on each other and the natural world is a first step (Lewis, 2012; Smith, 2005).

Citizenship evolves dynamically in relation to institutions. Altering institutions and/or creating new institutions are key in enhancing citizenship and social and environmental sustainability. Moreover, certain expertise and knowledge or the absence of it influences the shaping of citizenship as it can either empower or disempower people. Due to inequalities in society, for example the unequal access to certain institutions and knowledge, some may be increasingly empowered while others simultaneously may be increasingly disempowered. This may threaten the diversity of participation and therefore the interests and preferences of some may be neglected. Another risk is that the social and economic value of citizenship are taken for granted, as citizens accept more and more responsibilities. This can be avoided by mapping the responsibilities that are attached to citizenship and by negotiating with other actors, such as local government officials, how responsibilities can be shared. Such clear task division can enhance the sustainability of an initiative and lead to institutionalisation (Dean, 2001; Rosenthal, 2017).

2.3.4 Conclusion

Political ecology is useful for examining the interconnectedness of human-human and human-nature relations and the role of power in constructing, deconstructing and reconstructing them. It is often argued that short term capitalist interests contribute greatly to the unjust treatment of humans and nature as inequalities and insecurities are enhanced. However, a place-based approach can show how (marginalised) people are not passive, but able to challenge and alter dominant structures, for example by using citizenship, which can enhance active as well as passive justice.

Actors involved in counteracting unsustainable relations and structures, as well as political ecology researchers, are usually motivated by certain ideas about social and environmental justice. Important aspects of social and environmental justice are equal distribution of and access to resources and knowledge and recognition on the one hand (passive justice) and participation (active justice) on the other. Empowerment can contribute to justice, while inequality in empowerment may contribute to reinforced injustice. Both social constructions and impacts are crucial to examine in this regard.

The concepts of social and environmental justice can be applied to specific cases, for example in this thesis a political ecology place-based approach is used, but it can also be applied to national and international levels. By using a political ecology perspective, ideas about ‘development’ and ‘justice’ as well as physical impacts can be studied to obtain a holistic impression of (shifting) interdependencies within and between the social and the natural world.

2.4 The Multi-actor Perspective

2.4.1 Introducing the Multi-actor Perspective

While political ecology is a rather broad interdisciplinary field, the Multi-actor Perspective (MaP) is a clear-cut framework for examining shifting power relations, including empowerment as well as disempowerment, in sustainability transitions. As Avelino (2011: 21) states: ‘the challenge is to approach the notion of power in terms of transformative capacity, i.e. the human ability to change what ‘is’ in to that which he or she thinks ‘ought to be’.

The challenged and changing power inequalities as discussed in the former section, are specified in this section. While many sustainability transition researches focus on socio-technical change, the MaP highlights socio-political changes. Using the MaP framework can help to explain how and why sustainability transitions are (not) evolving by distinguishing between several sectors in society, types of power and level of actors (Avelino & Wittmayer, 2016).

The MaP distinguishes types and levels of involved actors that are (part of) sectors linked to specific rules, discourses and actions. This perspective helps to create understanding on changing power relations and struggles and/or cooperation for social, technical, economic and political change. A main distinction is made between (1) state actors, being public, formal and non-profit, (2) market actors, which are private, formal and for-profit, (3) community actors, which are private, informal and non-profit, and (4) third sector actors, mostly being formal, private and non-profit. However there are also intermediate actors that combine different aspects in other ways, which is illustrated in figure 2.1 (Avelino & Wittmayer, 2016).

With the help of this illustration, an overview of stakeholders involved with local currencies, can be made. One feature to be added to figure 2.1 is the overall natural environment in which the triangle is embedded. In this way human’s dependence on natural resources as well as environmental injustices can be made visible.

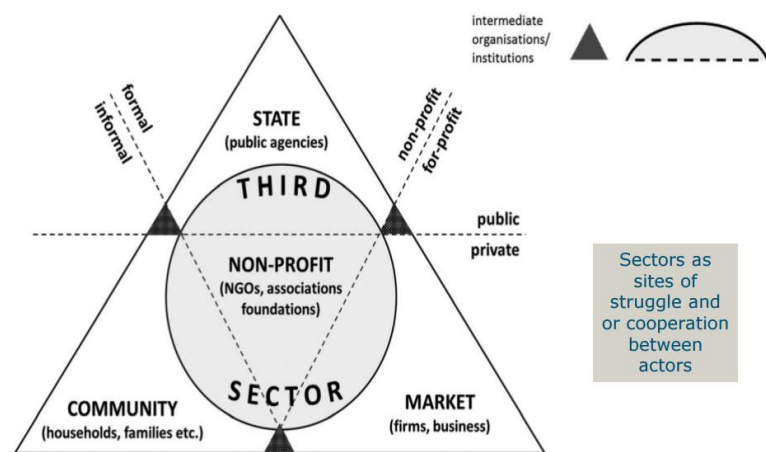


Figure 2.1: The Multi-actor Perspective (Source: Avelino & Wittmayer, 2016).

2.4.2 Power Relations

In addition to mapping different stakeholders, power relations and interdependencies can be examined. Avelino (2011) distinguishes three types of power in her PhD-thesis *Power in transition: Empowering discourses on sustainability transitions*, on which the MaP is based. The first description of power is actor A having power over actor B, which can lead to mutual dependence, one-sided dependence or independence. The second type is actor A having more/less power than actor B, resulting in cooperation, competition or co-existence. Lastly, actor A can have different power than actor B, which can lead to synergy, antagonism or neutrality. Thus, power relations can be supportive, restricting or neutral (Avelino, 2011). This is explained in Table 2.1.

Table 2.1: Typology of power relations (Source: Avelino & Wittmayer, 2016).

| Type of relation | Manifestation of power relations | | |
|----------------------|---|--|---|
| Power 'over' | Mutual dependence A depends on B but B also depends on A => A and B have power over each other | One-sided dependence A depends on B but B does not depend on A => B has power over A | Independence A and B do not depend on each other => A and B have no power over each other |
| | Cooperation A exercises more power than B, but A and B have similar, collective goals | Competition A exercises more power than B, while A and B have mutually exclusive goals => | Co-existence A exercises more power than B, A and B have independent co-existent goals |
| 'More/less' power to | Synergy A's and B's different power exercises enable and support one another | Antagonism A's and B's different power exercises restrict, resist or disrupt one another | Neutrality A's and B's different power exercises do not (significantly) affect one another |

These power relations can be (1) reinforced by existing institutions, (2) innovative by using new resources and (3) transformative by building new institutions. Thus, there are different types of power, related to different kinds of resources and relations. When transformative power is used, a long term impact can only be guaranteed if this power is also reinforced. Actors that are part of a dominant discourse but able and willing to change this discourse can play an important role in stimulating a transition process (Avelino, 2011).

In sustainability transitions, as power relations and sector boundaries may shift, empowerment and disempowerment are key. Intrinsic moral motivation can lead to the contesting and altering of formerly fixed ideas, actions, institutions, rules and discourses (Avelino & Wittmayer, 2016; Avelino, 2011).

During sustainability transitions, defined by Avelino *et al.* (2016: 557) as '[...] processes of fundamental social change in response to societal challenges', power relations change, dependencies and inequalities can be challenged and created. Some examples of hierarchies that may be altered are depicted in figure 2.2, for example the power relation between benefactor/beneficiary,

poor/rich, employer/employee and national/local government official. These hierarchies can shift as actors perceive them as unjust and unsustainable and consequently challenge them (Avelino & Wittmayer, 2016).



Figure 2.2: The MaP in which examples of hierarchies within sectors are demonstrated, level of individual roles (Source: Avelino & Wittmayer, 2016).

2.4.3 Levels of Actors

In the MaP an actor is defined as an entity that is able to act, which can be an individual role, an organisation or a sector as a whole. An actor as a sector as a whole struggles and cooperates with other sectors. In this process, boundaries between sectors can be shifted or blurred. Also within every sector there are struggles between niches and regimes. These terms explain the interaction between innovative alternatives and dominant systems.

On an organisational level, actors are described as groups of people that work together for a mutual purpose. Examples of such organisations include municipalities, political parties, multinationals, small enterprises, community groups, universities and NGOs.

On an individual level, one can speak of roles of actors, as one individual can play multiple roles, such as volunteer, consumer, citizen, entrepreneur, producer, activist and neighbour. One can use a certain role to gain agency as every role includes both rights and responsibilities (Wittmayer *et al.*, 2017).

Roles are continuously created, altered, assigned, used (as resources) and refused, so that they are shaped in desirable ways. This shows that roles are dynamic and thus only temporarily stable. Roles are perceived as a political act as people can be empowered and disempowered by certain roles, which can contribute to one's feeling of identity. Every actor can choose and change roles to reinforce or oppose dominant rules and structures. Furthermore, every role should be analysed within the broader perspective of interactions between roles (Avelino & Wittmayer, 2016; Wittmayer *et al.*, 2017).

2.4.4 A Recent Shift in Power Relationships

Many nation-states have, in the last decades, developed from welfare states to neoliberal states, as public goods were privatised, public-private partnerships were introduced and decentralisation and deregulation took place. Nowadays, in regard to managing public goods, in addition to the state and market sector, the community and third sector are given much attention, including grassroots movements, communities, NGOs, citizens and researchers. This is in line with the shifting roles of government officials and citizens, as the former actors take on a facilitative role while the latter (are supposed to) become more actively and politically involved in local governance. Recent government policies, such as the Big Society in the United Kingdom, try to empower citizens and communities and simultaneously reduce public spending. Thus, the government has altered its vision on the desirable roles for government officials and citizens (Avelino & Wittmayer, 2016).

Nevertheless, such reforms have been critiqued a lot, as empowerment often fails due to a lack of intrinsic motivation, an excess of bureaucratic laws, an increase in market logic and added duties for citizens without an increase in rights. This demonstrates that empowerment may imply an increase in responsibilities and risks, which actually can be disempowering. Therefore, when using the MaP, several questions should be kept in mind, including (1) how do responsibilities and rights shift, (2) who is able to take responsibility, (3) and what new dependencies are created? (Avelino & Wittmayer, 2016; Avelino, 2011).

This recent shift in power relationships can be related to the book *If Majors Ruled the World: Dysfunctional nations, rising cities* written by the political theorist Barber (2013). He explains that nowadays democracies are dealing with a legitimacy crisis as there is too much diversity and too little solidarity in nation-states and supranational bodies such as the European Union. According to him, nation-states are increasingly incapable of cooperating and establishing unity. Moreover, he explains that the legislative power of these inefficient states in addition to

the (monopoly) power of non-democratic multinational corporations (MNCs), can be counteracted by cities, with their local, interconnected, democratic, efficient and bottom-up character. Cities are described as mostly being involved in pragmatic decision-making in contrast to national government that are stuck in ideological debates. Nowadays, the power of the 'polis' and city networks are already increasing and dealing with pressing issues like climate change (Barber, 2013). Barber (2013: 4) goes one step further by proposing a parliament of mayors, as 'cities can and should govern globally'.

2.4.5 Conclusion

The MaP is a useful tool for explaining shifting power relations between and within sectors, including the market, state, community and third sector, which are all embedded in nature. Different kinds of power can be used which can lead to supporting, restricting or being neutral to one another. Additionally, power can be transformative, innovative or reinforcing, so that hegemonies are counteracted or maintained. Furthermore, a distinction can be made between the actions of individual roles, organisations and sectors that all play a role in constructing and de- and reconstructing boundaries, including responsibilities and rights.

Recently, a power shift has been taking place in which the community and third sector are becoming more politically involved and responsible while government officials take on a facilitative role. Additionally, municipalities have become increasingly important in tackling local, regional and even global issues. This change in power relationships can be both empowering and disempowering, depending on how dependencies and responsibilities shift and how this is perceived.

2.5 Operationalisation

2.5.1 Connecting Local Currencies, Political Ecology and the MaP

Local Currencies and Political Ecology

Monetary systems are perceived as socially constructed networks of relationships in which trust plays a major role. In addition to social relationships, money is a materialised thing, influencing economic motivations and having real economic and environmental impacts. This demonstrates that money is both socially constructed and materialised and can be analysed as such with the use of political ecology.

Local currencies can be described as a typical political ecology subject as existing inequalities and injustices, as results of political and economic circumstances, are questioned, challenged and possibly counteracted. Local currencies are used to tackle both social and environment injustices as they have social, economic and environmental objectives. The political ecology perspective is useful for highlighting how natural and social environments are interconnected and interacting.

A main relation that is perceived as unjust by advocates of local currencies is the dependency on the globalised monetary system. By creating a local currency, this dependency may decrease and is thus an example of changing economic relations on a local level. As global structural dynamics are challenged locally by such currencies, the place-based approach is helpful. Moreover, alternative ways of doing emerge as the purposes of local currencies are defined and designed in regard to local norms and values. Grassroots communities, NGOs and/or businesses

may be empowered when they, in addition to private banks, create their own money and make use of it in different ways.

An example of this is the Bristol Pound, which is elaborately discussed in chapter 4. Bristol Pounds are used to reframe economic relationships as a local, social, environmental and political matter (Bristol Pound, 2018a).

This can be depicted as an act of (green) citizenship which may increase active justice as an end in itself and as a means to enhance passive justice. Thus, local currencies are examples of alternative local institutions that encourage citizenship and vice versa with the objective to create a localised social and environmental just society.

Often many different stakeholders are involved with local currencies. This inclusive approach ensures the diversity of both the engagement (democratisation) and the alternative monetary systems (monetary ecosystems) that emerge. This diversity can result in quite radical but also quite mainstream systems, depending on the way concepts like development and justice are (re)defined and (re)constructed.

It can be argued that by implementing local currencies, stakeholders involved in this process redefine development as a local process, which is not primarily aimed at growth but at creating monetary diversity and using democratisation to enhance social, environmental and economic resilience. Local currencies are de- and reconstructing societal structures to achieve more sustainable relations within society and between society and nature. In terms of passive justice, this can lead to more equal distribution and access to resources and knowledge. Moreover, it can lead to recognition of certain deprived groups, the recognition of dependencies on each other and the natural environment and the recognition of the uniqueness of local places.

To illustrate, Brixton, the most densely populated area in the Lambeth Council, is the fourteenth most impoverished district in England. The Brixton Pound, also discussed in chapter 4, is used to support small businesses and enhance pride in the area (Brixton Pound, 2018a).

Overall, the perspective of political ecology contributes to thinking in reciprocal relations between humans and nature, the local and global, constructed and real features and dominant and alternative powers. In these reciprocal relations inequalities are embedded, which can be perceived as socially constructed and thus challengeable and changeable. The establishing of local currencies is both influenced by these (unequal) reciprocal relations and able to address and counter them. Such struggles are often examined by political ecology researchers and frequently implicitly or explicitly indicates that they support this challenging and changing of dominant structures to create more equal and sustainable relations. Thus, in regard to this thesis, it is important to be aware of this possible bias and thus continuously question whether the addressing and counteracting of dominant structures by stakeholders engaged with local currencies do actually contribute to equalisation, sustainability and resilience and whether such alternative institutions indeed are an improvement compared to the status quo. Unintentionally, local currency initiatives may neglect or even reinforce injustices.

This could mean that the stakeholders, advocates and researchers that are very positive about the potential of local currencies, may overlook or ignore negative impacts. Therefore, specific attention can be paid to possible negative (side) effects of local currencies. For example in regard to the Brixton Pound, discussed in the former paragraph, it must be kept in mind that due to inequalities, empowerment of some at the same time can mean disempowerment of others. To demonstrate, local currencies may be mostly useful for the middle class as this group is able to spend money at local shops instead of cheap supermarkets (Sheffield, 2017). This shows how local currencies can maintain or even worsen power inequalities.

Local Currencies and the MaP

The MaP is useful for analysing how local currencies, as an example of a sustainability transition, may contribute to the shifting of power relations. During such socio-political struggles between regimes and niches in sectors and between sectors, the boundaries between and the definitions of individual roles, organisations and sectors as a whole are constantly de- and reconstructed. Thus, this perspective can be helpful in demonstrating how, due to the reciprocal relation between the alternative institutions of local currencies and the stakeholders involved in these institutions, established distinctions, structures, values, social relations and ideas are challenged and altered. These stakeholders make use of what is called transformative power as they invent and realise new institutions and structures, while they are simultaneously being influenced by reinforcing power of the status quo. Local currencies are constantly impacted by dominant and alternative discourses, diverse stakeholders and local contexts, resulting in various local currency systems.

Transforming society is first of all done by questioning fundamental structures, such as ‘the monoculture of money’, that are otherwise taken for granted. As a result new ideas can arise on how to change these structures and create new ones. The reciprocal relation between money and values and norms explains that while new types of monetary systems can alter values and norms in society, alternative monetary systems also reflect dominant as well as alternative values and norms in society.

An example is the Makkie, a local currency used in Amsterdam, which can be earned by helping neighbours with certain chores. The currency can be spend at businesses that contribute to the local community and on public services. However, one can also use Makkies to get a discount at a certain supermarket chain. This demonstrates how both alternative ways of valuing the local (unrecognised) economy and dominant institutions in society such as supermarkets can influence the shaping of a currency (Naafs & Oving, 2012).

To explain how and why stakeholders involved with local currencies perceive, (do not) address and (do not) counteract certain injustices, table 2.1 (2.4.2), depicting restrictive, supportive and neutral kinds of power relations, is useful. As new distinctions, rules and interdependencies are established by local currency initiatives it is interesting to analyse how power relationships shift.

Figure 2.3, based on figure 2.1 (2.4.1), demonstrates the embeddedness of all sectors in society in the natural environment. In this figure, some main actors, one in every sector, are depicted on a local organisational level to give an overview of the groups that may be involved with local currencies. Within the triangle, social injustices can be challenged within and between sectors by individual roles, organisations and sectors as a whole. Justice is analysed in terms of distribution, access, recognition (passive justice) and participation (active justice). Environmental justice is presented in figure 2.3 in the relation between the triangle and the circle.

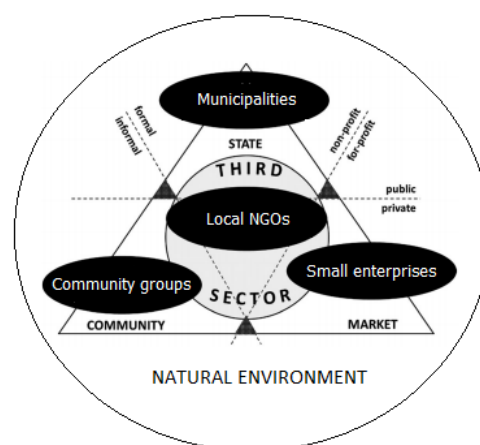


Figure 2.3: the MaP applied to local currencies, level of local organisations (Adapted from: Avelino & Wittmayer, 2016).

The initiators and partners of local currencies are often a heterogeneous group of actors and

discourses, which may include all sectors. Furthermore, the users of the currency are part of the market and state sector, as products can be bought and sold and taxes and salaries (of council staff) can be paid and received.

The contemporary shift towards an increase in power on local levels is the result of citizens, local NGOs, local businesses and local authorities, among others, taking more responsibilities and national government officials giving more responsibilities. This decentralisation has led to the empowerment of the community and third sector in addition to the power shift within the state sector from higher to lower levels of government. These current circumstances can help explain which and how stakeholders, involved with local currencies, deal with this increase in responsibilities and how this influences the way social and environmental injustices are perceived, (not) addressed and (not) counteracted. As power relations may shift even more due to the implementation of local currencies, it is important to consider who develops, controls and has access to a local currency, who is responsible for these tasks and what new dependencies are created.

Citizenship is used by most actors that are engaged with local currencies because they are politically active, want to take responsibility and are concerned with the greater good, which is a public concern and thus essentially part of the state sector. It can be argued that the role of citizenship is used to gain power and influence societal relations and political decision-making. Therefore, it is relevant to analyse the struggle and/or cooperation between citizens and government authorities as well.

Citizenship can be employed in combination with other roles, such as entrepreneur, neighbour and/or researcher. The increase of citizens' power and responsibilities can indeed result in the blurring of distinctions between formal and informal, public and private and non-profit and for-profit. For example, private companies may engage in public issues, such as Community Interest Companies (CICs) in the United Kingdom which integrate social objectives in their policy and invest profit in the community. Another example is informal community groups becoming formally organised. Hence power shifts within the state sector can lead to power shifts in other sectors and between sectors, which again may influence how society relates to its natural environment.

However, not all may be able to take citizenship and voice their interests due to a lack of time and/or capabilities, which can result in these interests and initial inequalities being neglected by local currency initiatives. Moreover the blurring of distinctions may result in the shifting of responsibilities in unfair ways. For example, CICs take more responsibilities than most companies, which may be too much of a burden and actually lead to disempowerment of these actors.

2.5.2 Operationalising the Research Question

The research question is:

Which social and environmental injustices are perceived, (not) addressed and (not) counteracted by stakeholders involved with local currencies in the Global North and specifically in the United Kingdom?

In this question, *stakeholders* are defined as initiators, partners and users of the local currency. The market, state, third and community sector can all be engaged in combined ways. This research focusses on the discourses and power of sectors as a whole as well as the (local)

organisations that are involved with local currencies and the diverse roles that individuals can use in regard to local currencies. The most essential research subjects are local currency initiatives, thus focusing on the organisational level. Other main engaged organisational actors that are analysed are local independent businesses, municipality officials, local NGOs and community groups. Additionally, there is a specific focus on the role of citizenship.

Injustices are framed as inequalities in distribution, access, recognition and participation that are perceived by someone as unjust. Alternatively, this can be described as problems or issues that people identify as unfair in their society; something that is wrong and should be otherwise. A distinction can be made between active and passive injustice, the former meaning being able to flourish and participate, the latter meaning getting a fair share, which is often a government task. Thus, injustice can be translated as something that is unfair or wrong in regard to (1) what people get from society and (2) in how far people can participate in society and influence it. There is a reciprocal relation between the former and the latter aspect (figure 2.4).

Figure 2.3 (2.5.1) is useful for explaining the social (triangle) and environmental (triangle-circle) injustices. *Social injustices* are unfair relations between and within the market, state, community and third sector. Thus, this is about the relations within society between people, including for example the inequalities as described in figure 2.2 (2.4.2). Generally, a distinction can be made between social, economic, knowledge and political relations.

Environmental injustices are unfair relations between society and the natural environment. The passive aspect is the distribution of and access to the natural environment. The active aspect is about valuing, managing and protecting nature.

In the case of local currencies, most injustices are related to powerful global forces, such as MNCs and climate change, on the one hand and seemingly powerless local communities on the other. To counter this, local currencies have social, economic and environmental objectives, including the supporting of local businesses, contributing to a local identity and decreasing carbon dioxide emissions. The seemingly powerless local communities can use local currencies to stimulate participating in the community in meaningful ways (active justice) and to get a fairer share due to a flourishing local economy (passive justice).

Perceived can be translated as ideas. What one perceives is someone's subjective view, it is what one thinks. If something is perceived negatively, as something wrong, it may be intrinsic motivation for creating change. Intrinsic motivation can be empowered if (1) one has the right capabilities, (2) one is able to choose how to be involved, (3) the involvement is perceived as meaningful and (4) there is notable impact (Avelino, 2011). Thus, perceiving injustices can create intrinsic motivation to address injustices, and if these injustices are addressed meaningfully and counteracted they can reinforce one's intrinsic motivation. This is demonstrated in figure 2.4 (Richey, 2007; Steed & Bindewald, 2015). In this thesis, perceived injustices are translated as motivations.

In regard to the interviews, it is important to keep in mind that one's background, including one's experiences, social network and history, influences how one perceives injustices.

Contrary, intrinsic motivation can decrease due to extrinsic motivation, namely by getting material rewards for one's dedication. Additionally, when either capabilities, freedom to choose, meaningfulness or impact, or a combination of these aspects, is lacking, the arrows in figure 2.4 indicate a weakening effect. This means that intrinsic motivation may diminish, consequently reducing the actions taken and impacts, which results in an even lower level of intrinsic motivation (Richey, 2007; Steed & Bindewald, 2015). Moreover, due to enhanced risks

and responsibilities, empowerment or citizenship may not result in more active and passive justice (Avelino, 2011).

Thus, the arrows in figure 2.4 can be both reinforcing and empowering, leading to the counteracting of injustices; and weakening and disempowering, which may result in greater injustices. These positive and negative dynamics can be at play at the same time as some groups may be empowered while others are disempowered. Therefore, empowerment can be described as a paradoxical concept (Avelino, 2011).

Addressed is about taking action to pursue certain objectives because the objectives are important to the person. Therefore, it can be described as taking responsibility to do/change something by being politically and actively involved in something. This engaged attitude is called citizenship in this thesis and is often interlinked with an institution, in this case the institution of local currencies. This is the second box in figure 2.4. In this thesis, addressed injustices are translated as actions.

Concerning the interviews, it is important to ask what tasks are carried out and what kind of objectives are made.

Not addressed is the opposite of addressed, meaning that no action is taken and certain objectives are not pursued, although the objectives are important to the person. Not taking responsibility can have many explanations, such as a lack of time or volunteers, other stakeholders being more influential or not feeling responsible for a certain issue. Overall, one or more aspects of the four features mentioned above (capabilities, choice, meaningfulness and impact) are not achieved, so that motivation does not result in engagement or only in a marginal way. These are neglected injustices.

In interviews, examples can be given of issues that may be neglected to ask the interviewee whether these or other issues may be neglected in the local currency initiative.

Counteracted is about having notable desirable impact, thus noticing and/or experiencing changes in a positive way. This starts with active justice as one is able to participate and influence society, which can consequently result in enhanced passive justice; getting more from society. Passive justice again can enhance active justice and so on, thus there is a reciprocal relation between active and passive justice. This is demonstrated in the third box in figure 2.4. In this thesis, counteracted injustices are translated as impacts.

Not counteracted are changes that one wants to or expects to take place but they are not (yet). It could be that citizenship and the institution are not powerful enough, resulting in limited active justice and consequently limited passive justice. Another explanation can be that the impact will only be visible on the long term. Additionally, not counteracted can mean that injustices are neglected or even intensified as some groups are disempowered. Thus, not addressed and not counteracted injustices are injustices that are perceived but no action is taken and/or there is no significant positive impact.

In regard to the interviews, examples of impacts can be discussed by asking if changes are noticed and experienced by the interviewee. Additionally, it can be asked why some changes are expected but not taking place and why this might be.

Figure 2.4 shows how ideas about unfairness (perceived injustices) can lead to intrinsic motivation and being politically active (citizenship) within an institution (local currency). This, consequently, can generate both empowerment (active justice) and people getting a fairer share (passive justice) in an economic, social and environmental sense. Additionally, these dynamics can work contrarily; when the perceived injustices and intrinsic motivation are limited, actions and impacts can be limited, non-existing or even negative, which can lead to even less motivation.

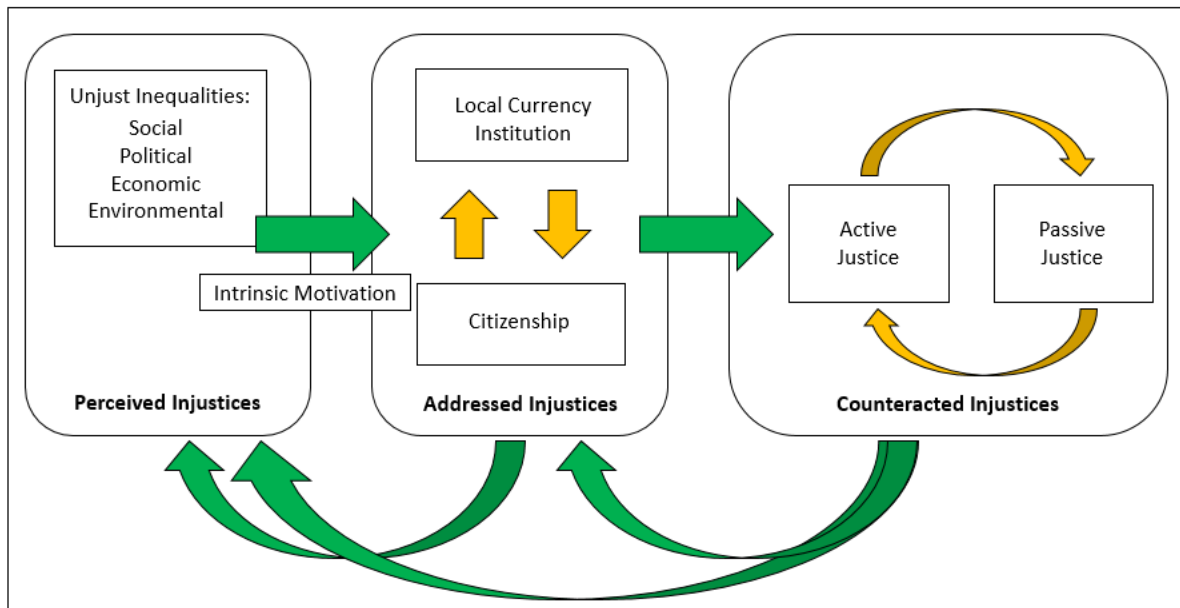


Figure 2.4: Enabling and disabling dynamics between perceived, addressed and counteracted injustices within a local currency initiative.

Chapter 3. Local Currencies: Social and Environmental Justice

3.1 Introduction

To deepen the understanding on local currencies, including the motivations behind them, actions taken to establish them and their impacts, this chapter analyses local currency literature, reports, websites and news articles. Additionally, the information gained from an interview with a researcher at the New Economics Foundation, a think-tank based in London, is discussed. The aim is to discover which social and environmental injustices, both passive and active ones, are perceived, (not) addressed and (not) counteracted by stakeholders involved with local currencies.

Identifying inequalities as unjust can lead to intrinsic motivation to address them and consequently counteract them. The enabling and disabling dynamics within this process, as described in the former chapter (figure 2.4, 2.5.2) all influence the shaping and impacts of local currencies. In this chapter a distinction is made between injustices (1) within sectors, focussing on the market sector, (2) between sectors, as certain discourses of sectors can influence and marginalise other sectors, and (3) between society and the natural environment. Hence, economic, social and environmental aspects are discussed.

3.2 Injustices in the Market Sector

3.2.1 Motives

Challenges faced by local entrepreneurs

In the market sector, main actors are small and medium-sized entrepreneurs, MNCs, consumers, employees and private banks. This sector is characterised as for-profit, private and formal and mainly focused on economic growth. An unjust relation that is often stated by stakeholders involved with local currencies is the relation between small independent businesses and bigger, international companies, and particularly the few MNCs like Amazon that nearly have monopoly power. It is argued that the former have less opportunities and less power compared to the latter market actors. As a small group of large enterprises is becoming increasingly wealthy, inequality is growing. This inequality is enhanced by international commercial banks that mostly provide loans to large companies while disregarding smaller ones and set different interest rates. Private banks, creating 95 per cent of money, in general prefer short term over long term profits (Helleiner, 2000; Bristol Pound, 2018a; Steed & Bindewald, 2015; Ingham, 2004; Interview New Economics Foundation, 2018). As Barber (2013: 12) points out ‘we are already living in an era of global private monopolies in money and influence that are empowered under the banner of liberty and markets that are anything but free’.

This can be described as having ‘more/less power to’ and specifically competition, a restrictive power relation, as multinationals have more power than small businesses while they have mutually exclusive goals (Avelino & Wittmayer, 2016). This unfair competition is unjust in a passive way as independent businesses do not have equal access to resources such as loans. As a consequence their active participation in society may decline as passive and active injustices are intertwined and reinforce each other.

Additionally, shopping streets have been changing as small and medium enterprises are being replaced by chain stores. Consequently, in many towns and cities, shopping areas become more alike one another. However, also bigger chain stores are struggling as they are increasingly unable to afford shops in high streets. Part of the explanation for this is the fact that physical shops pay higher business rates than online shops, which makes it harder for the former to subsist. This also demonstrates that the latter contribute less to public services by paying less taxes. To illustrate, in the United Kingdom it has been estimated that there are currently 1800 fewer high street businesses than one year ago, resulting in higher levels of unemployment. This development shows that the dependence of local councils on business rates is becoming unsustainable (Thomas-Smith, 2018; Woolf, 2012).

Lack of control

Furthermore, the globalisation of capital has led to the depoliticization of the economy, namely the feeling that the globalised monetary system is uncontrollable and that people, for example in the role of consumer and/or employee, feel powerless (Helleiner, 2000; Bristol Pound, 2018a). This relates to a lack of active injustice because individuals experience that they cannot influence society meaningfully. In the words of Duncan McCann, a researcher at the New Economics Foundation (Interview New Economics Foundation, 2018): *‘there is a sense that the economy does not work for ordinary people and part of that is based on some misconceptions that are out there but part of it is reality since the 1980s, [...] it is a real problem and not one that we are addressing sufficiently’*.

Example

Related to unfair competition and the feeling of not being in control, is the fact that most of money spent in a specific area leaves the area. As bigger, international companies gain monopoly power, a bigger part of spend money ends up as their private profits. This problem is explained and challenged on the website of Berkshares, a local currency running in the United States of America. It is explained that they are ‘prioritizing local trade and production and minimizing the money that leaks out of the local economy to credit card companies, outside suppliers, and gigantic banks. And BerkShares, Inc. is here to help promote your business as a special part of the Berkshire business community. Compared to large national or multi-national corporations, locally owned businesses contribute more to the local and state tax base, provide better and more stable employment opportunities (especially youth), and are more likely to purchase from other local businesses’ (BerkShares, 2018a: 1).

Summary

Thus, in regard to the market sector, two main intertwined injustices perceived by stakeholders involved with local currencies can be identified. Firstly, small independent enterprises have less opportunities and power than bigger enterprises due to a lack of passive justice. Secondly, consumers and employees feel somewhat powerless as they feel unable to influence the economy, which is a lack of active social justice. The reinforcement of these economic injustices in the current monetary system is part of the motivation of local currency initiators to challenge them.

3.2.2 Actions

While stakeholders involved with local currencies may perceive certain injustices, they do not necessarily address them. In this section, the actions taken by stakeholders involved with local currencies in regard to the market sector are discussed.

Circulating a local currency

Below a model explains the flow of local money alongside common money in a society. The local currency, which can be paper-based, electronic-based or both, flows from the issuer to consumers, who consequently spend

it at local retailers. Local retailers may use local currency to pay their employees, other local businesses and local suppliers. Suppliers can also trade amongst themselves in local money. Moreover, local suppliers and retailers can trade the local for the common currency with the issuer. If local money is transacted multiple times without being traded back to common money it has a so-called local multiplier effect. Local currency initiators can enhance this effect by building local networks of businesses and suppliers (Roukanas & Sklias, 2018). Moreover, figure 3.1 can be elaborated. For example local governments can be added as in some systems local taxes can be paid in local currency which is consequently used as part of the salary of council staff. This is the case in Bristol and Brixton and is discussed in the next chapter in more detail (Bristol Pound, 2018a).

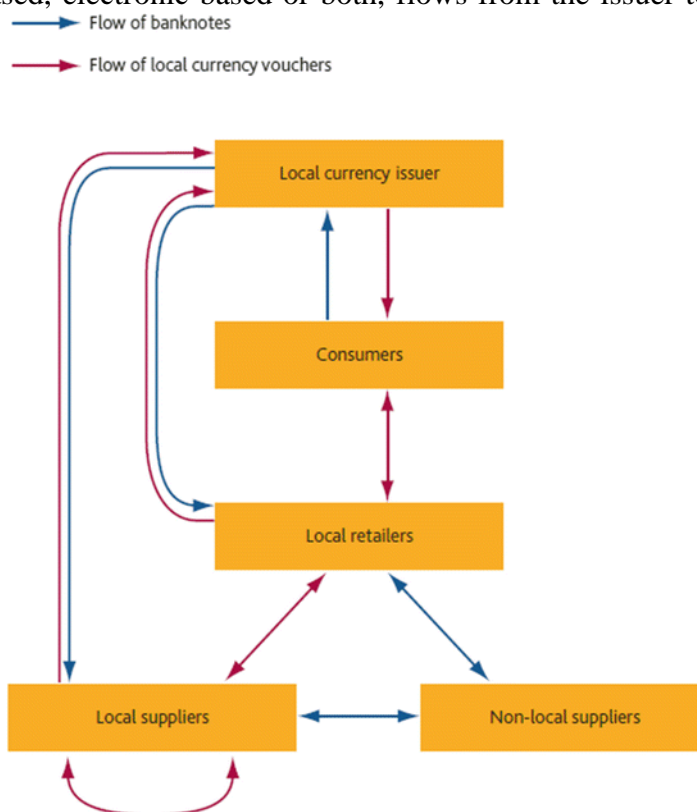


Figure 3.1: A local currency scheme circulating alongside a dominant monetary system
(Source: Roukanas & Sklias, 2018)

When a business joins a local currency system, it shows that it is willing to reinvest in the local community. This moral stance can attract new customers. Thus, in multiple ways, local underused resources are linked with local unmet needs, resulting in new local trading systems. The New Economics Foundation has calculated that money spend at independent shops can circulate up to three times more in the local economy compared to money spend at chain stores. The reason behind this is that small entrepreneurs are more likely to spend money at local suppliers, spend profit locally and pay more local taxes (Steed & Bindewald, 2015; Roukanas & Sklias, 2018).

An example of a currency that accomplished a local multiplier effect is the Chiemgauer, a regional monetary system used in Germany. On average this currency circulates eighteen times in the economy in one year compared to the euro circulating 6 times a year (Schwartz, 2009).

In this way, wealth generated in a certain area, is more likely to stay within that area, enhancing the support and stability of the local economy. This can be perceived as a an important step in building a circular economy. Instead of money flowing globally and ending up at a few MNCs, profit is re-spend at local enterprises, which probably invest more in the local infrastructure and community. It may also create the right circumstances for the creation of new independent businesses. Additionally, formerly unpaid, unrecognised and/or informal work and skills can play a more central role in a local economy. Thus, in regard to the perceived social injustices

in the market sector, local currencies can play a role in creating more equal opportunities for small entrepreneurs (Michel & Hudon, 2015).

Changing monetary habits

The actions of receiving and paying with local money is using active social justice, namely participating in society by making use of an alternative institution, which relates to using 'different power to' or transformative power. This can lead to more passive justice as small businesses are supported and local money keeps circulating within an area. Moreover, it can counter the feeling of not being able to meaningfully influence society.

Part of creating an alternative money system is developing an alternative payment system. McCann (Interview New Economics Foundation, 2018) argues that rethinking the payment system '*is almost a more pressing need for local economies than rethinking money*'. As consumers, employees and council staff are stimulated to use a local currency, they explore new shops and may shop at independent shops more regularly as they become loyal customers. Their motivation can be enhanced by creating an app that is easy to use so that the alternative payment system is more convenient than the regular payment system (Steed & Bindewald, 2015). However, changing spending habits is difficult because it takes effort: '*one of the barriers is just that it requires some kind of new behaviour change either downloading a new app, getting comfortable with a new kind of money or just physical money and changing it for other kinds of money*' (Interview New Economics Foundation, 2018).

Also, McCann (Interview New Economics Foundation, 2018) explains that '*despite these big money systems being harmful in some ways and working against people in other ways, people are still very attached to them*'. This makes it hard for people to start using and trusting a different system and change their routines. The same is true for businesses that have to put extra effort and time in switching to more local suppliers, which explains why it does not happen very often (Steed & Bindewald, 2015). Furthermore, a majority of people may have not heard of local currencies and do not understand their added value as monetary systems are quite complicated. Hence, it is crucial to create awareness about and share knowledge on monetary systems (The New Economics Foundation, 2015).

Supporting the local community

In addition to local transactions, local currencies initiatives that are backed by a common currency can play a role as local credit unions, by giving (interest-free) loans to local independent businesses. These are often cooperatively owned organisations that are motivated to support local shops and local trade networks. Such microcredits enhance the opportunities for small enterprises and thus can be perceived as an increase in passive justice. If businesses are supported more in such ways, local employment levels could rise and the economy could diversify more. Moreover, neighbourhoods can become more appealing as local businesses contribute to their identity. As small enterprises are locally embedded, they often add social value to the local community, engage in local development projects and are able to influence decision-making processes of the local government (Thomas-Smith, 2018).

Some independent businesses are actively involved in volunteering and helping out the community as they are not solely motivated by making profit and expanding. These actions are part of the informal economy. In other types of complementary currencies, such as time based currencies, the informal economy is addressed to an even greater extent (Longhurst & Seyfang, 2011; Gibson-Graham *et al.*, 2013). This informal aspect is, in the model of Avelino and Wittmayer (2016), part of the community sector, which is more elaborately discussed in the next section (3.3).

Using citizenship

The different economic actions that can be carried out by stakeholders involved with local money systems demonstrates that in addition to the implementation of a local currency, there can be and often are supplementary interventions. Moreover, not merely market actors are involved with local money systems as people in the public sector, the third sector or the community sector can have an essential role as well. All these actors have common aims, namely helping the local economy and community, and they all make use of citizenship. This indicates that the role of citizenship can be more influential when used together with other roles.

Lack of action

However, there are limits to these actions. For example, as shown in figure 3.1 there are also non-local suppliers, often being the majority of suppliers, which are not part of this local system. Defining what is 'local' is difficult and in some cases it may be better to take a regional approach. For example, in regard to food supply chains it may be beneficial to include farmers from the whole region and thus expand the trading network. This region can be quite large if the primary production in a certain locality is insufficient. Still, these farmers may not be interested in joining such a localised system as they have no need to (re)spond their revenue in a specific city or town (Steed & Bindewald, 2015).

An additional limit is that not all kinds of businesses are able to engage in local trade. For cafés and restaurants it can be easy to find locally sourced produce, while non-food businesses may find it hard to find particular locally extracted and/or made materials (Steed & Bindewald, 2015).

Another concern is that, frequently, places where local currencies are implemented already have strong independent shopping areas and communities. Often these locations are known for sourcing local products and therefore it makes sense to circulate more money locally. Consequently, other places that do not have the benefit of having local shops and a close community, are neglected (Dittmar, 2013).

Summary

Overall, it can be argued that local currency initiators address the injustices in the market sector of feeling and being marginalised, by creating alternative monetary tools and practices, including payment and credit systems, (trading) networks, using citizenship and changing habits. The direct support for local entrepreneurs can indirectly support the local community. Nevertheless, these actions and support are limited due to a lack of local suppliers and local shops.

3.3.3 Impacts

Limited impact

This thesis speaks of counteracted injustices when local currencies are able to achieve a more just society, in other words, when we consider the impact of local currencies. According to Steed & Bindewald (2015: 3) there is: 'a growing body of global evidence [that] supports the idea that they can meet the needs of local areas and economies in ways that euros and pound sterling cannot'. While it has been concluded that in some cases the lives of marginalised people improved significantly, there is overall limited evidence that local currencies create impacts in the market sector (Michel & Hudon, 2015). Still this limited evidence should not be overlooked, as McCann (Interview New Economics Foundation, 2018) explains: '*you do change the small economy, you do change people's lives. I don't like to disregard them because they are small*'.

Local currencies can contribute to an improvement in standard of living and employability, new skills can be developed, social networks can expand and informal work can be valued to a greater extent. As local production, trade and consumption are promoted, enhancing demand for local products, some local businesses enjoy an increase in profit and an increase in trading with other local businesses. Furthermore, businesses can gain access to interest-free loans, while consumers can gain access to (discounted) local goods and services. Research has shown that being aware of local currencies and their advantages leads to more participation (Steed & Bindewald, 2015). As people are increasingly trusting of and involved with a local currency, the dependency on the global economy can slowly decline, resulting in more local economic resilience. It has been proved that customers involved with local money, are more likely to spend both more local and common money at independent businesses (Michel & Hudon, 2015; Steed & Bindewald, 2015). While extrinsic motivation like discounts, may decrease intrinsic motivation for joining any project, this may not be the case for local currencies as money is framed in different ways, having different purposes and effects compared to regular money (Steed & Bindewald, 2015).

Lack of proof and evaluation

Nevertheless, the improvements described above are often insignificant as not enough consumers and entrepreneurs are engaged and the money flows of local currencies are neglectable from a macro-economic perspective. In other words, there is no evidence of significant localisation of economies. Moreover, in my research I did not find conclusive evidence that due to local currencies new jobs and businesses are created.

A main problem is that often stakeholders involved with alternative currencies have not been keeping track of their progress from the start so that it is very difficult to measure their achievements. As the initial conditions are unknown, it is hard to make substantial conclusions about the impacts of alternative monetary systems (Interview New Economics Foundation, 2018). This is mostly due to the fact that initiators of local currency projects prioritise daily tasks to keep the system running, while they neglect systematic measurements and evaluations. This has negative consequences because it remains unknown if and how current actions that are taken should be changed and it makes it difficult to get more funding. Contrary, by evaluating, local money projects might be taken more seriously, valued more properly, increase motivation of and actions taken by participants and increase opportunities for shared learning (Steed & Bindewald, 2015).

Support versus independence

Another main struggle for local currency projects is choosing between being exclusively focused on local businesses, local suppliers and local products on the one hand and being inclusive, attracting large amount of people and having a larger impact on the other. Initiatives have to make the decision between being a small localised system or having significant impact, for example by also including national or even international businesses. As explained in the former chapter, actors that are part of a dominant discourse but able and willing to change this discourse can play an important role in stimulating a transition process. Many scholars argue that a critical mass is needed to create substantial support for the local economy (Michel & Hudon, 2015; Steed & Bindewald, 2015; Dittmar, 2013). To illustrate with a quote: *‘until we mainstream some of these things, they basically cannot have the effect that we want. That is also one of the main challenges of these local currencies that the scale that they achieve makes them economically meaningless in some sense’* (Interview New Economics Foundation, 2018). However, globalisation of the economy has made localisation more difficult as *‘the forces of globalisation are so strong that just having a bit of money or some of these other elements on*

their own is in fact not enough to kind of counterbalance the forces of globalisation' (Interview New Economics Foundation, 2018).

Additionally, a main difficulty for local currencies at the moment is that, ironically, they have not become financially sustainable. The costs of creating money and other operating costs are greater than the revenues. Therefore, many have been and still are dependent on government funding, while government authorities are unlikely to keep supporting these initiatives. Many projects have come to a point that funding is being stopped and the need to generate money becomes more pressing (Interview New Economics Foundation, 2018).

Promise versus reality

Another issue is that 'overexposure of the currency while still in the early stages can give a false impression of its scope, generating unreasonable expectations and leading to disillusionment when these are not met' (The New Economics Foundation, 2015: 145). On local currency websites, many promises are made about localising the economy, while the impact may be limited. Therefore, it is advisable to translate high aims into measurable, attainable and clear targets (The New Economics Foundation, 2015).

Everyday versus exceptional spending

Furthermore, while often local currencies are designed to be used on an everyday basis for everyday products, they are often only used in specific cases in small amounts. To illustrate, a manager of an independent business may hoard the local money and spend it at once, for example by organising a dinner with all colleagues. In this case, the local currency is used for fun, to foster social relations between colleagues and with other local businesses where it is used. This example also shows that the businesses is in a comfortable position as it is able to spend money on non-essentials, which is not the case for all small enterprises (Steed & Bindewald, 2015).

This demonstrates that inequalities between the more wealthy and less wealthy are not dealt with. To add to this, McCann (Interview New Economics Foundation, 2018) points out that '*local currencies don't create any spending power, this is one of the biggest kind of drawbacks of these local currencies, that you have to have money to be able to participate*'. Thus, there is a limit to tackling injustices in regard to wealth within many local currency projects.

Evidence from the past

In the cases that significant impacts of local currencies have been identified, this was mainly caused by the regular monetary system becoming completely defective. Mostly in times of instability, local currencies are important tools to meet the basic needs of people. This was clear from the Wörgl in the 1930s in Austria and the Argentinian Credits in the 1990s. Sometime after a crisis the alternative monetary system usually becomes less important again (Michel & Hudon, 2015; Steed & Bindewald, 2015; The New Economics Foundation, 2015).

Many current alternative monetary systems have arisen after the last financial crisis. While the usefulness for establishing them may have been obvious then, now their significance seems to be fading. Currently, local currencies '*are reaching a challenging point in their life cycle. So they had that initial time, 5/10 years ago, post-crisis, it was flourishing, it was seen really as part of the Transition movement, moving away from these globalised economies, re-localise some of their power. There was so much community effort into creating them, but we are now reaching somewhat of an adolescent phase where they face some structural problems*' (Interview New Economics Foundation, 2018).

Nevertheless, some argue that the current local currency projects are preparations for the next financial crisis and only then their importance will show (Steed & Bindewald, 2015). This is closely related to what Lietaer *et al.* (2010) describe as the need to diversify monetary systems in the social domain, similar to the working of nature in the ecological domain. If there is only one monetary system, its efficiency is great, however it is not resilient as there are no systems to fall back on in times of instability. When creating more monetary diversity, decreasing efficiency, resilience is enhanced (Lietaer *et al.*, 2010).

Summary

Thus, while in theory many of the ideas and actions of stakeholders involved with local money systems, in regard to the market sector, seem useful and beneficial, in practise counteracting injustices is quite difficult to achieve. As argued by the New Economics Foundation (2015: 59): ‘it is important to clarify that community currencies cannot single-handedly overcome the deep social, economic and political inequalities that exist within societies’.

Therefore, currently local currencies do not have as much impact in the market sector as hoped. An increase in active social justice is noticeable as a new way of acting and interacting becomes possible when using a local currency, in which the motivation of supporting the local economy is key. However not everyone is able to participate and thus active social justice increases in an unequal way. Furthermore, there is no evidence for a significant increase in passive justice in the market sector. Thus, using ‘different power to’ has no substantial effect. This demonstrates that currently the transformative power of local currencies is not strong enough to have long term impacts in the market sector. Still, local monetary systems play a role in creating monetary diversity, which may be useful in times of instability.

3.3 Injustices Between Sectors

3.3.1 Motives

Dominance of the market rationale

In regard to injustices between sectors, many scholars, for example the English researcher Ingham (2004) and the English economist Raworth (2017), argue that the market sector discourse has greatly impacted other sectors in society. For example, the political scientist Helleiner (2000: 35) claims that: ‘it has become increasingly common to view individuals primarily as private consumers rather than as public citizens when economic issues are discussed’.

Thinking in terms of costs and benefits has become common in society and led to rationalisation. Due to privatisation and deregulation, two main principles of the globalising neoliberal discourse, the state sector has become less powerful and inequalities in regard to wealth have increased. These inequalities are intensified due to differences in ethnicity, age, sexual orientation, disabilities and gender (Steed & Bindewald, 2015; Ingham, 2004; Sassen, 2015).

Figure 3.2 depicts the dominance of the market sector and public-private partnerships, while mostly the community sector, but also the third sector and the state sector, are marginalised. As Avelino & Wittmayer (2016: 640) explain: ‘in the past decades, western societies have been characterized by a welfare state that has increasingly outsourced services to the market, resulting in a wide variety of “public private partnerships” and widespread “neo-liberal”

discourses in which state bureaucratic logic and/or economic market logic is increasingly applied to all dimensions of life and society.'

Thus, both state and market actors have influenced the shaping of this neoliberal dominance in western societies. Besides the injustices within the market sector as described in the former section, one-sided dependence on the market sector has emerged, a form of

'power over', as the market discourse affects other discourses (Avelino & Wittmayer, 2016). This results in a lack of passive social justice, for example due to growing inequality, and a lack of active social justice, as non-market practices are marginalised.

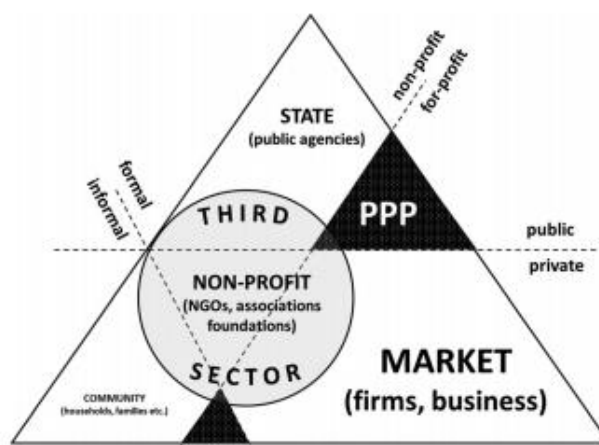


Figure 3.2: Dominance of the state-market sector and public-private partnerships (PPP) in Western Society (Source: Avelino & Wittmayer, 2016).

McCann (Interview New Economics Foundation, 2018) points out that there are '*these big foundational systematic points that kind of have been forgotten by economists or the economy in general*'. So due to the dominance of the market sector, other important aspects of society are either forgotten or misunderstood (Interview New Economics Foundation, 2018).

For many advocates of local currencies this is a key motive. For example, the mission of the New Economics Foundation is: '*reimagining the economy as if people and the planet mattered, so integrating people and the planet in economic systems. Social policy also, so economics in its widest context, so basically life*' (Interview New Economics Foundation, 2018).

The fact that local currency initiators are similarly motivated is clear from the following statement, made by one of the founders of a Parisian currency, who explains that 'we want to fight against tax evasion and speculation, that are destroying our economy, and to use the local currency as a tool for citizens to reclaim their power on the economy' (Hird, 2018: 11).

The underlying argument is that to alter the dominance of the market sector, the market sector itself must be changed by integrating aspects of the other sectors and the natural environment in this sector. Empowerment and cooperation is key in this process, which explains why local currency initiatives are often referred to as community projects (Interview New Economics Foundation, 2018).

Marginalised community sector

Lending loans and buying products, formerly based on social relations, have become impersonal transactions (Connolly, 2017). According to the political scientist Putnam (2001) social groups within society are falling apart due to individualisation. While new and different kinds of social groups are still emerging, the danger lies in the lack of interaction between different kinds of groups, which causes distrust and division in societies (Putnam, 2001). The lack of cohesiveness in societies has a negative impact on communities' economy and political participation and a positive impact on crime rates (Richey, 2007).

Thus, the influential market sector has greatly affected the non-profit, private, informal sphere of the community sector as people miss a sense of place and belonging because local social

relations are replaced by anonymity and alienation (Helleiner, 2000; Richey, 2007; Seyfang & Longhurst, 2013).

Currently more attention is given to the third sector and the community sector, mainly in regard to their possible contribution to providing public services. Figure 3.2 makes clear that when responsibilities of the state are taken over by the community sector, there is the danger that a market rationale instead of a community rationale prevails. This has become clear in the United Kingdom (Avelino & Wittmayer, 2016). As stated in the final audit on the Big Society of the think tank Civil Exchange (2015: 6): ‘a market-based model for reforming public services is concentrating power in the hands of new “quasi-monopoly” private sector providers rather than in those of local people and is reducing, not increasing, transparency and accountability’. It is argued that even when trying to empower marginalised groups in society, often more powerful (market) actors are eventually empowered more (Civil Exchange, 2015).

Summary

Besides the perceived injustices within the market sector as described in the former section, the influential position of the market sector as a whole is recognised as unfair. The globalising neoliberal discourse is dominant in the shaping of economies and life in general. Consequently, aspects of the state, third and community discourses are largely neglected. This has particularly led to individualisation, alienation and division in societies, or in other words, the marginalisation of the community sector.

3.3.2 Actions

The injustice of the dominance of the market sector is addressed by initiators of local money projects in two ways. Firstly, strengthening the community sector, which is marginalised the most, is a key concern. Secondly, this empowerment is used to redefine the economy and thus challenge the powerful discourse of the market sector in its current form.

Building social relationships

While MNCs are not embedded in local communities, small businesses are. Making use of a local currency and thus supporting local shops may enhance local social relationships, including relations between customers and businesses but also between customers and between businesses. This can result in expanded networks and increase trust, social cohesion, cooperation and a sense of place and belonging, which consequently, can lead to more satisfaction and better community and personal health (Jacob *et al.*, 2004; Woolf, 2012; Seyfang & Longhurst, 2013).

As McCann (Interview New Economics Foundation, 2018) indicates: *‘those who use the [local] currency have better relationships with the people they shop at, they have a conversation with the shopkeeper. This relationship with the businesses is something that we obviously, we had and it had gotten taken away from us, due to automatic check-outs and wanting to go away as quick as possible, payments that don’t even require a pin code. So it has been really interesting, putting a bit more friction, which is opposite from what you think, it enhances the relationship and then it builds a business community as well, so all these small and medium businesses are no longer a little island, like oh help me, I’m drowning, now they have like a network’*.

Instead of personal autonomy, which is a main concern for Bitcoin advocates, social cohesion and solidarity are emphasised in local currency projects (Wong, 2014). For example a business owner involved with the local currency BerkShares explains that: ‘when you’re spending

BerkShares you're creating a relationship. It's saying, I support what you're doing, and I'm going to keep coming back' (BerkShares, 2018b: 9).

Enhancing trust and pride

Moreover, the design of local currency paper notes often include local symbols which may enhance local pride, local identity and a feeling of belonging (Woolf, 2012; Steed & Bindewald, 2015). The creation of local currencies show that, as Greenham (2012) argues: 'as long as there is trust, you can never run out of money'. In other words, as long as people are willing to engage in the community and to support each other, trade is possible. One does not necessarily have to rely on common monetary systems but can create and get involved with alternative ones. Such involvement is about doing something meaningful, acknowledging and helping each other but there is also an element of fun (Steed & Bindewald, 2015). As argued by the New Economics Foundation (2015: 21): 'community currencies are first and foremost instruments of change and empowerment'.

Examples

An example is the Cardiff Pound, initiated in the capital of Wales, stating on its website that: 'when you spend Cardiff Pounds, you're not just spending money, you're spending money with values. The Cardiff Pound will be a Community Interest Company, which means it exists for the benefit of everyone in our community, rather than to make profit for shareholders. Once running costs are covered, spare money will be reinvested into schemes which bring direct benefit to our community – and you, as a member, will get a say in what those schemes are!' (Cardiff Pound, 2018: 9).

Also the Eusko, an alternative currency running in the French Basque country, is focused on community wellbeing. This local currency encourages people to circulate more money locally, so that less money is used for international speculation, privatisation and expropriation of land and goods, in particular in poorer countries. Another objective of the Eusko is the preservation of the Basque language because it is not used much anymore. This is done by stimulating businesses to provide information and communicate with customers both in French and Basque. There are volunteers that help with translating texts. Also, stickers are provided, that show that a shop accepts Eusko's and whether the employees are able to speak Basque properly, to a certain extent or not at all. This contributes to the collective identity of and solidarity within the region (Eusko, 2018).

Democratisation and empowerment

These cases show that the community is central in the projects and also has a direct influence on the structure and actions taken by the initiative, which is empowering the community on a local scale by creating the possibility of taking citizenship. This enhances active social justice and democratisation, which again is related to transformative power and having 'different power to'. It can be argued that aspects from the state, third and community sector are combined to empower the community sector.

As the New Economics Foundation (2015: 24) states, some local currency projects 'aim to improve and democratise the public infrastructure required for societies to thrive'. Local currencies create certain infrastructure that stimulates people to become actively involved in their local community and economy. The empowerment of communities can be perceived as a reaction to the dominance of the market sector and the marginalisation of the community sector. This empowerment is itself an objective, as 'empowerment and self-worth go hand in hand' (The New Economics Foundation, 2015: 62) but also a means to achieve other objectives.

Social exclusion

However, as discussed in chapter 2, empowerment of some sometimes equals disempowerment of others. The word community is often used on websites of local currencies, however it remains unclear who is meant with this participating group. While some initiatives focus on tackling social exclusion, most do not as it is not their main concern. Therefore, it is often unsure how inclusive a local currency project is and whether communities are empowered as a whole or not (Michel & Hudon, 2015; Steed & Bindewald, 2015).

An example of a currency that tries to tackle social inclusion is the peach (pêche), which recently launched in Paris. The initiators decided to only create paper notes to not exclude people without addresses, legal identification papers and/or bank accounts. As this project just started, it is not yet possible to conclude if social exclusion is actually addressed (Hird, 2018).

While not all people have the time, capacities and knowledge to engage in local currencies, this is not necessarily a bad thing according to McCann (Interview New Economics Foundation, 2018). He explains that *‘what actually transpires is that people, well most people, by a sense of taking control really mean that they are in a system that is pretty much working with them rather than against them or trying to exploit them, so kind of supporting them. And that when something goes wrong there is a way of resolving it, there is a process where you have your problem expressed and there are some steps that are going to happen. You might not have the outcome that you would have wanted but there is an acceptable process to go through’*.

In every situation, being in control or empowered means something different and often it is not about the empowerment itself but about having a sense of empowerment; *a sense that the economy is working for them rather than against them* (Interview New Economics Foundation, 2018). An alternative monetary system can be perceived as the infrastructure that allows people to feel empowered as the system is set up to help them. This demonstrates that empowerment and change for a great deal depends on a mentality shift and an increase in passive social justice, not necessarily active social justice. This can be related to the difference between supportive and restrictive power relations as described by Avelino and Wittmayer (2016).

Reframing the economy

The discourse of the market sector as a whole is questioned by stakeholders involved with local currencies by integrating alternative social, economic and environmental values, hence defining the economy differently by framing it in a moral and local way (Michel & Hudon, 2015). They *‘thus contribute to more equitable and ethical relations of exchange away from the primary objective of economic growth’* (Michel & Hudon, 2015: 167). By framing money in a different way, the concept is politicised and empowering those who are participating in this local moral economy. This builds on the idea that consumption is a political tool and thus by consuming in different ways, such as consuming less or more local and organic products, a political statement is made (Helleiner 2000).

Stakeholders involved with alternative monetary systems share a concern for the local community and local public goods and in this way oppose dominant ideas and practices such as profit maximalisation, rationalisation and privatisation. In addition to the main roles of communities and NGOs, local authorities and businesses can influence local currency projects from an early stage (Helleiner, 2000; Steed & Bindewald, 2015; Raworth, 2017).

Local currency initiatives are often non-profit and *‘even if they are commercial in nature, the benefits directly return to the wider community they serve’* (The New Economics Foundation, 2015: 69). Frequently, they are Community Interest Companies (CICs), which include local entrepreneurs and local consumers in the decision-making processes. The successfulness of a

project often depends on the extent to which the currency is established in collaboration with the users (Steed & Bindewald, 2015; Ryan-Collins, 2011).

Furthermore, businesses involved with local currencies are in some cases non-profit and CICs. These companies are allowed to receive donations and make profit provided that all of it is invested in the community. They are part of the local community and feel responsible for the well-being of the community. This results in the blurring of boundaries between sectors as it can be argued that such businesses integrate elements of the market, third, community and state sector (Steed & Bindewald, 2015; Ryan-Collins, 2011).

Example

To illustrate, on the BerkShares website it is observed that: ‘Money can be a powerful decision-making tool. BerkShares turn currency into a tool for community education and empowerment in the Berkshires, while celebrating our landscape, heroes and artists’ (BerkShares, 2018b: 1). This demonstrates an alternative approach to money, not relating it to making private profit and rational choices, but to elements that are part of discourses of other sectors, such as a focus on local identity (the community sector), powerful decision-making (the state sector) and education (the third sector). Thus, instead of focusing on the for-profit, private and formal aspects of the market sphere, informal, non-profit and public ideas are introduced.

Monetary diversification

Furthermore, local monetary systems, but also other alternative money systems like Bitcoin, Apple Pay and Google Wallet contribute to thinking about and establishing diversity in monetary systems. While these latter systems are different from local currencies as they are private initiatives and running globally, they are too part of reimagining money. For example, Bitcoin helps to shape new regulation of digital currencies which again helps to establish digital local money systems more easily. All these monetary ideas and practices are part of a movement that is gaining popularity as a whole (Wong, 2014; The New Economics Foundation, 2015).

McCann (Interview New Economics Foundation, 2018) even predicts that *‘in fact for me the future would be, especially now we have smartphones, people will be getting used to using 10 different kinds of money. And we already do to some extent, you know, airmiles, in some sense, and we are very comfortable that I can only use my Tesco points at Tesco. It is not a problem for me. So I think that is more of the world we are going towards, this multiple moneys rather than one kind of correct money that we are trying to do everything. That is again what these experiments allow us to see is that first steps into this multi-money world’*.

Eventually, he argues, there will be pyramid model in which there are many local monetary systems, including time banks, gift economies at the bottom, then local and regional currencies, some business trading and credit systems on regional scales and a few national and/or international currencies at the top. Thus, local currencies are part of a bigger monetary experiment, which is about figuring out on which scales what kind of monetary and systems are appropriate and what kind of governance is needed (Interview New Economics Foundation, 2018).

This experimenting is explained as learning in a spiral way instead of a straight line as former issues, solutions and ideas are constantly re-evaluated. Therefore, the creation of local currencies is not necessarily the end-goal, but part of a bigger shift that is taking place in the financial sector (The New Economics Foundation, 2015).

Collaboration and institutionalisation

Only with the support of other organisations and institutions, local currency projects can create change. Co-production, which is the working together of local communities with professionals and financial supporters, increases the effectiveness of a project as power and resources are shared, every person and their inputs are valued and interdependence is created. This can be seen as a democratising process which counteracts the mentality that people are merely private consumers as they are active in the role of public citizens. It can even be argued that everyone is viewed as an experts in her/his own way, blurring the distinction between expert and lay as all (local) knowledge is valued (Steed & Bindewald, 2015; The New Economics Foundation, 2015).

There are currently many knowledge sharing networks of local currency initiatives, for example in regard to experimenting with different electronic payment systems. Currently, local money systems are quite innovative in regard to their transaction methods, which have been shared in regional, national and international networks. In these networks, third sector actors such as NGOs and research institutes play a crucial role (Rich, 2017; The New Economics Foundation, 2015).

Steed & Bindewald (2015) claim that there should be an ongoing dialogue between all groups involved with local currencies because ‘currency initiatives are practical responses to a range of policy areas that don’t aim to replace or roll back public services, but rather to transform them into being more useful and better value for money’ (Steed & Bindewald 2015: 24).

Together these groups can change local policies, the local economy and create a stronger local community. This may take time as projects in the first stages are constantly altered and multi-stakeholder decision-making processes are often slow. Furthermore, frequently all engaged stakeholders have diverse interests. Therefore, the co-production method can be used to align diverse aims and it is useful to have a core team that is dedicated to the project for a long period of time. This later proposal is related to the idea that local currency initiatives are not quick fixes for society, but need time to develop and often have benefits on the long term (The New Economics Foundation, 2015).

Additionally, the sharing of power and responsibilities between paid workers and volunteers can cause tension. Hence, it is crucial to have a clear division of tasks and responsibilities from the start (Steed & Bindewald, 2015). According to a New Economics Foundation researcher ideally local currencies would not run entirely on volunteers, but, like the local currency implemented in Liverpool, should be able to pay the salary of two people because *‘that should be sufficient to sustain the economy. To people it is their job and around them is a network of volunteers but that is the kind of the right mix that you want’* (Interview New Economics Foundation, 2018).

Top-down versus bottom-up action

To create structural change in society, according to McCann (Interview New Economics Foundation, 2018), both top-down and bottom-up action is needed: *‘I think you need to think of both, you have these small and beautiful, but if we just are money reformers, stay in this world, we miss a big part of the picture which is that most economic activity happens further up the pyramid. And we need to figure out how to do something about that as well. You can redesign money or redesign the regulations or the institutions so banks and other institutions. So there are different ways of doing that’*.

Thus, small grassroots action and changing policies on higher levels are both crucial and can be combined in appropriate and effective ways and on different scales. Furthermore, it

demonstrates that besides rethinking money, banks and regulations must be altered. For example, currently, mostly in the United Kingdom, there is a lack of regional and local banks, while they would be helpful in supporting local currencies. Mutual credit trading systems between (local) enterprises can also enhance the impacts of local currencies (Ryan-Collins, 2011).

Local authorities often fulfil different roles in local currency projects as they can be users of a currency and also support the project in regard to finance and knowledge. As users they can play a crucial role by, for example, accepting local taxes and business rates and receiving part of their salary in a local currency. This raises questions about whether local currencies are more effective when implemented top-down instead of as grassroots projects. The former is, for example, more common in Japan, where policy makers try to find solutions to the greying of the population. Still, it can be argued that if government officials are involved, the projects are not radical enough and it is highly dependent on the political parties that are in power at the moment which creates insecurity. Additionally, often short term economic interests are taken more into account than other interests (Henfrey & Maschowski, 2015; Steed & Bindewald, 2015; The New Economics Foundation, 2015).

In Europe and the United States of America local currency projects with a bottom-up democratic character are most common. In this way, it is easy to make sure the projects are in line with the ideas of both initiators and users (Longhurst & Seyfang, 2011). The writer and activist Hopkins, co-founder of Transition towns, argues that bottom-up action works better than a top-down approach as the empowerment of people is powerful and meaningful, as ‘people recognise that they have power to make a difference’ (Flintoff, 2013: 24), which results in solutions that fit a locality. Still, these communities are connecting and learning from each other and thus together have larger impacts (Flintoff, 2013).

Nevertheless, the New Economics Foundation has struggled with this as their former approach was based on rejecting politics and wanting real change to come from civil society. While grassroots action can achieve a lot, it does not create big systemic changes. Therefore they now shifted their focus to *‘a two branch approach, so there is the change which is kind of the grassroots one but we also need to influence the big level, so businesses, policy, politics and it is only by doing both that will create change in society’* (Interview New Economics Foundation, 2018).

This two branch approach is clear in the description of the New Economics Foundation as a think-and-do-thank, rather than just a think-thank, as McCann describes it. The organisation is both motivated to provide knowledge, influence politics and policies and taking concrete action (Interview New Economics Foundation, 2018).

Summary

In any case, every local currency includes stakeholders from different sectors and connects and combines sectors in an inclusive and localised approach. Overall, it can be argued that local currencies address the injustice of dominance of the market sector by thinking about the economy in a more holistic way. Transformative power is used to become aware of marginalised discourses and practices, resulting in new approaches to economics (Henfrey & Maschowski, 2015; Steed & Bindewald, 2015). The main consequence of this is that money is perceived as a tool that can operate beyond its monetary functions.

Specifically the community sector is empowered, as citizenship, trust and pride are enhanced. However, bottom-up action may not be enough to counter structural injustices, such as social

exclusion. While collaboration between local actors is crucial for democratisation, top-down action on different scales can be useful to address more structural issues.

3.3.3 Impacts

Community empowerment

Many scholars argue that local currencies contribute to improving social relationships and well-being in an area (Richey, 2007; The New Economics Foundation, 2015; Michel & Hudon, 2015). It creates the potential to meet people one would otherwise not have met. There is evidence that even people who do not make use of the local currency in their surroundings, feel more proud of the area because of it. This can partly be explained by the positive publicity that alternative currency schemes enjoy. Moreover, self-confidence, support, trust, attachment to a place, health and quality of life are enhanced, as people participate in meaningful ways in society (Richey, 2007; The New Economics Foundation, 2015; Michel & Hudon, 2015; Steed & Bindewald, 2015). In this way, stakeholders involved with local monetary systems, by using transformative power, restrict the dominance of the market rationale in the community sector. Still, it is difficult to measure the actual social impact of a local currency on a local community (The New Economics Foundation, 2015).

In terms of social inclusion, local currencies are limited. Disadvantaged people do not have more access to a local currency than others as the system is subordinated to a common currency. Sometimes discounts are used to persuade customers to pay with local money, however this is financially unsustainable and everyone can make use of these discounts. In this way, former inequalities are maintained. Furthermore, local currencies system have been criticised for being middle class or elitist, as not everyone has the time and money to engage with such a system and local shops are often quite expensive (Dittmer, 2013; Interview New Economics Foundation, 2015; Michel & Hudon, 2015).

As McCann (Interview New Economics Foundation, 2018).explains: *‘there is just the types of businesses that join these local currency networks, so if you want posh cheese or a nice coffee there is plenty of options, but if you want to go to the corner shop to buy some cheap milk and cereal it is much harder with a local currency. Also people have the time and space to be thinking about money, let’s join this local, you know. So there are so many factors that disproportionally mean that the people that you most want to empower in the money world are not the people who are using local currencies. And that is definitely a problem across all local currencies. [...] they remain predominantly a white middle class well-to-do kind of activity’*.

Furthermore, most of the local currency initiatives are mainly based on volunteers, while *‘volunteer power is an exhausted resource’* (Interview New Economics Foundation, 2018). This relates to the concept of citizenship and having or getting too many responsibilities. Since the last financial crisis, municipality budgets have been constrained by nation states in many European countries. As discussed in the former chapter, this had led to citizens having to provide formerly public goods and services for themselves. This feeds into inequality, as people with enough time and money can provide for themselves while others cannot (Steed & Bindewald, 2015).

Additionally, these volunteers or community groups are *‘not necessarily thinking about the bigger picture’*. While initiators may be enthusiastic, they do not necessarily have the time and knowledge to create the change they might want to achieve (Interview New Economics Foundation, 2018).

Nevertheless, alternative currencies can and do still play a role in creating awareness about injustices and it can act as a platform to discuss them and make them visible and debatable. Thus, while (structural) inequalities may be difficult to change, local currencies are used to stimulate the questioning of power relations, which enhances active social justice. Additionally, by making use of such an alternative system one is socially and politically active. Even if this empowerment is symbolic and unequal, it can add to one's self-worth and thus be a first step in addressing injustices (Steed & Bindewald, 2015; Jacob *et al.*, 2004). As Steed & Bindewald (2015: 54) point out: 'crucial to reducing inequality of any type is empowerment – and currencies can help redistribute power from those who already have it, through wealth or other forms of privilege, to those who don't'.

Reframing the economy

The successfulness of local currencies in counteracting the injustice of the dominance of the market sector is difficult to measure as it is partly an intangible shift, a mentality shift. Local money projects can be perceived as part of a paradigm shift towards new economics. As countering the dominance is about allowing for and using different discourses, ideas and practices, it can be argued that local currencies are allowing for, doing and supporting such alternatives and thus can be perceived as a first step but not as enough to counteract the hegemony of the market sector. Local currencies can be perceived as an eye-opener because it demonstrates that money can be diverse things, which can be decided and designed by anyone (Interview New Economics Foundation, 2018). In the words of Avelino and Wittmayer (2016), this is about using different resources, in this case ideological power, to gain 'different power to'. To illustrate, in regard to Transition currencies, Ryan-Collins (2011: 63) argues that 'the Transition currencies major success so far has been as awareness-raising tools. They have generated astonishing media coverage and captured the public imagination locally, nationally and internationally'.

However, local currencies are often used in the same manner as mainstream currencies, due to a 1 to 1 ratio and the use of similar practices in regard to the paper notes. Thus, the impact of alternative values, ideas and practices is limited. Users must be very ideologically motivated to keep using the alternative system as it is almost identical to using the common currency. Therefore, the group that is involved often remains small. Moreover, local monetary systems are not very different from the dominant neoliberal discourse as it is based on the idea of voluntarily and individually taking responsibility. While institutionalisation is important for a project to sustain and create change, it often means having less radical impacts as well, which can result in less motivation and declining influence. Thus, alternative monetary systems do not necessarily oppose dominant economic ideas (Dittmer, 2013; Helleiner, 2000; Ryan-Collins, 2011).

Summary

Thus, consequences of implementing local currencies that are frequently mentioned are empowerment, democratisation and social cohesion (The New Economics Foundation, 2015; Seyfang & Longhurst, 2013; Richey, 2007; Michel & Hudon, 2015). Still, increases in this kind of active justice are likely to be unequal as not everyone is empowered. Therefore, an increase in empowerment does not necessarily lead to an increase in justice. Moreover, while local currencies on its own cannot counteract the dominance of the market sector, they do play a role in certain large transformations in society. First of all, they are part of the reimagining and diversification of money. Secondly, by using a (localised) multi-stakeholder approach and blurring the lines between sectors, it can be perceived as part of the new economics movement.

Thirdly, local monetary systems are an example of financial reforms that needs to be accompanied with other (top-down) reforms, for example in the regard to the banking sector. Overall, it can be argued that local currencies are a first step in challenging the dominance of the market sector in its current form by creating an alternative approach to organising money, economics and financial institutions. A main concern in this approach is the wellbeing of the community in addition to the concern for environmental issues, which is discussed in the next section.

3.4 Environmental Injustices

3.4.1 Motives

Dominance of the market rationale

Local currency advocates argue that the dominance of the market sector does not only contribute to social injustices as can be concluded from the last section and especially figure 3.2, but environmental injustices as well. This is linked to the interconnectedness of societal and environmental injustices as explained in the conceptual framework. The neoliberal discourse, with its main focus on profits and economic growth, has far-reaching impact on relationships within societies and relationships between societies and their natural environment (Seyfang, 2009). To illustrate with a quote: ‘the view of nature attained under the domination of private property and money is a real contempt for, and practical debasement of, nature’ (Marx, 1843: 39).

While sometimes the argument is used that large, international companies are more efficient than small ones, often social and environmental losses are overlooked by the former. Especially the values of finite natural resources are not recognised properly. Currently, economic growth is based on unsustainable practices such as exploitation of natural resources and over-consumption. This continuous capitalist expansion builds on the dominant monetary systems and specifically debt that increases and has to be repaid (Flintoff, 2013). In the words of Brooks (2015: 16): ‘the current debt-based system of money creation relies on an ever-expanding economic system, to allow for repayment of loans with interest’. It is argued that decreasing ecological footprint is necessary because this footprint is greater than the world’s absorbing capacities and unequally shared, which can be perceived as a great passive environmental injustice (Longhurst & Seyfang, 2011; The New Economics Foundation, 2015). Nevertheless, this debt-based system continues as powerful actors in the market sector, especially financial institutions, reinforce it (Brooks, 2015).

Need for local solutions

Due to a growing concern about climate change, health and food production in cities, sustainable city models have been established, particularly in the North-West of Europe, in which topics like housing, infrastructure, transportation, waste, energy, economics and governance are all combined (Beatley, 2012). In the *European Green City Index* a correlation is found between citizen participation and environmental sustainability in all examined European cities (Stelzner & Watson, 2009). This resonates with the research described in the former chapter (2.3.2) and demonstrates that an increase in active environmental justice can result in an increase in passive environmental justice.

Two main concerns in the sustainable city models are the high levels of consumption and energy. Reed (2007) explains that the current system is degenerative and requires a lot of energy, while a shift towards a regenerating system is needed, in which humans live in balance

with nature. Shifting towards a green or sustainable economy is not sufficient in this perspective as they are either neutral or relative improvements to the status quo, which is not enough to counter environmental crises. To create a regenerative system the (re)connection with a local place is crucial (Reed, 2007).

While not all local currencies are necessarily associated with ecological motivations, the influence of the Transition town movement, namely to want to be part of the shift to a more localised and resilient community, economy, governance and natural environment is often obvious. Most local currencies advocates, even those not linked to the Transition ideology, are mainly concerned with the environmental issue of climate change. The principle argument that is made is that by supporting localised economies, societies become less dependent on global transportation and carbon dioxide emissions (Steed & Bindewald, 2015).

Transition town ideology

The link between local currencies and environmental justice is particularly clear from the work of Hopkins, who is the main founder of the Transition towns movement. Contrary to large companies, as Hopkins argues, local businesses are much less likely to disregard their social and natural environment. Hopkins helped to establish the first Transition town in Totnes in 2005. In many cases a local currency initiative is part of a Transition town or ecovillage or a collaboration between Transition town and other (community) organisations and/or government bodies. Nevertheless, this does not mean that every local currency is necessarily linked to a Transition town. Besides this movement, Hopkins founded the Transition Network, which globally links Transition towns and is used to share information and support one another (Flintoff, 2013).

According to Hopkins the possibility of communities to create structural change should not be underestimated. Nowadays, Transition towns have been established all over the world because of a shared concern about peak oil, economic instability and climate change. Peak oil is the concern that in the near future, oil will become a scarce resource resulting in increasing oil prices. A resource peak is a particular moment when the maximum physical amount of a given material is extracted per time unit, followed by a decline in extraction. As oil is one of the resources that societies depend on most, its scarcity can have long term damaging effects on societies and their economies (D'Alisa *et al.*, 2015; Flintoff, 2013).

The Transition town movement wants to create local communities that are socially, economically and environmentally resilient and thus have to move away from the dependence on oil and mitigate climate change. This transition must also result in a lower use of energy, which is perceived mostly as a cultural shift rather than a technological shift as dominant norms and values must be altered. The aim of enhancing economic growth is replaced by the aim of creating resilient communities. Social and environmental justice are crucial aspects of this movement and a non-hierarchical, inclusive approach is preferred. The Transition movement focusses on sharing power, knowledge and creativity to empower people and contribute to the creation of pragmatic and sustainable actions. The taking into account of interdependencies within and between the social, ecological and economic domain, to create a self-sustaining, self-organising entity is key in this movement (Connors & McDonald 2011; Ryan-Collins, 2011).

In addition to the concern about climate change and peak oil, local environments are a focus point, such as having more edible green in cities. Transition towns argue that there should be enough green spaces in urban areas to support the citizens' physical and mental health and

community ownership of, for example, houses, gardens and businesses (Henfrey & Maschowski, 2015).

In the Transition ideology both active and passive environmental injustices are a concern. Mostly the lack of active justice is addressed as it is perceived as unfair that people are unable to protect and manage the environment. The passive aspect is related to the fact that environmental crises have unequal effects on different groups in society as people have unequal access to natural resources, such as water, food, energy and urban green and are unequally burdened with negative environmental impacts. Increasing (edible) green in cities thus is a way to increase passive environmental justice.

Example

An example of a local currency project in which the Transition town mentality is clear is the peach in Paris. A co-founder of this alternative monetary system claims that: ‘we as a generation only have 10 years to fight back against climate change and social inequalities and we consider and have seen that we can’t hope the state will do so. We have to act ourselves as citizens so with the local currency we want to relocalise, take back the production of food and needs of everyday life, the energy and services’ (Hird, 2018: 10).

Summary

According to local currency advocates, the dominance of the market sector and particularly the neoliberal discourse influences the way the natural environment is perceived and managed in wrongful ways. Exploitation of natural resources and a growing ecological footprint have resulted in major concerns about climate change, peak oil and overconsumption. Ideas about local regeneration and resilience are used, specifically in urban areas, to try to counter such imbalances. Specifically the Transition town ideology, namely viewing localised, self-sufficient communities as the solution to environmental injustices, is influential in local currency initiatives.

3.4.2 Actions

Creating environmental awareness

Local money systems can play a role in creating environmental awareness and encouraging environmentally friendly behaviour. It may not only lead to lower level of consumption but also healthier consumption (New Economics Foundation, 2015; Seyfang & Longhurst, 2013). A correlation is found between awareness about environmental as well as social benefits of local currencies and the eagerness of people to start using them (Michel & Hudon, 2015). As McCann (Interview New Economics Foundation, 2018) observes, ‘*obviously local pounds do tend to focus on more environmentally conscious businesses, so there, they could potentially be channelling more money and keeping it in a network that is kinder to the environment*’.

Local businesses engaged with a local currency are encouraged to engage more with local suppliers, instead of national or international suppliers. Moreover, customers can pressure businesses to get more local products and/or buy fresh foods from local farmers and vice versa; businesses can pressure customers to act more environmentally friendly, for example by not providing plastic bags or promoting recycling. Self-sufficiency, including a decrease in the use of and dependency on oil, can be enhanced by creating local food supply chains (New Economics Foundation, 2015; Seyfang & Longhurst, 2013).

Environmental value of local businesses

Local businesses often sell more locally-made products, create less traffic and air pollution and use less land compared to MNCs that are involved with global trade networks and need much parking spaces and/or warehouses. Often small entrepreneurs have higher environmental standards and can pressure the local council to implement more sustainable policies. By using local currencies to provide credit for small and environmentally-oriented companies, ecological practices can be enhanced. Generally speaking, local shops offer durable, quality products and frequently provide services for repairing and recycling products. Also, local networks are more likely to share and reuse resources (Longhurst & Seyfang, 2011).

Moreover, compared to online shopping, customers shopping at local businesses have the advantage of experiencing products before buying them which can lead to well considered purchases and less wasted resources. Due to shifting norms and values, as social relations are valued more than material goods, it may become less likely for people to overconsume (Longhurst & Seyfang, 2011).

Valuing natural resources

Local natural resources may be valued differently as well, stimulating the protection of nature. As local monetary systems often have a zero or negative interest rate, many natural resources are worth more when stored than traded for local money. Local currencies can emphasise the values of nature and show that money is not necessarily worth more than the preservation of natural resources. By creating limitations to money, it is easier to acknowledge limitations to natural resources and that their regeneration must be faster than their consumption. Nowadays, there is much experimentation with resource-backed currencies, of which an example is the trading of emission rights (Longhurst & Seyfang, 2011).

Additionally, sustainable technologies are supported by local currency projects for example by engaging local energy companies in the scheme so that customers are able to pay their energy bills with it (Seyfang & Longhurst, 2013). In this regard, alternative currencies can help societies to shift to lower energy consumption (Douthwaite, 2012).

Sharing knowledge

In regard to the Transition Network, partners involved in this global network can easily share innovative knowledge on ecological-sound developments. In this way, the environmental impact of such local projects may increase while individually they stay true to their unique bottom-up character (Flintoff, 2013). Concerning the local currencies of Transition towns, figure 3.3 depicts how one experiment has led to more experiments and eventually the creation of a networking platform. In this case, the NGO the New Economics Foundation helped to achieve this. This platform is

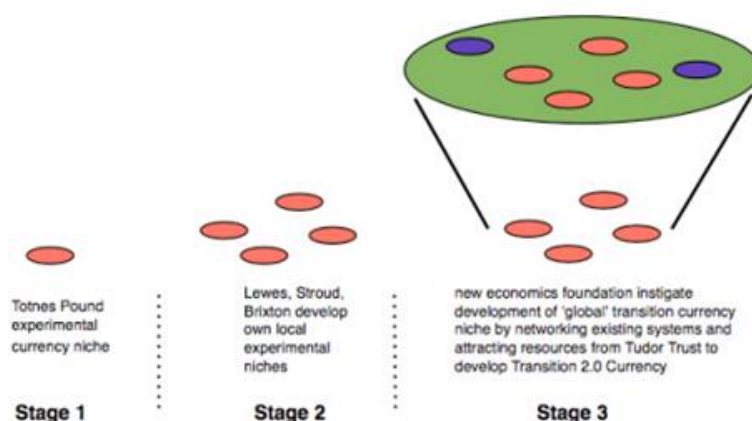


Figure 3.3: The small global niche that has emerged around the Transition currencies in the UK (Source: Longhurst & Seyfang, 2011).

used to evaluate existing local currencies to improve the design of future local monetary systems (Longhurst & Seyfang, 2011; Ryan-Collins, 2011).

Currently, the New Economics Foundation is not formally involved with this platform anymore. Still, McCann voluntarily advises a new currency project, which is linked to Colu, an Israeli high tech company. He explains that *‘they use an app, so actually replicating other local currencies, but next week they are launching a much more exiting one which is basically linking national currency payments on the block chain with a local crypto currency, which is much much more exiting. So once they started talking about these plans, I actually became an advisor. They want to network thousands of local economies together, linked by a centralised kind of reserve system that is a block chain [...] but that is what is exiting that these new experiments are happening and combining tech and some of the elements of bitcoin and block chain* (Interview New Economics Foundation, 2018).

This demonstrates that while the first Transition currency projects may have neglectable economic and environmental impact, their experiences can be used to develop new initiatives that increase the impact by thinking of new systems and establishing methods for becoming financially sustainable and enhancing environmental action (Interview New Economics Foundation, 2018).

This is in line with the bottom-up character of the Transition ideology, namely that structural change is possible if communities become self-sufficient and learn from each other in the process (Flintoff, 2013).

Examples

An example of a local currency taking certain environmental actions is the Eusko. In addition to making supply chains shorter and thus reducing greenhouse gas emissions, the initiators stimulate involved businesses to integrate at least three local products in their company. This is achieved by organising network meetings for local companies. If it is not possible for a business to either include more local suppliers in their network or sell more local products, it could still increase its environmentally friendly actions by for example reducing and recycling waste. Furthermore, only farmers with sustainable agricultural practices can join the Eusko as not depleting natural resources is a main target of the initiative. The Eusko project provides guidance in achieving these environmental goals and thus stimulates the transition to a more ecological sustainable future. Moreover, the local currency is backed by euro's, which are used to fund both social and ecological projects in the whole of France (Eusko, 2018).

A different local currency system that stimulates environmentally sustainable behaviour is the e-Portemonnee which is an electronic money system in use in the province Limburg in Belgium. It rewards people that, for example, switch to green energy providers, deliver goods to second-hand shops and recycle waste. In return, people gain points that can be used for, among other things, public transport tickets and sustainable products (Community Currency Knowledge Gateway, 2018)

These two examples show that local currency systems are able to incentivise ecological sustainable practices of households, customers, businesses and farmers. It makes it easier to engage in these practices due to the created infrastructure, support and rewards.

Lack of environmental action

Nevertheless, an environmental issue that is not addressed by local currencies is the creation and circulation of the currency itself, as these costs are hidden. As explained by McCann (Interview New Economics Foundation, 2018): *‘paper money has to get printed, moved around,*

stored, shipped back, that has a huge environmental cost as well. And electronic money has a huge costs from the data and the system that needs to be put in place. So there is an environmental impact on running money that is often forgotten'. Local currencies often work similar to common currencies, using paper notes and electronic systems and thus not a more environmentally friendly alternative in this regard (Interview New Economics Foundation, 2018).

Summary

The main environmental actions taken by stakeholders involved with local currencies are making economies and communities more resilient and localised, sharing knowledge about this, creating environmental awareness and valuing nature and local businesses differently. As money reflects norms and values in society, local monetary systems can be perceived as incentives to act more environmentally friendly. Therefore, the actions are mostly related to active environmental justice. An overlooked environmental cost of local currencies is the creation of the currencies.

3.4.3 Impacts

Limited impact

While there is some evidence for enhanced ecological awareness and environmentally friendly action, there is no proof that local currencies contribute to a reduction in carbon footprint (Michel & Hudon, 2015; Interview New Economics Foundation, 2018). One success story is the e-portemonnee. It has been measured that due to this project, there has been a significant reduction in plastic waste and an increase in recyclable organic waste (Steed & Bindewald, 2015).

Still, the environment impacts of local currencies are very limited. This is related to an argument discussed before, namely that not enough people are involved with local currencies to make a real difference. As Longhurst and Seyfang (2011: 11) explain: 'despite much rhetoric and experimentation the success rate of currencies is still generally low, and there is a tendency for their proponents to overstate their impact and success'.

Specific target group

However, this problem would not necessarily be solved by engaging more people as: *'those purchases the majority makes do not have an environmental factor, those people don't shop thinking about the environment. So I think you need to do other things, to kind of change the way we kind of impact our environment and the climate. And money can be part of that story, but can definitely not do it on its own. It is a really powerful instrument in society but it can't do everything'* (Interview New Economics Foundation, 2018).

This quote shows that local currencies are not able to have much environmental impact on its own as only a minority of people is environmentally minded. Therefore, local currencies can be perceived as part of the solution. Together with policy, legal and financial changes they can more systematically challenge environmental issues. Additionally, the role of government bodies can be substantial in scaling up alternative monetary projects. Also, sharing knowledge through networking is essential (Interview New Economics Foundation, 2018; D'Alisa *et al.*, 2015).

One size does not fit all

Another difficulty is that objectives may conflict, 'for example, a currency which aims to stimulate trade in local businesses may lead to reduced environmental impacts through reduced travel to the shops, but increased environmental impacts through increased economic activity'

(Steed & Bindewald, 2015: 67). This demonstrates that, while a holistic approach is important, not everything can be dealt with simultaneously. Social, economic and environmental aspects are all linked but that does not mean that there is one solution to all problems (Steed & Bindewald, 2015).

While there is currently little evidence for environmental sustainability, the furthering of economic (re)localisation can contribute to less imports and thus a decrease in carbon dioxide emissions and more sustainable practices. While also other tools and policies should be used to achieve this, engaging with, for example, local energy and waste companies can increase local currency's environmental impacts. Still, in tackling major environmental crises, local moneys have only limited potential (Interview New Economics Foundation, 2018).

Summary

While local currencies incentivise environmentally friendly action, this only reaches a specific group, which limits the impact. Currently, as discussed in 3.2, economies are not (yet) sufficiently localised and resilient to have a notable impact, in regard to both the economy and the environment. Moreover, a localised economy does not necessarily equal more environmental justice.

3.5 Conclusion

The most important injustices perceived by local currency proponents are within the market sector and its influence on other sectors and the environment, such as the rationalisation of social relations in the community sector. Within the market sector the main injustices are the unfair competition between small independent businesses and MNCs and a disempowerment of employees and consumers.

An increase in active social justice is evident as people engage in alternative ideas and practices and the possibility to engage in these practices shows an increase in passive social justice. In this way, among others things, social cohesion, pride and environmental awareness can be enhanced, which strengthens the community sector and widens the possibility for environmental action. Nevertheless, social injustices in regard to wealth inequality are maintained as local currencies do not create any spending power and local businesses can be quite expensive. Thus, empowerment or active justice can possibly be unequally enhanced. Additionally, the stakeholders involved with local currencies are frequently strongly ideologically and environmentally motivated, which is a relatively small group. This can create blind spots in regard to social exclusion.

There is much evidence that local businesses contribute more to the local economy, community, local policies and the natural environment, compared to MNCs. Therefore, there are clear motives for local currency advocates to support the local economy and a local currency is a tool to do this. However, there are limits to these tools as they can only be implemented in places with many independent shops, while other areas are neglected. Thus, due to the small scale of local currency projects, environmental and economic impacts are currently lacking. This is related to the fact that these projects are insufficiently evaluated and researched.

Still, on websites, in news articles and in literature, there is quite some excitement for local currencies. This is partly because these initiatives state great promises on their websites, as is clear from some quotes used in this chapter. It would help local currency initiators to translate their high and broadly defined ambitions in clear, realistic goals.

Moreover, many scholars have explained that alternative currencies should operate on a larger scale, engaging more people. Using (international) networks to share knowledge and multi-stakeholder cooperation are key in this. Also additional financial reforms, for example in banking, may help to increase the impact of local currencies. Thus, a combination of bottom-up and top-down action can be useful to create change on larger scales.

Overall, local currency initiatives are part of the larger process of monetary diversification and a first step in creating alternative financial institutions and policies, by primarily aiming at local economy resilience, community wellbeing and environmental resilience. There is evidence that they stimulate the (re)connecting of local communities and the thinking about and the re-imagining of money, financial institutions and economics. Thus, local moneys play a crucial role as an educational, empowering and awareness raising tool.

Furthermore, local currencies play a role in democratisation, as people feel empowered by a system that works for them rather than against them. So while stakeholders involved with local currencies may not be able to counteract the structural injustices that they perceived, local monetary systems are able to give people a sense of empowerment, which is a first step in enhancing justice.

Chapter 4. Three Case Studies in the United Kingdom

4.1 Introduction

Within the United Kingdom communities have been experimenting with local currencies and time-based systems for some time. At the moment there are about 400 LETS systems, 75 time banks and ten local currencies in this country. The former systems have been in use since the 1980s and per initiative 50 to 100 people are usually involved. Recently experimenting with local currencies has become more popular (Steed, & Bindewald, 2015; Interview New Economics Foundation, 2018). The context in which local currencies have been established is the last financial crisis, which had a great impact on the economy. Additionally, the ongoing Brexit negotiations are creating economic instability (Davis, 2018). These developments have led to the possibility to rethink and debate subjects like economic growth, prosperity and growing inequality. The pressing concerns about injustices in society are resulting in motivations to address and counteract them. As McCann (Interview New Economics Foundation, 2018) argues: *‘we are slightly consumed with Brexit obviously and that takes up so much of the time of our elected officials, but there is a real appetite for big ideas at the moment’*.

Another influential political phenomenon in the United Kingdom was the creation of the Big Society, by the Cameron administration. As discussed in chapter 2, citizens were encouraged to participate in society to a greater degree, while simultaneously the financial crisis led to cutbacks in public services. However, as the political philosopher Blond argues, due to a top-down approach and a lack of reforms, the Big Society failed to enhance social unity and support. The government was unable to activate and engage with local communities and stimulate voluntarism and solidarity (Mesters, 2017). In the former chapters it is discussed that trying to empower the community sector may actually result in an even more powerful market sector, which enhances the injustice of the dominance of this sector.

In chapter 3, the marginal position of the community sector and the danger of the lack of communication between groups in society are discussed. In regard to the United Kingdom, there is a growing gap between middle class cosmopolitans, being in favour of a European community and nationalist, conservative lower income groups. Blond explains that the Brexit vote shows that people long for social cohesion. The vote can be interpreted as a way of demonstrating discontent with the current individualist society, as people want to be part of a community, want to know one's neighbours and have some kind of self-control (Mesters, 2017).

In the context of the last financial crisis, public cutbacks, the Brexit vote and the encouragement of citizens to become more involved with public services, the government of the United Kingdom and the European Union have been interested in projects stimulating local economies. Consequently, they have been providing funding for local currency initiatives. This is an interesting development because during the Great Depression, as described in chapter 1, local currencies were banned as they were perceived as a threat to the national currency. Contrary, nowadays, local money schemes are perceived as complementary systems that can benefit the economy. As Elford, the director of the Totnes Pound (Interview Director Totnes Pound, 2018) explains: *‘governments often think oh local currencies, yeah interesting, you know, maybe they will help reinvigorate the high street or something like that, you know because of Amazon and all the high streets going downhill. They are good at giving money to projects, [...]. So they do sort of splash money around, governments’*.

Due to insecurities, discontent and experimentation, as people observe that inequalities and injustices are worsening, it is interesting to analyse how local currencies are developing in the United Kingdom. As both dynamics of empowerment and disempowerment are at play, it is important to note which groups are able to take up responsibilities and which are not.

Currently, some local currencies have been in use for some years, while others have (almost) disappeared, such as the Lewes and Stroud Pound, as only a small number of volunteers were or are engaged. Additionally, new local currency initiatives are being set up, such as the Liverpool Local Pound, which is running for one year now (Interview New Economics Foundation, 2018). Three examples of local currencies that have been in use for six to eleven years are examined in depth in this chapter, namely the Totnes, Brixton and Bristol Pound. For every case, first some information is given about the locality, followed by an analysis of the local currency.

4.2 The Totnes Pound

4.2.1 Totnes

Totnes is situated in Devon County and has a population of circa 8,000, while the Totnes area, including multiple civil parishes, consists of around 25,000 residents. A large part of the population is between 40 to 70 years old as young people move out, mostly for educational purposes while older people enjoy their retirement in Totnes. It has been a famous market town for many centuries. Totnes is often referred to as a special place due to its alternative character, the many independent businesses and the absence of chain stores in the high street (Devon County Council, 2011; Community Currency Knowledge Gateway, 2013a; Interview Brixton Pound Café, 2018b).

To illustrate the uniqueness and pride of Totnes with a quote: *‘it certainly is a magnet for people who are looking for alternatives and sort of are looking for community. [...] And there is a lot going on, there are all sorts of organisations and there is huge amount of stuff going on in Totnes. It really is the most interesting place in Britain to live I reckon’* (Interview Director Totnes Pound, 2018).

Currently, the population is growing as people are attracted to the interesting character of the town. While a great amount of the local population shops locally, the local economy also partly depends on the local, national and international tourists that visit Totnes (Interview Second-hand Bookshop, 2018; Interview Ice-cream Shop, 2018; Interview Totnes Toy Shop, 2018). Also, it has the most therapists per inhabitant in the United Kingdom and is known for its complementary therapies. Totnes attracts people looking for alternative therapy practices, such as spiritual healing and aromatherapy (Interview Brixton Pound Café, 2018b; Museum Totnes, 2018).

In the conceptual framework it was explained that regions and cities characterised by a high amount of capital in combination with high commitment, dependency on the nation-state may decrease while autonomous rule systems emerge (Tilly, 2004). As discussed in the former chapter, in 2005 the Transition Town movement and later on the Transition Network were founded in this town, which can be depicted as an example of such an (semi-)autonomous rule system. As this movement is focused on locally enhancing social relations and ecological sustainability, it addresses both social and environmental injustices. This grassroots community-focused movement nowadays includes around 1100 Transition Town communities

that are globally connected through the Transition Network (Community Currency Knowledge Gateway, 2013a).

The creation of alternative movements is not just a recent phenomenon as for a long time Totnes has been a pioneer in experimenting with environmental friendly action such as organic farming and permaculture. A main influence has been the Dartington estate, which is a charitable trust, situated nearby Totnes and shown in figure 4.1. In 1925, a rich aristocratic couple bought the 14th century estate and renovated it. They set up experimental educational projects and attracted intellectuals and creatives, including architects, dancers and writers, from all over the world. Nowadays, there is a publishing company which, among other things, published the Transition books. Also literary and music festivals are organised at this estate. Particularly the influences of Indian philosophy and culture are still visible in the shops in Totnes today (Dartington, 2018; Interview Director Totnes Pound, 2018; Museum Totnes, 2018).



Figure 4.1: The Dartington Estate (Source: own picture, 2018).

As Elford describes: *'it is an amazing place. And they have Schumacher College there. But that radical kind of aspect of Totnes must have come from Dartington really, because they were really experimental and they attracted people that wanted to experiment in all sorts of ways. [...] they believed that there should be culture in the countryside. And all sorts of experiments, in agriculture and so on. So that is where Totnes got its kind of buzz from'* (Interview Director Totnes Pound, 2018).

However, this left-wing, environmentally concerned, alternative 'buzz' is also creating tension in the area. Even though Transition Town tries to be inclusive, it is a bit exclusive and elitist as *'a lot of social movements have started by middle classes'* (Interview Director Totnes Pound, 2018). It is mostly but not completely a middle class movement. There have been struggles between the local conservative population and the (relatively new) residents that are involved with Transition Town, as the former group has the feeling that the latter group is taking control of the town (Interview Director Totnes Pound, 2018).

Moreover, while Totnes Town Council is overall very left-wing and environmentally minded, it is surrounded by villages that are more conservative. The political power of Totnes is limited as it is a political exception. There is much tension between the Transition movement, local authorities and conservative voters as they all have different mentalities (Interview Brixton Pound Café, 2018b; Interview Totnes Clothing Shop, 2018; Interview Ice-cream Shop, 2018). This relates to the fact that empowerment may be an unequal process, which may result in disempowerment of some. Additionally, it demonstrates that communities are not homogenous entities.

There is an interesting example that demonstrates the limits to the inclusive approach of Transition Town Totnes, as explained by Elford: *'Costa Coffee tried to move in [...]. I think Transition took the lead in saying look we already got 40 places or 28 places in Totnes where*

you can buy coffee, why would we want another one? You know, we don't want chain stores. And in the end they actually retreated. But some local people said: Bloody hell, why can't we have a Costa? We wanted a Costa! So they were really angry at Transition. So it is quite tricky. But you'll always have both sides I think' (Interview Director Totnes Pound, 2018).

Another example is the solar panel and wind mill initiative introduced by Transition Town. Many local people argued against the project because it would destroy the traditional landscape. In an interview it was argued that the contrast can be made clear by comparing Totnes to a progressive left-wing urban neighbourhood that is situated in the conservative countryside (Interview Ice-cream Shop, 2018). These examples demonstrate that perceived injustices are quite subjective and can clash as different kinds of groups in society experience different kinds of injustices.

Furthermore, housing prices in Totnes are rising as it is a very popular town and an important centre in the countryside. *'The trouble is that Totnes is very small, very charming, with all these little houses and so on. But it is very expensive. It is expensive to live here [...] some people have to live out, over the river in Bridgetown it is not so nice, it is not as beautiful as Totnes. It is sort of modern housing you know. But it is more affordable than Totnes'* (Interview Director Totnes Pound, 2018). Thus, while many people are attracted to Totnes, it cannot host all of them. To illustrate, a report from Devon County Council states that the average housing prices in Totnes have increased from 186,839 pounds in 2003 to 272,136 pounds in 2011 (Devon County Council, 2011). This again contributes to Totnes and in particular the Transition movement being exclusive and elitist as currently few people with low incomes live in Totnes. An interviewee compared the situation in Totnes to the gentrification in London, which can be perceived as a great injustice (Interview Director Totnes Pound, 2018; Interview Ice-cream Shop, 2018).

Another issue in Totnes is that, even though it is a popular town, businesses have difficulty to survive, for example some bookshops have recently closed. The main shopping street has changed quite a lot in the last years, as shops closed and new ones came in. A main reason for this is that businesses have to compete with internet shopping (Interview Second-hand Bookshop, 2018; Interview Totnes Toy Shop, 2018). Thus, even in a famous, 'high capital' town like Totnes, injustices within the market sector are noticeable.

4.2.2 The Totnes Pound

Background information

In 2007, Transition Town Totnes, specifically their Economics and Livelihoods group, launched the first Transition currency. A main inspiration was Lietaer, who gave a public lecture about local currencies at the Schumacher College in 2006 (Community Currency Knowledge Gateway, 2013a). Consequently, Hopkins got the idea that *'it would be interesting and fun and he printed about 300 notes and distributed them'* (Interview Director Totnes Pound, 2018). While in this first attempt only eighteen shops were involved and the

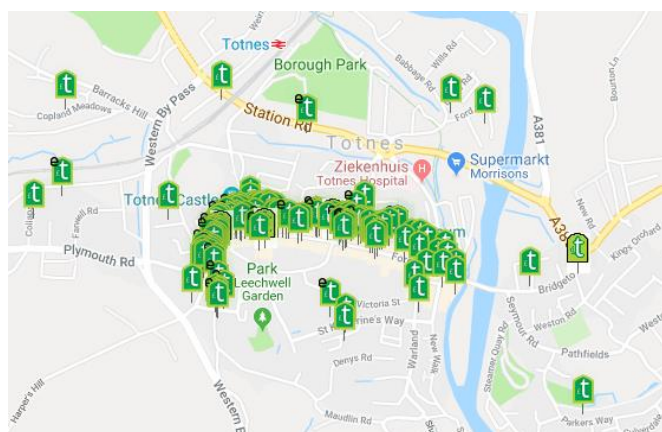


Figure 4.2: Directory Totnes Pound (Source: Totnes Pound, 2018a)

amount of local money that was circulating was very limited, in the next series of Totnes Pound 50 businesses joined and 6000 local pounds went into circulation. The local currency is backed by Pound Sterling with a 1 to 1 rate. This made it possible to make part of the deposit of Sterling currency available to local projects and businesses with social, economic and environmental aims, as zero-interest loans (Community Currency Knowledge Gateway, 2013a).

Moreover, Elford (Interview Director Totnes Pound, 2018) explains that *‘in 2014 we did a third series, which was 1, 5, 10, 21 pounds, that was a lot of fun. And that is what is still running’*. Some months later also the electronic Totnes Pound was launched, so that an online account could be used and customers could pay by text or by using an app. The electronic know-how was made possible with funding from the national government, the European Union and by working in collaboration with the Bristol Pound (Interview Director Totnes Pound, 2018). In figure 4.2, the shops that are currently involved with the Totnes Pound are depicted. It is clear from this figure that most engaged businesses are situated in the high street (Totnes Pound, 2018a).

This is not the first time that a Totnes Pound has been introduced because during the Middle Ages Totnes was a successful trading town. As explained in the Totnes museum: *‘in times when the Royal Mint in London failed to produce sufficient small change, local businessmen produced “trade tokens” which could be used to buy their wares’* (Totnes Museum, 2018). In the 18th and 19th century, Totnes banks produced bank notes, such as the note depicted in figure 4.3 (Totnes Museum, 2018).



Figure 4.3: A 19th century five pound paper note from the Totnes Bank (Source: Totnes museum, own picture, 2018).

Motivations

On the Totnes Pound website it is explained that *‘a local economy is like a leaky bucket – wealth comes in and as soon as it is spent at a shop or business that has more connections outside Totnes than inside Totnes, that money disappears. That’s the nature of sterling’* (Totnes Pound, 2018b: 1). The main idea behind implementing a local currency was to diversify and strengthen the local economy and thus enhance its resilience. Localising the economy is seen as a main aspect of the Transition process, in which a local currency can play an important role (Community Currency Knowledge Gateway, 2013a). In the words of Elford: *‘resilience, that is their [the Transition movements] thing, community resilience, so if there are external shocks like the oil prices we want to be able to grow more of our own food, produce our own energy and so on and so forth, and if we can finance our own businesses, that is good as well’* (Interview Director Totnes Pound, 2018).

The local and national government are similarly motivated as new ideas are tried to revitalise the high streets. Circulating money locally also contributes to creating new relationships within a community. Moreover, local trade may have environmental benefits in terms of a decreasing transport distances and also tourists are encouraged to make use of local shops (Community Currency Knowledge Gateway, 2013a; Interview Director Totnes Pound, 2018).

However, users of the local currency must be, according to Elford, very idealistically motivated to keep using it. One can feel motivated by the theories behind it, but in practice one does not

notice any or much difference in paying with local instead of Sterling pounds in a shop. *‘So that is the reality. So people’s interest fades away and then it all becomes a bit low profile’* (Interview Director Totnes Pound, 2018). Additionally, as people voluntarily and individually take responsibility, it can be argued that the neoliberal discourse is not necessarily countered (Helleiner, 2000).



Figure 4.4: The high street in Totnes (Source: own picture, 2018).

interviewees make use of Totnes Pounds and one felt guilty about this (Interview Second-hand Bookshop, 2018).

This is also apparent from interviews with employees of independent businesses that are engaged with the local pound, as all these interviewees agree that in theory the local currency is a great tool which can support the local economy and the local community and they are all very much motivated to contribute to this (Interview Second-hand Bookshop, 2018; Interview Totnes Toy Shop, 2018; Interview Textile Shop, 2018; Interview Totnes Café, 2018; Interview Totnes Clothing Shop, 2018; Interview Ice-cream Shop, 2018). They emphasise the special character of Totnes with its many independent businesses and the worry that chain stores may take over. One interviewee explained that, as the shop she works in opened in 2015 and does not have any local employees, they joined the local money initiative to become part of the local community (Interview Linen Shop, 2018). However, personally, none of these

Figure 4.4 shows some of the many independent shops situated in the high street of Totnes. Most of the interviewees claim that they mostly shop locally as they know how difficult it is to sustain as an independent shop nowadays (Interview Totnes Toy Shop, 2018; Interview Textile Shop, 2018, Interview Totnes Clothing Shop, 2018; Interview Ice-cream Shop, 2018; Interview Totnes Handmade Clothing Shop, 2018). This concern for the community also partly reflects in the type of businesses that accept Totnes Pound as one is a CIC and some sell local (handmade) products (Interview Second-hand Bookshop, 2018; Interview Totnes Handmade Clothing Shop, 2018; Interview Ice-cream Shop, 2018). Furthermore, some shops sell organic goods and emphasise the quality of the products, for example by stating that Totnes has the best food in the region (Interview Textile Shop, 2018; Interview Ice-cream Shop, 2018). Due to the great amount of local and high quality shops in Totnes, one employee thought it seems natural to also have a local currency (Interview Textile Shop, 2018).

Some of these employees are or were involved with Transition Town Totnes as a volunteer, for example with the local currency initiative itself or with the solar panel project. Those that were not involved still expressed their interests in Transition town as this movement has gained political power over the years. Many argued that their employer was very engaged with and enthusiastic about the local currency in the beginning (Interview Toy Shop, 2018; Interview Textile Shop, 2018; Interview Totnes Clothing Shop, 2018; Interview Ice-cream Shop, 2018; Interview Totnes Café, 2018).

Thus, people involved with the Totnes Pound are mostly motivated to address the injustices within the market sector, but also the marginalised position of the community sector and the natural environment. In regard to the Transition Town movement, the local currency is one example of how local resilience could be enhanced and is thus part of a bigger project. In Totnes, there is a strong feeling of community and pride about the quality and amount of independent shops, which needs to be protected. While theoretically local currencies could play a role in this, in practise people are not very motivated anymore to make use of it, as motivation has faded over the years.

Actions

Officially around 60 shops accept the Totnes Pound and the signs are visible in many shop windows in the high street, however *'they are not used very much now. If you go and speak to people, they may say what Totnes Pound? And traders might say I haven't seen one for six months or something like that. Because the trouble with local currencies is that you got to endlessly re-promote them, because why will people use them when they can use Sterling?'* (Interview Director Totnes Pound, 2018). Salespersons agreed that more promotion is needed (Interview Textile Shop, 2018; Interview Totnes Clothing Shop, 2018). In the last year only 19 online transactions were made in local pounds. Some employers have used local pounds to pay part of the salaries of their employees, but not to a great extent because it is too restrictive (Interview Director Totnes Pound, 2018; Interview Textile Shop, 2018).

Currently the director of the Totnes Pound manages on his own, voluntarily, as it is not much work. He goes to one of the three issuing points in town if they ring him up to swop Sterling for Totnes Pounds or vice versa. The last time he did this was probably a month ago. Additionally Elford keeps the records and gets the accounts done. In his words: *'as I said there are so few transactions. It is a bit ridiculous now'* (Interview Director Totnes Pound, 2018).

Most shops have been accepting the local pounds from the beginning or the second series and have some small change in local currency in case it is needed. However some have never seen and/or accepted Totnes Pounds, while others rarely accept them, for example only once a month. A reason for this could be that many shops that are involved with the Totnes Pound sell relatively expensive products while customers use the local money only in small quantities. Many argue that the local currency would circulate more if it would be used for essential groceries such as food. Another aspect is the effort and time that is needed to either get the paper notes or get used to the electronic payment system. Moreover, in the beginning there were signal issues with the later system due to the thick walls of the shops in the high street (Interview Second-hand Bookshop, 2018; Interview Totnes Toy Shop, 2018; Interview Textile Shop, 2018; Interview Totnes Café, 2018; Interview Totnes Clothing Shop, 2018; Interview Ice-cream Shop, 2018; Interview Linen Shop, 2018).

Some employees are sceptical about the system, while others claim that it would work if the monetary infrastructure was more elaborate. This latter group argues that if the local council would be more involved, businesses rates could be paid in Totnes Pounds, which would increase the spending possibilities of the local money and thus attract more people. The fact that the Totnes Pound solely relies on volunteers, does not receive any funding anymore and the local council is not directly involved partly explains the lack of actions taken. Nevertheless, there are also employees that emphasise the relevance of volunteering and bringing people together without government involvement (Interview Second-hand Bookshop, 2018; Interview Totnes Toy Shop, 2018; Interview Textile Shop, 2018; Interview Totnes Café, 2018; Interview Totnes Clothing Shop, 2018; Interview Ice-cream Shop, 2018).

Another part of the explanation for the lack of action is that there are a lot of volunteer projects in Totnes, both activities organised by Transition Town and other projects like the REconomy centre. This later initiative is aimed at creating investor networks for local projects and businesses, which *'is probably much more effective in terms of helping the economy of Totnes'* (Interview Director Totnes Pound, 2018). The idea is that the community helps each other out in terms of money, time, skills, knowledge et cetera to stimulate local and environmental friendly action. Consequently, the Totnes Pound did and does not get much local attention as there are quite a lot of other activities and projects (Interview Director Totnes Pound, 2018).

While there is so little action in regard to the local currency in Totnes, an interesting development is the attention it has gotten internationally. The director of the Totnes Pound gets many inquiries for interviews and even film crews from France and Japan have visited Totnes because of the local pound. As Elford describes: *'they come here and think this is fantastic, but actually the reality is a lot less'* (Interview Director Totnes Pound, 2018). Additionally, some tourists make use of it in very small amounts, either to keep it as a souvenir or to give to their children to spend it at a local shop (Interview Director Totnes Pound, 2018).

Shopkeepers recognise this as sometimes the 'odd tourist' or a collector buys a 1 Totnes Pound note. Furthermore, there is a 10 Totnes Pound note displaying the singer-songwriter Ben Howards, which is popular. Therefore, local shops make sure they have enough local paper notes to trade for Sterling pounds with tourists. Often the latter group is interested in the local currency and in Transition Town in general. However due to this development, the meaning of the currency has changed as it is taken out of circulation instead of encouraging local circulation (Interview Totnes Toy Shop, 2018; Interview Ice-cream Shop, 2018; Interview Totnes Clothing Shop, 2018).

It would be stimulating if businesses gave discounts when customers use local money but this is not possible as entrepreneurs cannot afford it. Nevertheless, the Totnes Pound initiators did something like this for a while. When the third series was launched it was possible for some weeks to get 21 Totnes Pounds for 20 Sterling pounds, arguing that there is 'such a thing as a free lunch'. It worked for a while and 4000 local pounds were sold. An interviewee explained that the electronic payment system was used 4 or 5 times a day at this time. However it had to stop at some point because it is not a financially sustainable solution. When the discount stopped, so did the promotion and the frequent use of the currency (Interview Director Totnes Pound, 2018; Interview Totnes Clothing Shop, 2018).

It is very hard for local currencies to become financially sustainable (Interview New Economics Foundation, 2018). One interesting way, which is the only way the Totnes Pound makes money, is when a former series is taken out of circulation and a new one is created. As not all people exchange their former notes for new ones, for example because they are taken by tourists and collectors, the local notes are never traded back for new local pounds or Sterling pounds. When the new series was launched in 2014, the Totnes Pound organisation had 8000 Sterling pounds in the bank from selling the previous notes. In the four years after that, only 1000 local pounds had been traded back. Even the opposite is happening, as old notes that have been taken out of circulation are sold to collectors. Overall, there are more collectors that want the old notes than people that want to exchange their old notes for new ones to make actual use of them (Interview Director Totnes Pound, 2018).

As the current local monetary system in Totnes is not sufficiently working, a researcher is examining other local currency projects to explore what elements of other systems can be applied to Totnes, to make sure a new system would fit within the local context. Current ideas

are creating a time-based currency and making the currency essential in some way instead of optional, so that some services or products can only be bought in local pounds, not Sterling pounds. As the director of the Totnes Pound explains: *'something may come out of this, I mean Totnes kind of was the pioneer, but then it's led to Bristol pound and all sorts of other things. You know, one thing leads to another. So it is like the seed and who knows, maybe my friend Inez [the researcher] will come up with some interesting ideas about how we can take this forward'* (Interview Director Totnes Pound, 2018).

This new direction is linked to the idea of monetary ecosystems, as multiple kinds of systems emerge, develop, spread, mix, diminish and dissolve. The current phase is about experimenting and mixing. This is similar to what one of the heads of economics at the Schumacher College explained to Elford: *'local currencies have their place but it's as part of something bigger. It is not just let's have a local currency, but if you got a whole idea about community building and so on and so forth then local currencies can play its part'* (Interview Director Totnes Pound, 2018).

Thus, Totnes Pounds are not used much and when used only in very small amounts. In regard to addressing injustices, it could be argued that the Totnes Pound is mostly a social tool as it demonstrates commitment to the community and local shops. Additionally, it attracts tourists and internationally there is an interest in such money projects, which shows its educational potential. As is typical for Totnes, the project will not stop, but the initiators will continue to experiment with local monetary systems. It is clear that with its bottom-up character, the Totnes Pound initiative is mostly about voluntarism and radical change instead of institutionalisation and mainstreaming.

Impacts

As the local currency system is not used much, there is very little turnover. Therefore, both the environmental and economic impacts are neglectable: *'it hasn't really sort of worked. And also, well essentially it has never had a high profile in Totnes. [...] the promise is less than the reality'* (Interview Director Totnes Pound, 2018).

Nevertheless, it is an interesting experiment from an educational point of view as it makes people think about money; what it is, how it can be used, where it comes from, who can print it et cetera. This awareness can be inspiring as it can start and deepen discussions and new ideas for innovative monetary projects. In addition to debates about money and financial systems, it can be a first step in empowerment as people realise that alternatives are possible and they can be created by grassroots movements. There is a sort of excitement and pride in being part of such bottom-up initiatives. This can be related to the overall ideology of Transition Town, as according to Elford: *'Transition is a kind of seed process, the whole Transition movement it is not a sort of uniform one way of going, it kind of encourages people to invest, to develop new stuff, community building, community is very important I think, it is very important for people's wellbeing, health, so anything that can help the community, all these ideas, like guerrilla gardening and all of these sort of interesting things, basically planting stuff all over the place you know and local energy provision, basically just bringing people together'* (Interview Director Totnes Pound, 2018).

In this quote it is pointed out that within the Transition ideology empowerment of local communities is a main focus as this empowerment, or increase in active justice, can lead to increased wellbeing and better ways of organising society on a local level.

This excitement and pride is reinforced by the international attention for such projects, which strengthens the local identity. Due to the great media attention for both the local currency and

the first Transition Town in general, the amount of tourists in Totnes has increased. As explained by the Director of the Totnes Pound: *‘ironically, the way it would affect the local economy mostly is by people coming to Totnes because they have heard of the Totnes Pound, not because the Totnes Pound itself has a real effect. [...] It is a little bit bizarre’* (Interview Director Totnes Pound, 2018).

The local currency had ups and down, closely related to whether it was promoted or not. The launch in 2014, which was a big event, is a great example of this. Now people’s interest has faded and the impact is insignificant. While many salespersons argue that it is too much effort, tourists are enjoying it, which has changed the purpose of the currency. Instead of stimulating local circulation, the currency is used as a souvenir (Interview Toy Shop, 2018; Interview Ice-cream Shop, 2018; Interview Totnes Clothing Shop, 2018).

While not being influential enough to counter injustices, it is a social and promotional tool for the town as it enhances pride and the local identity to some extent. Thus, ‘different power to’ is used to strengthen the community sector. Additionally, the local currency creates awareness about how money works and could work as a more empowering tool instead of a disempowering tool. This can result in the reframing of money and the economy in such ways that active and passive justice are enhanced.

4.2.3 Conclusion

The context in which the first Transition currency was established is an alternative, left-wing, environmentally-minded middle class town in the countryside and the core of the Transition Town movement. It is a known market town and many societal and environmental experiments have taken place here since the 1900s. The specific homogenous character of the Transition movement makes it exclusive, divisions and inequalities in society are not addressed.

The outcome of the local currency initiative is quite different from the initial idea. While the motivations are mostly connected to helping the local economy and the local community, the most notable impacts are international awareness and an increase in tourists. While tourists mostly buy the local money as a souvenir and thus takes the money out of circulation, this group also plays a role in supporting the local economy of Totnes. Thus, the motivations, which are results of perceived injustices mostly in the market sector, are not strong enough to adequately address and counteract the injustices by using this tool.

Promoting the local currency stimulates local people to make use of the Totnes Pound, however only on the short term. The businesses that are involved with the system want to show their support for the local economy and community, while most of them already shop locally. Thus, while the economic and environmental impact of the local currency in Totnes is neglectable, in social terms it contributes to a feeling of commitment to the locality, a sense of pride and it attracts non-locals. Moreover, it has an educational purpose and as is common in Totnes, experimentation with local money continues. Therefore it can be argued that citizenship is very present in Totnes, which is closely related to the characteristics of high capital and high commitment, resulting in a high degree of autonomy.

Thus, the initiative does increase active justice, although maybe in an unequal way. As process like gentrification and unequal market competition are more influential than the local currency, passive injustices are not counteracted. If the citizenship is used in combination with an altered local currency institution, the motivation may increase and it may result in more progress in regard to tackling both active and passive injustices. While this first case seems discouraging, many other local currency projects that have emerged are inspired by Totnes. Two of them are discussed in the next sections.

4.3 The Brixton Pound

4.3.1 Brixton

Brixton is a well-known Southern neighbourhood of London, due to its multi-ethnic and lively character with lots of long-established independent small and medium shops and markets. Its population estimate is 85,500. A quarter of the residents is from Afro-Caribbean descent and particularly Jamaican. There are also many Portuguese, Chinese and Muslims living in this area. This diversity is celebrated as it is Brixton's pride. The market streets are often busy and there is a lot of



Figure 4.5: Brixton Village (Source: own picture, 2018).

social interaction in public (Woolf, 2012; Brixton Pound, 2018a; Lambeth Council, 2016). It can be argued that 'part of what made Brixton what it is are the local businesses that have shaped the public face of the neighbourhood over the decades' (Caldwell, 2017a: 13). Moreover, the innovative, radical character of the neighbourhood is often emphasised as many famous artists and left-wing politicians grew up here (Woolf, 2012; Brixton Pound, 2018a; Lambeth Council, 2016). Some shops in Brixton Village, a covered market, are visible in figure 4.5, showing its colourful atmosphere and, among other ones, the Jamaican flag.

However, it has not always been like this. As explained on a flyer: 'Brixton is one of London's most famous areas, and for good reasons; it's been an engine of cultural and social change for many years. It is also an area that experiences deep-rooted social issues' (The Brixton Fund, 2018: 1). In 1981, 1985 and 1995 there have been riots, due to racial tension and distrust between the police and residents and economic and social difficulties in the area. In 1981 there was a recession, especially worsening the socio-economic position of the African-Caribbean community. In Brixton half of the young black male population was unemployed and crime rates were high. While the first riot was unexpected, it sparked riots throughout the country. These riots led to institutional changes in the police department in regard to discriminatory behaviour towards black people. Additionally, there has been an increase in ethnic diversity in local and national governments (John, 2006).

This short history of Brixton demonstrates how ethnic differences create and enhance both active and passive social injustices. Moreover, it shows such injustices can be countered when citizens empower themselves and restrictive power relationships are transformed into supportive power relationships.

Injustices and inequalities have been and are still very much present in Brixton as it currently is the 14th most deprived district in England and the most deprived neighbourhood of the Lambeth Council. Brixton is dealing with persisting unemployment and little mobility, social exclusion, poor education and poor health. Moreover, it is the most populous area of the

Lambeth borough. The town centre of Lambeth is in Brixton and many programs with and without the council have been set up to improve the area (Community Currency Knowledge Gateway, 2013a; Lambeth Council, 2016).

Lambeth Council wants to become a cooperative council by designing, managing and delivering services with the help of the local population and thus making services more suitable to local needs (Steed & Bindewald, 2015). In an interview it was also explained that Brixton seeks and gets more attention than other neighbourhoods that are part of the council because it is perceived as the centre of Lambeth (Interview Brixton Grocery Store, 2018).

Nowadays the area is not dangerous any longer and wealthier people are moving in. Many interviewees discussed the problems of gentrification (Interview Brixton Café, 2018; Interview Brixton Gift Shop, 2018; Interview Bicycle Shop, 2018). To illustrate, *'if you had been to Brixton 20, 10 even 5 years ago, there would be less chain stores. Globalisation is quite problematic. What has happened in Brixton is gentrification, it is a very popular place to live, small businesses are being forced out by rent increases [...] it changes so quickly, the whole population seems to change all the time, because the rent is unaffordable'* (Interview Brixton Café, 2018).

Another interviewee explained that she had to move out of Brixton because of this and the cooperative bicycle shop in Brixton, established in 1982, had to move further away from the centre of Brixton two years ago (Interview Brixton Gift Shop, 2018; Interview Bicycle Shop, 2018).

Thus, the changes made in the area result in the great injustice of gentrification, as certain groups are forced to move out. While gentrification is happening all over London, many hope the unique character of Brixton will remain (Interview New Economics Foundation, 2018; Interview Brixton Café, 2018). Nevertheless, some say that it is already too late as the sense of community is gone as new (white) people have moved in and changed the neighbourhood. While, for example, the traders in Brixton Village used to be a close black community, nowadays the amount of white people and standalone shops that are mainly focused on making profit increases. This causes division within the Brixton community, as some groups are empowered while others are disempowered (Interview Brixton Gift Shop, 2018). This enhances both active and passive social injustices. Moreover, gentrification in Brixton demonstrates that ethnic differences play an important role in the shaping and intensification of inequalities.

4.3.2 The Brixton Pound

Background information

The paper-based local currency in Brixton was established in 2009 by Transition Town Brixton, using the slogan *Money that sticks to Brixton*, and two years later the electronic system, pay-by-text, was launched. The e-currency has a lower transaction fee compared to credit cards because of the low running costs of the Brixton Pound. The original notes had an expiry date of 2 years because it was uncertain how the project would develop. For the second series a new design was made. Moreover, users of the local currency get a 10 per cent bonus when converting to local money, while a 10 per cent tax is used when converting local money back to Sterling, to stimulate users to keep circulating the local pounds. The currency is backed by pound Sterling and has a 1 to 1 rate (Woolf, 2012; Brixton Pound, 2018a).

The Brixton Pound organisation was set up by volunteers and is now a CIC, a form of social enterprise managed by business owners and residents. Additionally, there is a voluntary board and an advisory group. It was the first local currency operating in an urban area and the fourth

Transition Town that was set up. It is estimated that in 2013 around 50,000 Brixton Pounds were in circulation and 250 businesses were involved with the local system (Brixton Pound, 2018a; Community Currency Knowledge Gateway, 2013b).

In 2015, the New Economics Foundation estimated that 160 businesses and 1600 participants were engaged (Steed & Bindewald, 2015). Thus, it can be concluded that the number of involved independent shops is going down. Currently, some shops that were introduced on the Brixton Pound website and/or with a Brixton Pound sticker on their shop window did in reality not accept them (Interview Bakery, 2018; Interview Restaurant, 2018). Therefore, it is unsure how many shops are (still) actively involved.

Furthermore, I noticed that there are many businesses in Brixton that provide the service of transferring money abroad. This demonstrates the interconnectedness of local and global as people can support and be part of multiple localities.

Nowadays, the Brixton Pound has become an autonomous self-sustaining organisation which is rooted in the community-based Brixton Pound Café, which is officially disconnected from Transition Town Brixton and without any government funding. Still, the Brixton Pound board of professionals are volunteers from the Transition Town, so there is a relation between the two organisations (Interview Brixton Pound Café, 2018a).



Figure 4.6: Directory Brixton Pound
(Source: Brixton Pound, 2018b).

Figure 4.6 shows a map of London with the businesses that should be involved with the Brixton Pound. In blue are the shops that only accept paper notes, while the pink ones also accept the e-currency (Brixton Pound, 2018b). While multiple times trying to contact both Brixton Pound and Transition Town volunteers, including personal emails, often no reply was given. When there was a reply, it was explained that one was not involved anymore, which shows that the Brixton

Pound website is not completely up-to-date. The Transition Town Brixton website also mentions that: ‘we are almost completely volunteer-run and answering emails takes up a lot of our volunteers’ time. So please try not to email’ (Transition Town Brixton, 2018: 1). This relates to the fact that citizenship can also result in taking up too many responsibilities, while not having enough time and the right capacities.

Motivations

On the Brixton Pound website, it is explained why Brixton is the perfect place for a local currency, namely due its well-known local and diverse economy, its strong and mixed community and because it is a dynamic place inspiring activism and ‘attracting the avant-garde’ (Brixton Pound, 2018a: 6). As explained in the former chapter, having enough local suppliers and businesses is a prerequisite for circulating a currency within a locality.

Moreover, it is stated that Brixton Pounds ‘makes money work for Brixton by supporting smaller shops and traders who are under threat from the recession and larger chains’ (Brixton Pound, 2018a: 3). Besides this injustice within the market sector, the initiators want to support the local economy to make it more resilient and diverse considering that chain stores are becoming increasingly powerful and people are struggling with unemployment. An inclusive

and fair economy is aimed for. Moreover, due to gentrification and deprivation, they want to protect and empower the current Brixton population, address inequalities and improve the identity of Brixton. The creation of a local currency is perceived as a new way to actively involve the community and influence the public sector (Brixton Pound, 2018a; Steed & Bindewald, 2015).

Peck, the leader of the Lambeth Council, acknowledges this. She argues that the local currency *‘encourages users to think positively about their community and to help encourage and reward local entrepreneurs as opposed to the large multi-national branded stores’* (Interview Leader Lambeth Council, 2018).

This corresponds with the motivation of the interviewees as in all the interviews it was emphasised that they are involved with the Brixton Pound to support and preserve the community (Interview Brixton Pound Café, 2018a; Interview Brixton Gift Shop, 2018; Interview Bicycle Shop, 2018; Interview Brixton Café, 2018). This was also clear from a street sign in Brixton, depicted in figure 4.7. This figure demonstrates someone’s proudness of Brixton and commitment to trade locally, which can be perceived as a publicity tool to engage more people in the local economy, specifically by using the Brixton Pound, and to enhance local pride.

This motivation also resonates with the types of businesses that are involved, for example the manager of a café in Brixton claims that: *‘we don’t sell to make profit, we sell to benefit the community. So for example we have people in the kitchen with learning disabilities, with mental health problems and things like this. And that is why we like the Brixton Pound, it feels like we keep a local economy’* (Interview Brixton Café, 2018). Another example is a bicycle shop which lends out tools for free, does free check-ups, cheap fixes and is organised in a non-profit non-hierarchical way as every employee gets the same pay (Interview Bicycle Shop, 2018).

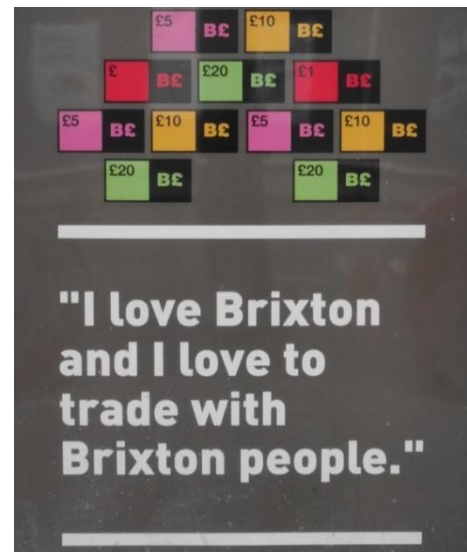


Figure 4.7: Sign put up in Brixton, depicting Brixton Pounds and the statement: *‘I love Brixton and I love to trade with Brixton people’* (Source: own picture, 2018).

This clearly shows how perceived social and economic injustices, and specifically the power of bigger chain stores, motivates citizens to become active in the public sphere, in other words, to make use of citizenship. Recognising the importance of the local community and local businesses are key in this motivation (Brixton Pound, 2018a).

In regard to the environment, the Brixton Pound initiative is motivated to contribute to lowering carbon dioxide emissions and contributing to the development of a circular economy (Brixton Pound, 2018a). This environmental motivation is also present in the types of shops that are involved as many employees are passionate about not wasting food and not using plastic (Interview Brixton Pound Café, 2018a). To illustrate, about a non-profit community café in Brixton it is explained that *‘we are very keen on environmental issues. Everything is recycled and we don’t sell plastics, we wouldn’t have plastic bottles in the fridge’* (Interview Brixton Café, 2018).

Furthermore, art and culture are mentioned as important factors for people to get involved. For example, some employees of the Brixton Pound Café organise cultural events to bring the

community together (Interview Brixton Pound Café, 2018a). This is also why '*Brixton Pound often refers to itself more as a community art project*' (Interview New Economics Foundation, 2018). It can be argued that a form of art or creativity is used to show a different perspective, to provoke people and to encourage them 'to think about where their money is going' (Brixton Pound, 2018a: 4).

Nevertheless, some argue that the Brixton Pound cannot support the community anymore as the community is already changing too much. Some are forced to move out and new residents move in. Thus, in the case of the Brixton Pound, it could be stated that the current or former community is not recognised properly, so there is a lack of passive social justice.

An interviewee states that '*Lambeth Council is part of the problem, they allow with their planning laws, they allow this to happen. Only benefitting people in the short term. So many local businesses are being destroyed*' (Interview Brixton Café, 2018). Thus, it is stated that the local council allows gentrification to take place by not taking their current residents and their interests properly into account, which is perceived as a great injustice. Moreover, one interviewee argues that the attitude of local authorities is patronising as they think they know what is good for the residents, while this is not necessarily the case. This increases distrust in the council and decreases motivation for community projects like the Brixton Pound (Interview Brixton Gift Shop, 2018; Interview Brixton Café, 2018).

There was one interviewee not motivated at all to join the Brixton Pound, namely the manager of a grocery store in Brixton. From the start of the project, he did not believe in the Brixton Pound but was pressured to get involved because his shop was perceived as a key store for the community; a central point where the local pound could be spend. He thinks that the idea is unsound because local shops will not increase trade with each other as there is no need to. For example, his own business relies on just one non-local organic supplier (Interview Brixton Grocery Store, 2018).

Thus, the motivation for engaging with the Brixton Pound is mainly based on injustices within the market sector. Similar to Totnes, there is a strong feeling of community and pride about the shopping and market areas. While social and environmental injustices are also important incentives for some to join the project, the injustice of gentrification decreases peoples' motivation. By defining the local pound as an art project, it is clear that with this project a statement is made to provoke people and the possibility is created to enhance their active justice.

Actions

First of all, there is the creation of the Brixton Pound, a local medium for exchange to strengthen the local economy and community. Another aspect is the creation of awareness about the importance of the Brixton community and economy and the impact of spending money in certain ways. This is closely related to improving Brixton's identity. Small independent businesses get free promotion due to the Brixton Pound and some give discounts to customers that pay with the local pound (Caldwell, 2017a; Wong, 2014).

Furthermore, there is a Brixton fund, which is used to tackle social injustices and develop employment and entrepreneurship opportunities in the area, especially for young people and isolated groups. The fund is made up of donations and the 1.5 per cent fee that is charged for every transaction in local electronic money (Caldwell, 2017a).

Nevertheless, as many interviewees explained, the Brixton Pound is not used very often, ranging from only twice a year (Interview Brixton Café, 2018) to twenty local pounds a week (Interview Brixton Grocery Store, 2018). Explanations for this could be that products are

cheaper in supermarkets, not enough promotion is made by the Brixton Pound CIC and the local currency is competing with other alternative electronic payment systems such as Monzo (Interview Brixton Grocery Store, 2018; Interview Brixton Gift Shop, 2018; Interview Bicycle Shop, 2018; Interview Brixton Café, 2018). Still, there is a ten pound paper note with David Bowie on it, which is a popular souvenir (Interview Brixton Grocery Store, 2018; Interview Brixton Gift Shop, 2018).

The Brixton Pound CIC encourages businesses to source their products locally (Brixton Pound, 2018a). For example, a community café is involved with some local trading due to the local currency. However the initiative was taken by the manager of the café, so the Brixton Pound was not actively involved in creating networking opportunities, which according to the manager shows that *'there are some missed opportunities'* (Interview Brixton Café, 2018). Another difficulty that remains is proper evaluation of the local currency as it is hard to find out how much money is circulating (Woolf, 2012).

The leader of the Lambeth Council, Peck, got personally involved with the Brixton Pound by joining the advisory group. She shares her expertise in this way because she has been active in community politics for a long time and because she is a *'key link between the Council (as one of the largest employers and consumer) and Brixton Pound'* (Interview Leader Lambeth Council, 2018).

In the start-up phase the project was financially supported by the Lambeth Council. Also, the council allows local businesses rates and taxes to be paid in Brixton Pounds. Consequently this local money can be used to partly pay salaries of council employees. In the past, Peck did receive part of her councillor allowance in local pounds and she argues that it is an incentive for council employees to spend more money locally. The support of the local council is based on the idea that a successful local pound reflects a successful neighbourhood and successful local businesses. Lambeth Council also supported the Brixton Pound by offering legal assistance (Wong, 2014; Woolf, 2012; Interview Leader Lambeth Council, 2018).

While the Lambeth Council was considering the creation of a Lambeth Pound (Wong, 2014), this eventually did not go through as *'ultimately, the decision was made to focus on evaluating and strengthening the existing community currency, the Brixton £, rather than attempt to start a competing currency or broaden the reach of the Brixton £ beyond its existing boundaries'* (Interview Leader Lambeth Council, 2018). First, it is argued, the Brixton Pound should become self-sustaining instead of dependent on government funding (Interview Leader Lambeth Council, 2018).

In the beginning, the New Economics Foundation was an important advisory partner as well. Additionally, the Lambeth Council, the New Economics Foundation and the Brixton Pound were partners in the Community Currencies in Action (CCIA) programme, funded by the European Union. This project was set up in 2011 to help six local currencies in the North-West of Europe develop, examine the process and share knowledge and useful toolkits. The CCIA ended in 2015 (Brixton Pound, 2018a; Community Currency Knowledge Gateway, 2013b).

Afterwards, the local council concluded that due to the CCIA project, the relationship between European funding bodies and the council improved, which *'increase our chance of having successful EU funding bids in the future'* (Interview Leader Lambeth Council, 2018). The New Economics Foundation was less positive about the project as it was a lot of work and collaborating with the European Union was complicated. Part of the explanation for this is that other funders had to be found as the foundation only receives money by fundraising and funders were not very willing to get involved anymore due to the uncertainties of the impact of local monetary projects (Interview New Economics Foundation, 2018).

Recently, there has been a shift in focus, from managing the local currency to the running of a community café called the Brixton Pound Café. The café runs on surplus food from supermarkets and is based on a pay-what-you-can principle. Both employees and volunteers work there. Diverse events are organised in the café, such as yoga, exhibitions and comedy nights. Most customers are residents that have been living in Brixton for a longer time. The Brixton Pound is used daily in the café as people buy it here and spend it at the grocery store, the gift shop or in shops in the Brixton Village. All these shops are in the central part of Brixton (Interview Brixton Pound Café, 2018a).

Additionally, according to an employee at this café, the use of the local currency could increase in the near future as a new app is being developed (Interview Brixton Pound Café, 2018a). This demonstrates that 'keeping up with shifts in consumer spending habits and embracing technological advancement are constant tests for local currency movements' (Caldwell, 2017b: 14).

While to some extent less plastic is used and awareness about waste increases, the environmental aspect is not as prominent as the social and community aspect of the Brixton Pound. This may be a consequence of the disconnectedness between the café and Transition Town Brixton. The latter group is still active in organising events, such as sharing environmental knowledge at 'green drink' events, screening educational films and hosting open project nights where people can 'host events, co-work, network, trade skills and get involved with projects that change Lambeth for the better' (Transition Town Brixton, 2018).

Still, many interviewees stated that they are not very influential anymore or had never heard of them. As McCann (Interview New Economics Foundation, 2018) argues: *'I am not even 100 per cent sure like how strong a movement they still are. They definitely were much more powerful and influential 4-5 years ago, I think in the places where they managed to embed themselves they obviously remain strong, but I think they have slightly diminished in their power'*.

The actions taken by the Brixton Pound CIC show that while wanting to strengthen the local economy, most current actions are social, such as creating a better image of Brixton and hosting community events. Thus, the way in which the Brixton Pound is used, emphasises the social aspect of money and strengthens the community sector. While the local council is engaged with and supportive of the local currency project, there are currently not many transactions in local money. Still, the different projects that are attached to the currency, such as the community café, show that experimentation and specifically community action is continuing.

Impacts

'Brixton Pound has influenced the local economy in a positive way [...]. It is a positive thing that helps to boost local businesses, and the local area' (Interview Leader Lambeth Council, 2018). However, when visiting Brixton, it became clear that currently many shops that did accept Brixton Pounds hardly received any. It can be argued that in economic terms, the Brixton Pound is not very affective, as it is only used in very small amounts. As stated in an online article about the Brixton pound, it is like 'saving the economy by people selling coffee to each other' (Wong, 2014: 25).

Local pounds hardly circulate as shops like Wholefoods Brixton change their local pounds back to Sterling pounds. Also, it has not significantly led to the creation of shorter supply chains and new local business networks (Interview Brixton Grocery Store, 2018; Interview Brixton Café, 2018). Therefore, the environmental impact is almost non-existent as well.

As part of the CCIA, an evaluation has been made of the Brixton Pound in 2015. It was concluded that 80 per cent of Brixton Pound users said that by using the local pounds they feel more proud and more attached to Brixton. Due to the project, more local money and Sterling pounds have been spent at local businesses and customers visit local shops more often (Steed & Bindewald, 2015). Also, 70 per cent of the users become more familiar with business owners and 55 per cent enjoy the convenience of the local payment system (The New Economics Foundation, 2015).

Therefore, while economic and environmental aspects may be insignificant, in the social domain it can be argued that the Brixton Pound has contributed to a better local identity, more social cohesion and awareness about the advantages of local shopping. The Centre for Local Economic Strategies concluded that the local pound promotes community cohesion and pride. Additionally, the Brixton Pound is perceived as a cultural tool which stimulates social interaction and increases loyalty (Interview Leader Lambeth Council, 2018). It is also a save and fun way of getting involved with an alternative monetary system. The Lambeth Council recognises these impacts and sees potential for this project within the wider programme of the cooperative council (Interview Leader Lambeth Council, 2018; Interview New Economics Foundation, 2018).

Nevertheless, as the CCIA project has ended, it will be difficult for the Brixton Pound to sustain without any government funding. The Centre for Local Economic Strategies advises the Brixton Pound organisation to promote themselves more, engage with larger businesses and use the reputation of the Brixton Pound to play an important role as advocator for the community and local businesses. In this way, the Brixton Pound will be embedded in the local economy and maybe financially sustainable. Furthermore, it is advised that the council continues to promote Brixton Pound to be used by employees and local businesses, increases the use of local products and services and continues to exercise their cooperative values (Interview Leader Lambeth Council, 2018).

However, it can be argued that the actions taken by the Brixton Pound CIC is leading to unequal empowerment. For example, a gift shop employee claimed that the pay-what-you-want system of the Brixton Pound Café is snobbish and that the people that move in to Brixton should adapt more instead of changing the neighbourhood (Interview Brixton Gift Shop, 2018). Thus, initiators of community projects like local currencies, should be aware of limits to inclusivity and that thinking and deciding for other people creates division in society.

The process of gentrification shows that ‘community’ is an ambiguous concept as a community is often not homogenous and divisions and differences within communities may increase. While the Brixton Pound CIC has been promoting a petition concerning the eviction of independent businesses, which demonstrates its political and social engagement in the area, it is not a strong enough project to counter gentrification. A local currency can even be (unintentionally) used in an opposite way; as an exclusive tool, if only a specific group of customers and businesses are able and want to join (Steed & Bindewald, 2015; The New Economics Foundation, 2015). To illustrate, the manager of a community café (Interview Brixton Café, 2018) states that ‘*Brixton is a very diverse neighbourhood. I don’t think the Brixton Pound reflects that*’.

Thus, in regard to the Brixton Pound, economic and environmental impacts are neglectable while social impacts are present. Still, an increase in active social justice is uneven as the empowerment of new residents changes the area which unintentionally disempowers other (former) residents. The local currency project could continue, according to the Centre for Local Economic Strategies, if it maintains its role as a promotional tool for Brixton, it engages with chain stores and the council keeps supporting it. Engaging with chain stores is in this case a

way of mainstreaming, which may help the institutionalisation of the currency but also means departing from their grassroots ideals.

4.3.3 Conclusion

Brixton is a known neighbourhood in London due to its lively, multicultural character and history of activism. Still, it also deals with social and economic issues like gentrification. In the last years the Brixton Pound project has been evolving due to experimentation. A community café has been established and a new app is being developed. This demonstrates that alternative currencies constantly adapt to new circumstances, especially in regard to technological innovations.

Contrary to Totnes, the local government has been an important partner for the Bristol Pound CIC. Also, the European Union and the New Economics Foundation have played a role in the shaping of the currency. This collaboration between diverse stakeholders has led to the institutionalisation of the initiative to some extent. Moreover, this project is largely disconnected from the Transition ideology, which demonstrates how local currencies can develop differently in different local contexts.

While the impact of the Brixton Pound is for a great deal neglectable, it does enhance community pride and social cohesion. It is often emphasised that it is an art project, which shows that the local pound is an educational and provocative tool that encourages people to think about money, local businesses and being involved in one's community. Still, as gentrification is more powerful than the local economy and community, some businesses and groups in society are marginalised as they are forced to move out. This is perceived as a great injustice which is not easily challenged by the local currency as it is not powerful enough.

Overall, it can be argued that the Brixton Pounds contributes to a small increase in active social justice however in an unequal way. Similar to Totnes, the excitement for the local money has faded, which demonstrates that the projects were interesting because of their cultural novelty.

4.4 The Bristol Pound

4.4.1 Bristol

Bristol is both a city and a county in South West England. Similar to Brixton, the city has a multi-ethnic character, as 22 per cent of Bristol's residents are from African, Asian or East-European descent. Polish, Somalian and Indian backgrounds are most common. Bristol is the eight most populous city of the United Kingdom and a current population of 456,000, which is growing steadily and expecting to rise to 500,000 in 2027. This rise can partly be explained by the fact that a great amount of children under sixteen are living in this area, while there are less elderly people. Moreover, students make up around eight per cent of the population (Bristol City Council, 2018).

In the 1980s, unemployment and poverty levels were amongst the highest in the country, which led to major regeneration programmes in the 1990s, mainly in the South of Bristol (Henfrey & Maschowski, 2015). Currently, some neighbourhoods are quite ethnically diverse, such as Easton where many residents with Indian, Caribbean and African descent live, other poorer and less connected areas, like Hardcliffe, are situated on the edge of the city. Additionally, *'there are areas like Clifton, which is very expensive and gentrified'* (Interview Former Mayor Bristol, 2018).

Still, gentrification is not per se a problem throughout the city according to Ferguson, the former mayor of Bristol, as in most neighbourhoods it is a balanced process. For example, at present improvements are made South of the river while there is also much social housing. He explains that *‘in a city the fact is that I think an element of gentrification enriches an area and it can be very patronising to say that you should stay as you are and there shouldn’t be change. Because with an element of gentrification you get some improvements, and you get people who campaign for the area campaign for better facilities [...] I think it is nuanced, it is not a matter of right or wrong it is a matter of how far you can go’* (Interview Former Mayor Bristol, 2018). Thus, this perspective demonstrates that if the local population is taken into account when reviving a neighbourhood, gentrification can be a beneficial process. Thus, instead of enhancing both active and passive injustice, as is the case in Brixton, gentrification can be a beneficial process and enhance passive justice in certain areas.

Bristol has a history of bottom-up environmental initiatives, such as protesting against an inner ring road in the centre in the 1970s (Henfrey & Maschowski, 2015). Nowadays the city offers culture, education and employment and is still known for its left-wing politics and activism. To illustrate, *‘in Bristol you see that there are lots of ideas, Bristol is full of ideas, [...] but there is also an atmosphere, like a government atmosphere, or a local government atmosphere of supporting those new ideas’* (Interview Director Bristol Pound, 2018). In 2007 Bristol was the first city to join the Transition Network and has been engaged in both city-wide and smaller neighbourhood projects, including community gardens, renewable energy cooperatives and the improvement of cycling infrastructure (Henfrey & Maschowski, 2015; Community Currency Knowledge Gateway, 2013c; The Telegraph, 2012).

This shows that in Bristol many people are concerned with environmental injustices and that *‘Bristol is maybe an experimental city, it is quite playful. We are a bit of a hippie city, [...] in the South West we are close to Totnes, [...] Stroud. So we are the big city in the South West but I think we pick up a lot of that sort of slightly hippie spirit’* (Interview Former Mayor Bristol, 2018). Figure 4.8, showing a mural with an ‘I love Bristol’ button, demonstrates the creative spirit of and love for Bristol. Additionally the bicycles show the environmentally mindedness of the city.

In 2008, Bristol was the most sustainable city according to the Forum of the Future’s Sustainable City Index, mainly due to proper waste collection, an increase in recycling and low unemployment. Additionally, it became European’s Green Capital in 2015 due to planned investments in energy and public transport, a decrease in carbon dioxide emissions and the aim to enhance its low-carbon industry. Also, the air quality in Bristol is an important issue, cycling is becoming more common and energy use is declining. More than 90 per cent of the population lives within 300 metres of parks and/or water (European Commission, 2015). These topics show that Bristol is working hard on passive environmental justice issues.

In 2012 the first directly elected mayor was George Ferguson. He received all of his mayoral pay in Bristol Pounds, which had just launched, and played an important role in stimulating environmentally friendly and healthy action in Bristol. For example, he explains that *'I had a reputation of being anti-car, I am not anti-car, but I am pro-health. I think it is pretty evident that the car dependency is not good for your health so I would still be imposing more restrictions on cars, I would have all cars that weren't zero carbon out of the city you know. So I think we need to be much more radical about making it healthier, making it a healthier city'* (Interview Former Mayor Bristol, 2018).



Figure 4.8: A mural depicting, among other things, an 'I love Bristol' button, behind bicycles in North Street, South Bristol (Source: own picture, 2018).

Ferguson introduced the 'making Sunday special' event, by opening the streets for people while closing it for cars on Sundays. It was taking place in many outer and poorer neighbourhoods, in addition to the city centre. The new mayor has not continued this project, but Ferguson thinks *'it was a really good way of opening people's eyes and having a better place without cars'* (Interview Former Mayor Bristol, 2018).

According to him, the actions taken by Transition Network inspired the ideas and projects for the European's Green Capital 2015. Actors from different sectors have been working together to realise local change. For example, the university was an important partner in both measuring environmental impacts and setting up plans to achieve better results. The city was involved with Paris COP 21 and promised that Bristol will be carbon zero in 2050 *'which may seem a long way off but you've got to be realistic about what is achievable'* (Interview Former Mayor Bristol, 2018).

Another example of local environmental action that was taken was increasing awareness at schools about healthy and environmentally friendly practices, such as walking to school, planting trees and eating fresh and healthy food. The idea behind this is that this approach both educates children and their parents. These school projects are still continuing. Many different and small projects aimed at increasing well-being, such as better cycling paths and cultural and educational programmes, were executed throughout the city. As *'we were very aware that the environment is a pretty white middle class preoccupation, to put it that way'*, a specific project was set up to include more ethnic minorities in the debate via a radio station (Interview Former Mayor Bristol, 2018). This demonstrates that, while Bristol is known for its environmental activism, not all Bristolians are necessarily engaged with and/or empowered by it.

Still, overall it can be argued that there is great active justice in Bristol because its population is very much involved in enhancing social and especially environmental justice. Nevertheless, currently the motivation for (environmental) action is diminishing as activists, universities and companies are not pressuring the local authorities that much anymore and politicians are losing interest, as according to Ferguson, *'they are only interested when they feel that their voters are at risk'* (Interview Former Mayor Bristol, 2018).

4.4.2 The Bristol Pound

Background information

Inspired by Totnes and Brixton, some people involved with the Transition Bristol group together with some other individuals started a Bristol currency, both in electronic and paper form, in 2012. Like the other two, this currency is backed by pound Sterling and has a 1 to 1 rate. The New Economics Foundations and already existing currencies were crucial partners in helping to establish the electronic payment system as this was perceived as a vital next step for Transition currencies. In the beginning 350 businesses were involved, which increased to 800 in 2017, with 1000 users circulating 700,000 Bristol Pounds. Hence, it was the largest non-profit complementary currency in the United Kingdom for some time (Bristol Pound, 2018a; Community Currency Knowledge Gateway, 2013c; Caldwell, 2017b; Interview Director Bristol Pound, 2018). The slogan of the Bristol Pound is *Our City. Our Money.* and it is emphasised that it is a movement that is excited about local people working together to establish 'a better way of doing money' (Bristol Pound, 2018a: 1).

It was the first city-wide local currency in the United Kingdom, which is challenging as there is an estimate of 47 shopping areas in the city (Henfrey & Maschowski, 2015). Some main shopping centres in Bristol where the Bristol Pound can be spend are in the city centre, along the Gloucester Road in the North and the North street in the South (Interview Former Mayor Bristol, 2018). The numbers in figure 4.9 represent the amount of businesses that are involved

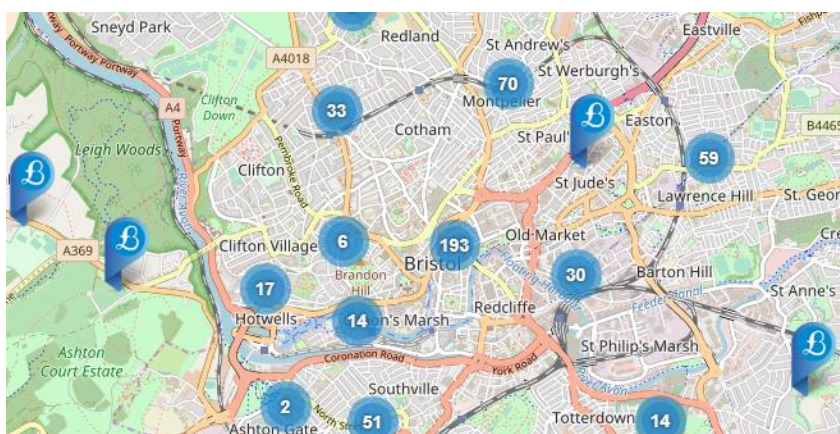


Figure 4.9: Directory Bristol Pound (Source: Bristol Pound, 2018c).

with the Bristol Pound in that area (Bristol Pound, 2018c).

The Bristol Pound is currently a partnership between a CIC and the Bristol Credit Union. The latter organisation, in the words of Clarke, the Director of the Bristol Pound, *'is thriving in UK terms, one of the best credit unions. They have*

maybe nine or ten thousand accounts, they are very well established' (Interview Director Bristol Pound, 2018). It is a member-owned organisation and provides the financial services for the Bristol Pound. Currently, around 800 local businesses have accounts at the Bristol Credit Union. Additionally, the CIC is responsible for promoting the local currency and communicating with members. Clarke explains that *'it is not a very traditional business really. We try and listen, we try as teams, we are quite a flat structure. We are not a co-op but we are a flat structure. So we had different people in but most people are pretty lefty. Pretty kind of radical, a radical project'* (Interview Director Bristol Pound, 2018). The scheme is supported by the Bristol Council by helping to circulate money locally through local taxes, business rates and council salaries (Community Currency Knowledge Gateway, 2013c; Caldwell, 2017b).

Motivations

On the Bristol Pound website it is described that ‘Bristol has always been a fertile environment for creativity, innovation and community building. It is this environment that, over time, has incubated a strong sense of ethics and justice around social, environmental and economic

change. It makes perfect sense that in this city, we should experiment with new ways to own our own money too' (Bristol Pound, 2018a: 2).

The main aim of the Bristol Pound is to incentivise people to shop locally at independent businesses to help strengthen the local economy and the unique identity of the city. A fair, sustainable, environmentally friendly economy in which responsibilities are shared is preferred. It is argued that small independent businesses are crucial for community identity, pride, creativity and an openminded attitude, as stated on the website (Bristol Pound, 2018a).

The creation of the Bristol Pound is also a reaction to the last financial crisis, as many initiators became aware that the current economic system 'extracts wealth from communities, harming the real local economy. It damages the environment, perpetuates inequality and homogenises high streets into unrecognisable, carbon clones' (Bristol Pound, 2018a: 3). It is claimed that the Bristol Pound values the environment and society more than profit. This is reflected in the non-profit and flat character of the organisation and the fact that the Bristol Credit Union provides loans without taking income levels into account. The Bristol Pound focusses on making finances work for people and creating money that can be democratically controlled instead of money having control over people (Bristol Pound, 2018b). Gaining control over the way one lives and bottom-up action, in other words increasing active justice, is very much emphasised by initiators of the Bristol Pound (The Telegraph, 2012). As Clarke points out: *'there is a big anti-bank feeling, mainstream you know, information being stolen, control from you know towers somewhere in the distance, there is a lot of that and I think we can play into that more'* (Interview Director Bristol Pound, 2018).

Also Ferguson is interested in democratising economic structures: *'I am a believer in the need to change.. to change the way we do business radically. And in a way the support for small local is our way of doing something individually to put power more into our own hands'* (Interview Former Mayor Bristol, 2018).

This is related to the injustice of feeling lost and powerless compared to dominant market actors as discussed in the former chapter. For example, the former mayor of Bristol argues that we are losing democratic control because *'the real control is in the hands of the big global businesses. [...] Because undoubtedly, I don't want to sound too radical about it, but yeah the fact is that our lives are now controlled by the Amazons and Googles and Unilever and the big corporations and companies and I think this is our way of fighting back [...] people feel a bit like things are being done to them rather than being in control themselves'* (Interview Former Mayor Bristol, 2018).

He argues that to counter the fact that *'1 percent is ruling the 99 percent'* (Interview Former Mayor Bristol, 2018) a local approach is needed, not just to support the local economy but also to enhance communities' well-being and health. While some neighbourhoods are solely dependent on one supermarket, that *'destroyed a lot of interests in cities'* (Interview Former Mayor Bristol, 2018), he would like to see that more small independent businesses are established that incentivise an increase in diversity on the streets. Ferguson believes that Bristol is a better place due to its strong independent local economy (Interview Former Mayor Bristol, 2018).

He describes himself as a localist and thinks the Bristol Pound is an important aspect of localising the economy: *'I think a local approach is really important for people's supply, the economy, well-being, health, yeah, so I am not saying that the Bristol Pound will cure all those things, but it is part of the story'* (Interview Former Mayor Bristol, 2018).

The director of the Bristol Pound is similarly motivated as he argues that *'I am really concerned about, particularly about high streets becoming identical. Everywhere in the UK you don't*

know where you are, it is the same shops. I thought independent shops were important. And now it has proven correct because the big shops are closing down and the small shops are still going strong in Bristol. So I had this idea, I didn't really know what to do about it, but then I met some other people. [...]. So 3 or 4 people originally, started meeting to talk about it and do something in 2010' (Interview Director Bristol Pound, 2018). In the beginning, these initiators all had different motivations. For example, while Clarke was mainly interested in supporting independent shops, as he has a background in business, others were mainly concerned with shortening supply chains. Another concern was empowering the local community. The green party in Bristol supports the local pound, because, as Clarke explains, the values of the Bristol Pound company are similar to that of the green party, for example they are both interested in enhancing social cohesion and reducing carbon dioxide emissions (Interview Director Bristol Pound, 2018).

Also Bristol's former mayor is concerned with environmental injustices as he argues that while currently the climate and environment is deteriorating, at some point the majority of the people will recognise that it is not working and radical change is needed. Ferguson is motivated to support local food chains, the local economy in general and to spread his vision locally, nationally and internationally. The creation of and support for independent circular local economies, as he calls it, should be regarded as environmental issues because being self-supportive results in less imports and transportation. Additionally, he explained that *'in the mean time I feel really bad about the fact that we as our generation left the world in a worse place than we found it and we shouldn't you know'* (Interview Former Mayor Bristol, 2018).

In addition to the green party, other local political parties are interested in the Bristol Pound as well for different reasons: *'the conservative party likes it because it is about helping small businesses, the labour party because it is about preserving jobs you know, in small independent businesses, the libdems [liberal democrats] like it because it is kind of innovative, so we are kind of supported across all parties actually. Depending on who we are talking to you give a slightly different message. But none of the parties, nobody dislikes us. And we've had a lot of national politicians in here to see what we are doing'* (Interview Director Bristol Pound, 2018).

Still, the majority of the initiators of the Bristol Pound is left-wing. An explanation for this, according to Clarke, is that people must be intrinsically motivated to join such a radical project as the salary is not very high. Moreover, one must be interested in the topic of money and the complexity of social and emotional relations around it (Interview Director Bristol Pound, 2018).

In the beginning the local council was only involved to a limited extent because *'they were interested in what we are doing, but it was important to us that we weren't seen as a municipality project because the municipality, the council are not really very popular or people are mixed. We wanted to be an independent project'* (Interview Director Bristol Pound, 2018).

Ferguson thinks that mostly middle class people are interested and involved with the local pound, however he claims that this is not necessarily a bad thing as most environmental and cultural movements like this started with the middle class. Making sure the payment system is easy to use is crucial to increase the amount of users (Interview Former Mayor Bristol, 2018). Clarke explains that the members of the Bristol Pound are for a great deal not characterised by their income but by their level of education as *'there is quite a high percentage of our members that has a degree, and quite a lot that has a second degree. But they wouldn't be rich'* (Interview Director Bristol Pound, 2018). He argues that richer people, for example in the more expensive areas like Clifton, are not very interested in the local currency because the marketing of the

Bristol Pound is too radical. In regard to these people, Clarke describes that *‘they are getting the benefits of the system and they don’t really want to change it. We talk about the banks being bad and they say banks lend me money to buy a new car so whatever’* (Interview Director Bristol Pound, 2018).

The motivation of businesses to be engaged with the Bristol Pound is, according to Ferguson, *‘out of enlightenment self-interest. They are realising that if they behave well, if they do good things in their community, they have a happier workforce, who know that they are working for a company that is doing good things locally and in their community. I think small businesses realise that by taking Bristol Pounds they are showing a commitment to the community and that is reflected in the attitude of staff. So I think small businesses will increasingly realise and a lot of them are, that playing a significant role in the local community is good for them’* (Interview Former Mayor Bristol, 2018).

To rephrase this quote, businesses are both ideologically motivated to contribute to the local community but at the same time perceive the local currency as a promotional tool. In the words of Clarke: *‘business say great a marketing opportunity, I am going to be in the map, in the directory, I am going to look cool, why won’t you do it [...] they are doing that because they believe in it but also because it is great marketing’* (Interview Director Bristol Pound, 2018).

The community-mindedness of engaged shopkeepers is clear in Bristol as many interviewees argue that they accept the Bristol Pound because they love Bristol and its independent shops and feel that they are part of a community that they want to support. They are all very serious about supporting other independent businesses and the local economy instead of big banks and big businesses. Many state that it is good to keep money local (Interview Flower Shop Centre, 2018; Interview Bristol Café Centre, 2018; Interview Fast-food Restaurant, 2018; Interview Bristol Café South, 2018; Interview Charity Shop, 2018; Interview Bristol Grocery Store North, 2018; Interview Bristol Grocery Store South, 2018; Interview Gallery, 2018).

Additionally, some employees at local enterprises explain that they want to provide another paying option for their customers, to offer them flexibility. Also some customers were asking for it (Interview Concert Ticket Shop, 2018; Interview Bristol Toy Shop, 2018). If shops in the area accept Bristol Pound, it can be an incentive for other shops to start using them. In some cases, specific enthusiastic people motivated the businesses to join (Interview Flower Shop South, 2018; Interview Liquor Store, 2018; Interview Bristol Café North, 2018; Interview Optician, 2018; Interview Bristol Clothing Shop, 2018). Additionally, it is perceived as a fun way to spend money because it does not feel like regular spending and the paper notes are beautiful (Interview Bristol Clothing Shop, 2018).

In regard to personal use, some explained that while they think they should use it, they do not (Interview Bristol Gift Shop South, 2018; Interview Bristol Gift Shop North, 2018; Interview Bristol Grocery Store South, 2018).

Furthermore, an employee of a community café that accepts Bristol Pounds explained that there are many regular customers, which creates a strong community (Interview Bristol Café Centre, 2018). A grocery store that already exists for more than 40 years is interested in playing an important role in the local community as well. A customer explained that it is possible to pay for groceries in the future as the business owner trusts the regular customers (Interview Bristol Grocery Store North, 2018).

Another café accepting local pounds is a non-profit worker cooperative and proud to be part of the community. On a board in the café it is explained that collaboration, honesty, social responsibility, openness, equity and solidarity are highly appreciated in the café. On another board it is written that *‘we keep our prices as low as we possibly can because we believe that*

quality, nutritious & ethically produced food should be as accessible as possible' (Interview Bristol Café North, 2018). This community café thinks the municipality is not active enough in the neighbourhood, as there are many drug addicts. Due to budget cuts, some public facilities, such as washing facilities, have closed down and the café has to take over these kind of responsibilities (Interview Bristol Café North, 2018).

This demonstrates that while cafés can play an important role in the community, mainly by increasing passive social justice, they cannot take responsibility for everything on their own. Thus, while supporting the community is an important incentive for businesses to join the local monetary scheme, it is argued that actors from other sectors should be involved as well in addressing and counteracting injustices.

Moreover, businesses are not solely concerned with the community but also with environmental friendly behaviour as many shops in Bristol are plastic or waste free (Interview Director Bristol Pound, 2018). For instance, a café recycles all waste and has only compostable take away materials (Interview Bristol Café Centre, 2018). Also, a grocery store is waste-free as customers bring their own containers and fill it in the shop (Interview Bristol Grocery Store South, 2018). Another grocery store sells merely organic, local and preferably vegan products (Interview Bristol Grocery Store North, 2018). Additionally, a café recycles all their waste, sells only vegan food and tries to cooperate with as many local and organic suppliers as possible (Interview Bristol Café North, 2018). A toy store uses recycled materials, reuses packaging and limits the use of plastics and energy (Interview Bristol Toy Shop, 2018).

Thus, the innovative spirit of Bristol, the shock of the last financial crisis and the Transition Town ideology all influenced the shaping of the Bristol Pound. A main concern of its initiators is the protection of small businesses. Besides tackling injustices in the market sector, environmental and social arguments play a role in initiators' motivation and localisation is a main aim. While many political parties are interested in the currency project, mostly left-wing and higher educated people are involved as it is quite radical. Businesses are motivated to join because they are community and environmentally driven, in addition to the Bristol Pound being a good marketing opportunity.

Actions

The main function of the Bristol Pound is to work as a local exchange medium, demonstrating how money can be defined and used. The main focus is creating bottom-up control, which explains that the community, stakeholders and account holders all have a say in the development of the Bristol Pound CIC. Moreover, it encourages the locally created wealth to keep circulating locally. New and stronger local relations are established between businesses and customers, resulting in more local consumers and more local trade. While the paper notes have been useful for attracting attention, the electronic system is used more often. For example, the former mayor of Bristol mostly uses the app because it is easy to use, which may be an incentive for others to start using it as well. The app shows all the shops in the area that accept the Bristol Pound and it shows one's transaction history. Among other things, the Bristol Pound can be used for public transport and Good Energy, a renewable energy provider (Caldwell, 2017b; Bristol Pound, 2018a; Interview Former Mayor Bristol, 2018). It is calculated that approximately 1 million people can benefit from the local currency (Community Currency Knowledge Gateway, 2013c).

The initiators of the Bristol Pound have worked voluntarily for two years before the currency was launched. Currently, the director of the pound gets paid for working two or three days a week, however his job will continue as an unpaid job. Clarke has had different roles within the

organisation, including managing the DigiPay4Growth project, being financial director and director of compliance. As he points out: *'my background is as a lawyer so I was able to do all kinds of stuff'* (Interview Director Bristol Pound, 2018). This quote illustrates the importance of having the right capabilities to keep motivated and engaged in such an initiative.

The money deposits at the Bristol Credit Union are used to help people in need by providing small loans and in the future they may also give free loans to help people establish small businesses. While this is now in development, recently, the Bristol Pound has started giving loans in Bristol Pounds (Interview Former Mayor Bristol, 2018; Interview Director Bristol Pound, 2018). The currency scheme is still growing in terms of money circulation, however to a lower degree than before. Therefore, new projects, such as Bristol Pound loans, are initiated to stimulate circulation of the local currency (Interview Director Bristol Pound, 2018).

Furthermore, meetings between businesses are organised, *'so trading member might buy something in London or Liverpool or whatever, meets somebody at a meeting, starts to buy stuff and reduce the miles and you reduce the carbon'* (Interview Director Bristol Pound, 2018). It is key to have a few, around five, big wholesalers as many small shops, cafés and restaurants can buy products with local money at these wholesalers, so that the local money keeps flowing. In this way the Bristol Pound works as a mediator between businesses and encourages the creation of local supply chains. As the essence of Transition Towns is creating local resilience, this is clearly visible in this local scheme. Even if local independent shops cannot or do not buy local products, they can spend Bristol Pounds at cleaning companies, restaurants, cafés, on public transport or pay their businesses rates and energy and water bills, so there are quite some options (Interview Director Bristol Pound, 2018).

To make sure that enough services could be paid for in Bristol Pounds, the Bristol Pound CIC makes some exceptions for non-local businesses. Currently, some (multi)national companies that provide gas, electricity and public transport in the area accept local money. Such companies have a particular kind of membership as they are not voting members (Interview Director Bristol Pound, 2018).

While some of the initiators want to include more big businesses, to become more mainstream and expand, *'others say we need to be pure, we need to be ethical'* (Interview Director Bristol Pound, 2018). Personally, Clarke would like to take a more radical approach, as he explains that *'there is 500,000 people in Bristol, there is like about 100,000 students or ex-students, maybe 25,000 are quite kind of radical, that is a lot of people. We haven't got anything like that. So you could just be quite radical and get the right kind of people'* (Interview Director Bristol Pound, 2018).

In addition to the creation of the local currency and business networks, the Bristol Pound Farmlink initiative has been established, which tries to link suppliers and specifically farmers in neighbouring areas (based within 80 kilometres of the city) to local businesses in Bristol. By mediating between these actors, they do not have to spend much time to arrange local supply chains themselves. In addition to increasing the amount of local or regional products in Bristol, including building material and energy, it can contribute to more resilient local food networks and a more sustainable and healthy economy in general. However, as suppliers probably have more difficulty with re-spending local money, they can change it back to Sterling pounds without any costs (Campbell, 2013).

Moreover, the director of the Bristol Pound is in contact with around 20 or 30 towns that want to establish their own currency, while he is not sure how many of them are Transition Towns.

An example is Brighton, which is similar to Bristol because it is quite touristic and there are many small independent shops. Therefore, he is confident that a local currency could work there. Additionally, he is in contact with already established local currencies like the Totnes Pound, to share knowledge and the electronic software of the payment system (Interview Director Bristol Pound, 2018).

The fact that both businesses and the council can make use of the Bristol Pound as part of employees' salaries and the former can pay taxes in it, strengthens the alternative currency system *'which is the first time that it has been done, certainly in the UK'* (Interview Former Mayor Bristol, 2018). Therefore, it is one of the most institutionalised local currencies in Europe. While the support of the local council is very advantageous for any community project, it also enhances insecurity (Henfrey & Maschowski, 2015). As Clarke explains about Ferguson: *'he was a key supporter, a very high level supporter. That was great but then there was another election and he was voted out. And the person that came in, ehm, was less enthusiastic about what we were doing'* (Interview Director Bristol Pounds, 2018).

Thus, the support of local authorities is key, however if this support is not sustained the local monetary system may weaken. Ferguson is afraid that it is almost like *'politics against progress: politics is about being careful in order to be re-elected and I think we need more independent politicians who are prepared to be radical because they don't mind whether they are re-elected or not'* (Interview Former Mayor Bristol, 2018).

Additionally, the former mayor of Bristol argues that in the council instead of considering separate topics, like housing, planning and infrastructure, a more holistic and long term approach is needed in which all topics are connected. Additionally, he argues that it would be helpful if government invested more in local community initiatives, in terms of financial support but also in terms of expertise for example about financial and legal issues (Interview Former Mayor Bristol, 2018).

Ferguson mentioned that for a system like the Bristol Pound to truly work, the city needs to believe in it. By accepting his complete salary in local pounds, just after it launched, he demonstrated that he trusts the system and that he wants to invest in the local economy, which encouraged others to join as well (Interview Former Mayor Bristol, 2018).

Nevertheless, as argued by Elford: *'I don't know George Ferguson, but I knew that, you know, he is famous because he took all his salary in Bristol Pounds, but he is a very wealthy man'* (Interview Director Totnes Pound, 2018). As Ferguson probably has more Bristol Pounds than most people, he explains that *'it was not so easy. I was fortunate that I had some other income, if I were to rely on Bristol Pounds 100 percent that would be difficult. Otherwise I would have been forced to convert some of it back into Sterling pounds'* (Interview Former Mayor Bristol, 2018). Furthermore, he explained that he was an exception as he was independent on the council and thinks that few of his colleagues took part of their salary in the local currency. He thinks only the green party was supportive (Interview Former Mayor Bristol, 2018).

The Director of the Bristol Pound is also a councillor and receives part of his salary in local pounds. He is not sure how many colleagues make use of this possibility as well and guesses that half of the councillors may take some salary in Bristol Pounds (Interview Director Bristol Pound, 2018).

The local government also helped the circulation of the Bristol Pound by hiring a contractor for a million pound project in Bristol Pounds. The contractor re-spent the local money, so the money was passed down in the supply chain. These kinds of actions can make sure that the Bristol Pound is used to a greater extent (Interview Director Bristol Pound, 2018).

In the beginning, the local council gave some funding, around 4000 or 5000 pounds, for a feasibility report, which was the first money the Bristol Pound organisation received. For this report, the organisation talked to individuals, businesses, the Bank of England and authorities (Interview Director Bristol Pound, 2018).

Additionally, the council supported the Bristol Pound financially for the first three years and provided a rent-free office for three years, which is *'a tiny thing, but a big thing for a small organisation'* (Interview Director Bristol Pound, 2018). About the relationship between the initiative and the local government, Clarke explains that it must be a combination of bottom-up action and some governmental help in regard to finances and other resources. He explains that *'ideally you clearly become financially independent as soon as you can. With what we are doing is actually quite hard to be financially independent because some of the benefit that we are bringing is very intangible'* (Interview Director Bristol Pound, 2018).

Moreover, the Bristol Pound received funding from the European Union as it was part of a project called DigiPay4Growth, which lasted three years. The project was set up to discover the usefulness of a certain digital payment system in the context of the Eurozone crisis. It has shown the possibility for increasing the multiplier effect and enhancing opportunities for small businesses and employment. The grant attached to this project was a great boost for the Bristol Pound (Interview Director Bristol Pound, 2018).

Currently, there is a great amount of businesses involved, while it is harder to motivate customers to make use of the Bristol Pound. Therefore, now having over 800 businesses, the Bristol Pound has stopped to approach businesses as they will join anyway. The main concern is increasing the Bristol Pound customer base (Interview Director Bristol Pound, 2018).

Ferguson explains that Bristol Pounds can stimulate people, including himself, to behave in certain ways, such as buying more local, high quality products at independent shops, transferring to a local sustainable energy company and more frequently traveling by public transport. Thus, the local currency works as an incentive; a nudge in the right direction (Interview Former Mayor Bristol, 2018).

Clarke (Interview Director Bristol Pound, 2018) argues that it is difficult to manage local spending because *'with the Bristol Pounds I feel it is money to have good fun with. [...] right now I have got 200 pound in my Bristol Pound account, I think great I have 200 pounds to spend on fun things. So that is not necessarily very good, you need a budget and be careful about it. Again it is, the psychology of money is a very interesting subject. And Bristol Pound feels like a different kind of money, because you feel you are doing good'*. Still, he does make use of it in multiple ways, including paying his electricity, gas, local taxes and public transportation (Interview Director Bristol Pound, 2018).

In Ferguson's opinion, not enough action is taken by the Bristol Pound organisation, mostly in terms of inclusivity. For example he argues that more diverse and ethnic businesses should get involved with the Bristol Pound. To spread the use of the currency, it could be introduced at local markets, which can become hubs to spend the local money. Also, in his opinion more promotion is needed (Interview Former Mayor Bristol, 2018).

Another current obstacle is that, as discussed in the former chapter, it is only possible to circulate local money in areas with local shops, such as the independent district in Gloucester Road (figure 4.10) where many small shops are based. Such areas are an exception as many neighbourhoods, like Hardcliffe, have only few supermarkets and no independent shops. Often these shops have closed down around 25 years ago and transport to the city centre is too expensive for the residents (Henfrey & Maschowski, 2015). Ferguson's opinion about supermarkets is as follows: *'it dominates, it is virtually the only retail. It is really sad. But on the other hand it will be a tragedy if the supermarket left because it would just leave a big hole in the middle of this community'* (Interview Former Mayor Bristol, 2018).



Figure 4.10: Bristol's independent district, Gloucester Road, North Bristol (Source: own picture, 2018).

The Bristol Pound CIC experiences this difficulty as it limits the expansion of the local pound. In Clarke's words: *'I mean I live near North Street actually, and North Street is you know a great shopping centre, but if you go beyond North Street into South Bristol, and particularly South Bristol, there are very large areas where there are no independent shops. There's big supermarkets, discount supermarkets, no independent shops. So why would people join the Bristol Pound? Where can you spend them? So that is a problem'* (Interview Director Bristol Pound, 2018).

While it is difficult, the Bristol Pound tries to do something about this, namely by setting up a project related to the Real Economy, a food cooperative. Groups of neighbours and friends are stimulated to buy goods and services, particularly food in bulk, from local suppliers and farmers and pay in Bristol Pounds. It is a way to get more people involved, however it is quite hard and it remains difficult to engage more disadvantaged people (Interview Director Bristol Pound, 2018).

About marginalised people Clarke (Interview Director Bristol Pound, 2018) explains that they *'are struggling to survive, you know, people who are, you know they don't have time to think about it. They haven't got smartphones, you know, maybe they are just not interested, and they don't get what we are trying to do, and they say what members [local businesses] have you got here, have you got one or two maybe. So that is hard'*. While the Bristol Pound is ideologically motivated to be an inclusive organisation, it is hard to achieve this, resulting in unequal empowerment (Interview Director Bristol Pound, 2018).

Ferguson owns a café called the Tobacco Factory and a brewery that both accept Bristol Pounds and the café also issues the local money. Overall, only a minority of people make use the system. Many may not be interested in the scheme *'because the Tobacco Factory has a huge mix of people coming in, you know, football fans and things'* (Interview Former Mayor Bristol, 2018). This quote illustrates that only specific kinds of groups are interested in the local currency.

While some interviewees confirm that the local money is not used much, as in some shops it is used only a couple of times a year (Interview Bristol Flower Shop Centre, 2018; Interview Bristol Gift Shop North, 2018; Interview Gallery, 2018), others state that they receive Bristol Pounds once a week, a couple of times a week or even daily (Interview Concert Ticket Shop, 2018; Interview Bristol Café South, 2018; Interview Fast-food Restaurant, 2018; Interview

Liquor Store, 2018; Interview Bristol Grocery Store North, 2018; Interview Bristol Café North, 2018). Many argue that mostly a fixed group of regular customers make use of it. This specific group is described as locally and ethically engaged and middle aged or older. These kinds of people may be involved with the local currency to a greater extent because they are settled in a specific neighbourhood in contrast to younger people that move around more (Interview Bristol Clothing Shop North, 2018; Interview Liquor Store, 2018; Interview Bristol Grocery Store South, 2018; Interview Bristol Café Centre, 2018).

One interviewee describes Bristol Pound customers as eccentric, including creatives, website designers and artists because they like that the local pound is an independent system (Interview Bristol Café Centre, 2018). Another interviewee describes his Bristol Pound customers as a specific group between 45 and 60 years old, equally male and female, who are very into localness, they probably eat, drink, socialise in the same way and probably are all vegetarians. He claims that even if they do not know each other, they would get along quite well (Interview Liquor Store, 2018). Another shopkeeper explains that customers that use Bristol Pounds are very environmentally minded as they bring their own bags or ask for paper bags instead of plastic ones (Interview Bristol Ethnic Grocery Store, 2018). One shop already started accepting Bristol Pounds before it was officially registered at the Bristol Credit Union. This shows how specific kind of customers can influence the behaviour of businesses (Interview Bristol Grocery Store South, 2018).

Currently, while the app is very easy to use and used more compared to local paper notes, using Sterling pounds is still easier. The Bristol Pounds are not used for everyday supplies but as fun money or special money, for example some get it for their birthday. Also, mostly small things are bought with the local money, such as one gift or a little bit of food. Tourists often get some Bristol Pounds in cash as a souvenir and collectors collect them, including the older series (Interview Optician, 2018; Interview Bristol Café Centre, 2018; Interview Bristol Gift Shop North, 2018; Interview Bristol Ethnic Grocery Store, 2018; Interview Gallery, 2018).

Overall, it is explained that at first the Bristol Pounds were a hype as there was much promotion, but now the attention has faded and people start forgetting about it as it is not new anymore. Only during Christmas, the Bristol Pound was used a lot to buy local gifts at local stores as a lot of promotion was made by the Bristol Pound CIC (Interview Bristol Toy Shop, 2018). Two interviewees claim that some businesses even stopped accepting Bristol Pounds and one is surprised about the little amount of shops that accepts them. Multiple shopkeepers emphasise that it could work better if chain stores like Tesco would be involved, as the project would become more mainstream and inclusive. Instead of using local pounds for special quality products, it could be used for everyday products. Moreover, it would incentivise chain stores to become more locally involved (Interview Bristol Toy Shop, 2018; Interview Bristol Clothing Shop North, 2018; Interview Bristol Gift Shop North, 2018).

Business use the local money to (occasionally) pay some local suppliers, business rates, or use the money as salary to buy small things, like coffee and food at shops in the area or hoard it, for example as an emergency fund. Some use it as a bonus for employees and go out together for drinks and food at local places. Interestingly, the ones that get part of their salary or bonus in local pounds, often spend it within the neighbourhood. So, while the Bristol Pound can be used throughout Bristol, it partly circulates within shopping districts, such as Gloucester Road and North Street (Interview Bristol Grocery Store North, 2018; Interview Fast-food Restaurant, 2018; Interview Bristol Toy Shop, 2018; Interview Bristol Flower Shop South, 2018; Interview Optician, 2018). A reason for employees not to take local pounds as part of their salary is because it is too restrictive. For example, one employee does not live in an area where they can

be spend (Interview Charity Shop, 2018). Some shops convert some of the local pounds they receive back into Sterling pounds as they do not have enough options to spend the local money (Interview Bristol Flower Shop Centre, 2018; Interview Concert Ticket Shop, 2018; Interview Bristol Ethnic Grocery Store, 2018).

Many hope and/or think that the project is improving and will be used more in the future. While some argue that the support from the council is essential (Interview Bristol Café North, 2018; Interview Bristol Ethnic Grocery Store, 2018; Interview Bristol Grocery Store South, 2018; Interview Bristol Flower Shop South, 2018), others think the bottom-up character is very important and the council should be involved as little as possible (Interview Gallery, 2018; Interview Bristol Café Centre, 2018).

In regard to the other local pound systems discussed in the former sections, the Bristol Pound has an elaborate infrastructure and is institutionalised to a greater extent. It is still growing and advises other local currency projects. Funding and support from the local council and the European Union have been crucial for the establishment of the local currency, especially in regard to the electronic payment system. Ferguson has been a key supporter, but was only able to receive his mayoral salary in local money as he had additional income. In general the alternative currency is mostly used as ‘fun money’ as it is an incentive to spend more at independent, high quality, expensive shops but not on basic needs. Many neighbourhoods without local shops are excluded from the monetary system and many argue that it would be wise to engage chain stores, such as supermarkets, in the system. Currently, only a specific group of customers is actively involved with the local pound. This demonstrates that the Bristol Pound, due to its relatively high level of institutionalisation, is struggling between remaining radical or becoming more mainstream.

Impacts

The Bristol Pound, after running for six years, is one of the most successful local currencies in the United Kingdom, as ‘*people got great affection for it in Bristol*’ (Interview Director Bristol Pound, 2018). ‘The Bristol Pound’s very existence is proof that bottom up community organising works, and that together, we can create a greener, fairer and stronger local economy’ (Bristol Pound, 2018a: 6).

Bristol is ‘*the right size, it is not too small, not too big, just the right size, there is a lot of projects going on, there is lots of young people, lots of independent businesses already. We had like the politicians who really liked us. I don’t think it is just Bristol but I think it was the right place at the right time [...] I don’t think Bristol was unique but I think that it [the Bristol Pound] is always going to work in Bristol actually*’ (Interview Director Bristol Pound, 2018).

While the Bristol Pound is often depicted as a success story, the impacts of this monetary system are quite uncertain. As Clarke argues: ‘*I mean in some ways we are very small so it is hard for us to have a real economic influence, we can have a social influence, we can have an educational influence, so we can make it more, just you know think for a moment what money is. If I open my wallet and I’ve got Bristol Pounds and normal pounds, just for a moment it just makes you think*’ (Interview Director Bristol Pound, 2018).

In regard to economic, environmental and social aspects, the latter aspect is most visible according to Clarke. He describes that when ‘*I walk into a shop and I pay with my app, the person’s got my name, so if I go in, after four times he says hi Stephen. How much is that worth you know? It is worth nothing economically, from a social perspective it is great, I love it. I got a relationship with the person in a way that I didn’t have before so it is the social impact*’ (Interview Director Bristol Pound, 2018).

Ferguson's opinion is much alike, in his words: *'I think the Bristol Pound comes with an element of fun. You know the notes and all that, it comes with an element of pride in the city'* (Interview Former Mayor Bristol, 2018).

Thus, the local pound raises awareness about money and it has a social impact because it enhances local pride and personal relationship between shopkeepers and customers. Shops and shopping areas enjoy extra attention and stimulate a feeling of community and belonging. Additionally, the amount of tourists and thus the contribution to the local economy in Bristol increases (Caldwell, 2017b; Interview Bristol Grocery Store North, 2018; Interview Bristol Clothing Shop North, 2018; Interview Bristol Toy Store South, 2018).

While some businesses are hopeful that the local pound project will grow, others think it is going downhill. One interviewee claimed that while expansion would be beneficial because more people would get involved, it would also be difficult to re-spend the local money if it would be used more as there are not enough local suppliers (Interview Bristol Flower Shop South, 2018).

Economic and environmental impact is lacking as only a minority makes use of the local money at the moment. According to the former mayor of Bristol it will probably never be the majority of Bristolians that make use of it, but he is hopeful that it will sustain and keep people nudging into ethical local spending (Interview Former Mayor Bristol, 2018). Currently, around 84 per cent of food in Bristol is bought at five large supermarket chains, which is more than the average in the United Kingdom. The most influential companies in Bristol are mainly focused on the global economy and based on fossil fuels. Moreover, the environmental movement in Bristol is not a unified force, but exists out of multiple groups that compete for resources and funding, which weakens the overall environmental impact (Henfrey & Maschowski, 2015).

These facts demonstrate that, as the director of the Totnes Pound explains about local currencies: *'it is sort of community building in a way, but I feel that the local economic impact, if anyone could really study that, it is very modest, even in Bristol. And in Bristol they are endlessly sending out emails, and having meetings and gettogethers and offers and Christmas and all that'* (Interview Director Totnes Pound, 2018).

Furthermore, due to a lack of evaluation, hard evidence that the local currency is functional is scarce. Therefore, according to Clarke it would be useful to assess the local money flow to understand how much is circulating and where the money is flowing. Nevertheless, such an assessment is quite expensive (Interview Director Bristol Pound, 2018). In his words: *people say to us how many jobs have you created? I haven't got a clue, because it is not, that particular business, can it stay open because of the Bristol Pound? Not really. But if you go to that business and say what do you think of the Bristol Pound, they would say; great I love it. People come here all the time, it is brilliant, a great scheme, it really helps me. So it is quite hard to measure that impact, and actually that is an area with which we really struggled; impact assessment. [...] because you know people who give us money they say well what impact have you had? And we say it is hard to say. That has been a problem'* (Interview Director Bristol Pound, 2018).

Still, there has been a great academic interest in local currency projects like the Bristol Pound, including master researches, school projects and PhDs. *'There is an interest in it, because normally people don't have a choice in what kind of money they spend. You know we are giving people a choice, a chance to spend in line with their values which is quite difficult normally'* (Interview Director Bristol Pound, 2018). This demonstrates that mainly people that are truly ideologically motivated and able to understand the added value of the alternative monetary system are involved with the local pound, either by using it or by researching it. This explains why mostly higher educated and left-wing people are engaged (Interview Director Bristol Pound, 2018).

Thus, not everyone perceives the advantages of a local currency as it is not very tangible. It is easier to get locally involved to, for example, improve the neighbourhood one lives in. If enough money is raised and the area is improved, there is immediate physical local impact that one can observe. Contrary, using an alternative monetary system does not have immediate visible impact, *‘what we are trying to do is more ambiguous than that’* (Interview Director Bristol Pound, 2018). It is not necessarily the case that when one explains what a local currency is, how it works and what it can achieve, that people will understand that or think of it as a useful thing. Some do not see the point of it. To be able to understand the potential advantage of using a local currency one needs to engage intellectually, but not everyone bothers to do so or is able to do so. Therefore, unintentionally, the Bristol Pound is an exclusive project (Interview Director Bristol Pound, 2018).

Additionally, the researchers Johnson and Harvey-Wilson (2018) state that some people lack the time to figure out how a local currency could be used. Also, many do not have the financial flexibility to get involved with an alternative monetary system (Johnson & Harvey-Wilson, 2018). This resonates with an interview, as an interviewee argued that one must understand the concept before one can become motivated to use it (Interview Bristol Gift Shop North, 2018).

Also, the impact will always be dependent on the support of the local authorities. A reason for them to do so is that it is a good marketing tool, both for local businesses and for the image of Bristol nationally and internationally. As Ferguson claims: *‘I have given Bristol Pounds to Presidents and Prime Ministers, to the Queen, you know, so all over’* (interview Former Mayor Bristol, 2018). Also Clarke notices the international attention that the Bristol Pound has gotten, as he states that *‘in a way we are more known around the world than here really. [...] I was in a remote part of Brazil, I went into a local pub and a guy asked where do you come from? I said Bristol and he said oh the Bristol Pound! It was so weird’* (Interview Director Bristol Pound, 2018).

While the Bristol Pound is one of the most successful local currencies, its impact is mostly visible in strengthening the community as economic or environmental results are lacking. Moreover, the local currency is an important marketing tool. Local money can also be perceived as an educational tool, but it does not necessarily educate everyone as it may be difficult to understand the potential advantages of the system. This explains that only specific groups within the Bristol community are empowered.

4.4.3 Conclusion

Bristol is known for its environmental activism and has diverse neighbourhoods, including poorer and richer areas. While there are some known shopping areas with many independent shops, other neighbourhoods rely solely on supermarkets.

Currently, the local currency in Bristol is mostly used by higher educated, left-wing residents who mostly spend it on luxury products. Still, the elaborate infrastructure of the local pound also allows people to pay their taxes, electricity, gas and public transport with it. This demonstrates that, compared to the Brixton Pound, the infrastructure of the Bristol Pound is even more elaborate and thus institutionalised to a higher degree. The Bristol Council and the European Union have been important supporters of the currency but are also unpredictable. Presently, the Bristol Pound CIC is discussing whether they should remain radical in their approach and very much alike the Transition Town ideology or become more mainstream, to increase their customer base. The CIC has an important role in creating more local supply chains and involving local businesses with the local pound, however it remains difficult to include more customers in the scheme.

Currently, the economic and environmental impacts of the local pound are insignificant, while it does enhance pride and social relations in the community sector. This demonstrates that the perceived social and environmental injustices are mostly addressed by strengthening the community sector. The currency both promotes independent businesses within the city and Bristol as a whole. Still, as not everyone understands the Bristol Pound and/or is able to use it in their neighbourhood, the currency is not as inclusive as it would like to be. While socially engaged, environmentally friendly, independent shops can nudge people in different kinds of behaviour, which may enhance both passive and active justice, not everyone can afford to do so in terms of money and time. Therefore, as empowerment is not equally shared, injustices within society remain or even worsen, in spite of the ideas and projects that have emerged within the Bristol Pound project to engage more with marginalised groups in society.

4.5 Comparative Analysis

Motivations

In this section, the literature study of chapter 3 is compared to the case studies discussed in this chapter. The descriptions of perceived injustices of stakeholders involved with local currencies are quite similar in both chapters as injustices within the market sector are most prominent. Additionally, the case studies demonstrate that some project initiators are more radical and environmentally concerned than others, which relates to their (lack of) involvement in the Transition movement. Moreover, many want to strengthen or maintain the community cohesion, as in all three cases a strong community feeling was already present before the monetary initiative.

Therefore, for most people to engage with local currency initiatives, market injustices are the main motivation as people believe that money and banks should work for them instead of the other way around. It is about gaining control over money. Broader social and environmental concerns are less prominent but still present in most cases.

In chapter 3, it is stated that local businesses contribute more to the local economy, community, local policies and the natural environment, compared to MNCs. However, the case studies clearly show that local currencies are initiated in exceptional places, that are creative, activist and innovative and that they only function in specific neighbourhoods that already have a strong local economy and community. This also explains that housing prices in both urban places like Brixton and rural areas like Totnes increase as many people want to live there.

Thus, the motivation of local currency users is not specifically focused on helping the most marginalised in the market sector and in society in general, but on protecting special shopping districts. Still, it is perceived as a great injustice that lower income groups and ethnic minorities are increasingly excluded from these places.

Actions

In regard the actions taken by stakeholders involved with local money, the creation of such an alternative stimulates creativity, critical thinking and ongoing experimentation. This chapter demonstrates that due to shared learning, local currencies have become more institutionalised and more diverse stakeholders have gotten involved. Nevertheless, even the Bristol Pound, which has a very elaborate infrastructure, is mostly used by a specific group of left-wing, higher educated people.

As discussed in the former chapters, active justice is enhanced by taking citizenship. However, as specific groups take citizenship and create local currencies institutions, not everyone is able to engage with or has access to these alternative ideas and practices. Thus, as the interviews

show, injustices like wealth inequalities and gentrification unintentionally lead to social exclusion, as the active and passive justice that local currencies try to enhance is not strong enough to counter structural injustices.

In chapter 3 the argument was explained that some local money systems are not different enough from the regular monetary system. This is clear from Totnes as many interviewees argue that they do not notice any difference in spending local pounds or Sterling pounds. Simultaneously, some interviewees in Bristol argue that local currencies are too radical and instead should include chain stores and become more mainstream. This demonstrates that every locality deals differently with the question how to be radical but still inclusive.

Impacts

In the former chapter it is explained that the excitement for local currencies on websites and in news articles are not reflected in their actual achievements. This is confirmed by the case studies, as there is much international attention and enthusiasm, while the Totnes and Brixton Pound for example are hardly used by local people. As Elford argues: *'the point is; if local currencies, if Sterling-backed currencies, like ours, or euro-backed currencies, are the answer, well what's the question? If the question was, the aim was to actually really improve the local economy, it does not really work, I don't think it works'* (Interview Director Totnes Pound, 2018).

This quote illustrates that local currencies are not the right answer, or at least not without additional projects, to the question how to strengthen the local economy. It is clear that, as also discussed in the last chapter, a lack of evaluation is part of this problem. Nevertheless, a local currency could be the answer to different questions, for example the question whether people feel empowered by it or whether using a local currency increases environmental awareness. The social and educational aspect of local currencies can be empowering as they contribute to community building, pride and identity.

Still, not everyone understands the concept of local currencies, are able to make use of it and therefore are not empowered by it. It is clear from the interviews that unintentional social exclusion is not necessarily a blind spot for local currency project, however such projects are not powerful enough to counter the (structural) injustices in society. This demonstrates that besides bottom-up action, also top-down action is needed to achieve the aims local currencies would like to achieve, which resonates with the findings described in chapter 3.

Overall, throughout the years, there has been a lot of progress in establishing local currencies. It started with 300 notes being printed for fun in 2007 in Totnes, which could be spent at eighteen different shops, while currently (electronic) local pounds are used on a daily basis in Bristol to pay for, among other things, waste-free products, local foods, electricity, public transport and taxes. While a main concern for stakeholders involved with local moneys is the support of local businesses, they mostly have social effects. This relates to the marginalised position of the community sector as described in the former chapter. Through community empowerment, the dominance of the market sector in its current form is challenged.

Chapter 5. Discussion

This chapter is used to reflect on the research and highlight interesting observations and limitations. In regard to the findings, two central topics are discussed.

5.1 Reflection on Conceptual Framework

I have experienced that political ecology and the MaP fit together quite well. The former namely adds to the latter as it explains that all sectors part of society are embedded in and dependent on the natural environment. Moreover, they both focus on both hegemonic and alternative power dynamics as power relationships can be restrictive, supportive and neutral. Furthermore, Avelino (2011) argues that actors that are part of a dominant discourse but willing to change it, can play an important role in stimulating a transition process. Thus, transiting to a more sustainable society is not necessarily a struggle against neoliberal interests as cooperating with neoliberal actors and making compromises can also be useful. This adds to political ecology as the MaP goes beyond the idea of short term capitalist interests versus local populations and nature.

By using a political ecology perspective, in all the interviews I asked whether the most marginalised groups in society are involved, taken into account and benefiting from certain actions. This neo-Marxist perspective is closely related to the ideology that is present in local currency initiatives and thus suitable to understand these initiatives that want to enhance societal and environmental justice. Still, to find solutions to the problems local money projects face, other perspectives and theories, such as practice theory, may be more useful.

Additionally, figure 2.4 has been helpful for operationalising the research question and explaining the dynamics within a local currency initiative. In chapter 2 it is explained that intrinsic motivation depends on (1) having the right capabilities, (2) being able to choose how to be involved, (3) perceiving the involvement as meaningful and (4) having notable impact (Avelino, 2011). The last feature is clear in local currency initiatives as a lack of impact reduces motivation. Still, people are ideologically motivated as the initiatives are perceived as meaningful. These people often have diverse capabilities and therefore can be involved in diverse ways, such as having the right legal and financial knowledge and a useful network to help institutionalise a local money project. This demonstrates that, on the long term, a specific group of people are motivated and able to maintain engaged with local currency institutions.

Moreover, this shows that the role of citizenship in this case is a specific kind of citizenship, as it is mostly taken by green, left-wing, middle class and higher educated citizens. This is related to the section exclusivity (5.3.1). This exclusivity again influences the way the local currency institution is shaped and increases both active and passive justice for only particular groups in society. However, when a small group of people get too many responsibilities it can also be disempowering.

Therefore, figure 2.4 can be elaborated upon by adding the context of structural injustices in society before examining the perceived injustices, as structural injustices influence who is able to take citizenship and what injustices are perceived. Moreover, figure 2.4 can be applied to other local initiatives when local currency institutions are replaced by other bottom-up institutions that try to tackle societal and environmental injustices.

5.2 Reflection on Methods

This thesis clearly shows that it is important to combine a literature study with interviews, as through the latter more reliable, in-depth and up-to-date information can be gained. The literature, local currency websites and news articles were quite optimistic about the potential of local currencies. Nevertheless, the theoretical advantages of alternative moneys may seem obvious to academics and involved stakeholders while others do not necessarily see the point of it. News articles and websites are promotional tools for local currencies on the short term and thus show much excitement. This is linked to cultural novelty and is sometimes misleading. For example in regard to analysing websites, it is unknown when information was written and thus unknown if it is still accurate. I discovered that sometimes the information was out-dated, which makes most of the information unreliable. Still, the literature study was helpful for preparing for interviews, getting an overview of many local currency schemes and finding diverse potential advantages of local currencies.

By examining three case studies in the United Kingdom thoroughly, the development of local moneys and specifically Transition currencies in the South of the United Kingdom in the last eleven years have been investigated. Most people interviewed and thus involved with a local pound, are very motivated about it and had a lot to talk about. Therefore, it was easy to gain much information in most cases, without having to ask many questions, so semi-structured interviews were suitable. The gained information is characteristic for the whole of the United Kingdom as interviewees explained that other projects in this country face similar problems and that there is much collaboration between British local monetary initiatives. As in addition a literature study was conducted, including both European and North-American cases, to some extent this thesis represents local currencies in the Global North. The comparative analysis (4.5) demonstrates that the information gained from interviews was mostly complementary to the literature study instead of contradictory, which strengthens the results of this thesis. Still, European countries that are struggling most with the euro-crisis, such as Greece and Italy, are not included in this thesis. Therefore, this research does not necessarily represent all countries in the Global North.

5.3 Reflection on Findings

5.3.1 Exclusivity

In regard to the three case studies, already before the monetary initiatives the places were quite authentic. They have many independent shops and are exceptions due to their open-mindedness, liveliness and activist history. While it is argued in this thesis that local currencies enhance pride and a sense of belonging, the opposite could be argued as well; only in exclusive places local currencies are initiated because people are proud of the area and there is a significant local economy that can be supported. It is difficult to measure whether pride is increased due to a local currency or whether a local currency merely emphasises the pride in a locality that is already there. In any case, it is clear that local currencies thrive best in very specific circumstances, signifying their exclusivity.

At the beginning of my research, a manager of a community café stated that: *‘you probably won’t meet anyone in your study who voted for Brexit’* (Interview Brixton Café, 2018). This quote illustrates the exclusiveness of local currency initiatives. Currently, the promotion of the local currencies are mainly attracting a specific audience, namely left-wing, environmentally-

mindful citizens. Nevertheless, before I went to the United Kingdom, I expected to meet diverse kinds of people, including Brexit supporters. I thought that, whether right or left wing, nationalist or cosmopolitan, anyone can be in favour of supporting the local economy instead of multinationals based elsewhere. This is also in line with the fact that all political parties in Bristol support the local pound. Still, the interviewees in this thesis are mostly left-wing, environmentally-minded citizens.

While a main aim of local currencies is to support independent businesses, some interviewees argued that supermarkets should be involved. This demonstrates that the interests of initiators and users of alternative monetary systems clash and that the interests of users are not completely taken into account. This can be related to the fact that four of the five key interviewees are men, leftish, white, idealistic, engaged, have different capabilities and/or jobs and are part of large networks. This demonstrates that the information gained from the key interviews can be biased and that only a specific group is involved and able to take responsibilities, which results in exclusive designs of local currencies.

Additionally, as argued in the former section, local currency websites, literature and news articles show much excitement about local currencies. Compared to these information sources, the reality is less exciting as the great potential of local monetary systems is not (yet) achieved. Therefore, currently like-minded people are initiating, researching and showing an interest in local currencies, creating an exclusive group of mostly high educated, left-wing people, including myself, that confirm each other's point of view. This can be dangerous as, for example, being politically involved and changing one's lifestyle may be a privilege but without realising this, there may be too high and/or wrong expectations of others.

The exclusiveness of local currencies was partly defended by two key interviewees, Elford and Ferguson, who emphasised that most movements start with middle class groups and later on broader change in society is achieved. On the one hand, it is useful, in my opinion, that people who are able to take citizenship are experimenting with local currencies and improving these systems so that later on more people can be reached. On the other hand, if only a specific group is involved in designing local currencies, there is the danger that the monetary systems do not serve the interests of other groups in society now or later on. It is often stated on websites of local currency projects that the way money acts should change. Nevertheless, for money to act differently, people must act differently in regard to money as well. In this regard, creating a local currency institution seems easier than changing the behaviour of citizens.

Thus, while the potential of local moneys may seem great from a certain point of view, its potential can only be realised if diverse kinds of people are involved. Therefore, more diverse opinions may be needed to create local monetary designs that fit with the interests of different groups in society, so that local currencies can become more mainstream.

5.3.2 Lack of Impact

When transformative power is used, a long term impact can only be guaranteed if this power is also reinforced (Avelino, 2011). It is clear that in the case of local currencies, these initiatives do not have enough transformative power and therefore long term impact is not guaranteed. While some interviewees were positive about the future of local money, others were quite sceptical. The interviews made clear that it is difficult to draw the line between realistic expectations and wishful thinking in regard to local currency initiatives.

Still, for any kind of monetary system to work, people must believe in it and trust it. This can be linked to political ecology perspective as all ideas can be de- and reconstructed. Thus, the (over)excitement and promotion is needed to make sure people will believe in it. Influential figures, like the former mayor of Bristol, play an important part in enhancing trust in alternative monetary systems. Thus, the enthusiasm present on websites, in news articles and in literature may be exaggerating but necessary to make a new institution work. Impact can only be achieved if people believe there could be impact. As part of the new economics movement, thinking about, believing in and experimenting with alternative systems can have more tangible impacts on the long term. Wishful thinking is to some extent necessary to achieve this.

Moreover, ten years of experimenting with local currencies is still quite short and it should not be expected that in ten years structural injustices in society can be countered by bottom-up action. While alternative monetary systems are often perceived as economic and environmental tools, the social impact is currently most notable. This impact should not be underestimated as through stronger social relations, democratisation can be enhanced. As social and environmental injustices are interconnected, the creation of a strong community is fundamental for tackling economic and environmental issues. Therefore, increasing social cohesion is a first step towards resilience. However, the question remains whether local currencies are able to bridge the gaps between different group in society and thus enhances unitedness, or whether social cohesion is only increased within certain groups, and thus enhances dividedness.

To increase inclusiveness and impact of local currencies it is interesting to look beyond the local. The fact that people can be part of multiple localities and tourists are attracted to local pounds as souvenirs shows the interconnectedness of the local and global. As many interviewees argue that local pounds are too restrictive, alternative market practices should become more expansive. This can be achieved by, for example, internationally interconnected local currencies like the Liverpool Local Pound and/or the involvement of chain stores and MNCs.

5.4 Conclusion

The combination of the two used perspectives in the theoretical framework are helpful for understanding local currencies, but not necessarily to find the right solutions to their problems. Figure 2.4 is very useful for understanding the dynamics within any bottom-up initiative, however it must be added that structural injustices that are prior to the initiative influence its shaping as well.

The methods that have been used are complementary and helped to understand local moneys in the United Kingdom and to some extent the Global North. Only by combining them it was possible to notice the gap between the great expectations and the lack of impact.

Currently, the two main concerns for local currency projects are its exclusiveness and its lack of impact. It is clear that only a small, specific group remains intrinsically motivated, is able to take citizenship and gains more active and passive justice. This exclusiveness results in local currency designs that are not necessarily aligned with the interests of its potential users and limits the impact. Still, local currencies mostly play a role in strengthening social relationships, which is a first step in countering inequalities and specifically the marginalised position of the community sector. Continue to believe in the potential of local monetary alternatives is crucial in finding solutions to the problems local currencies currently face.

Chapter 6. Conclusion and Recommendations

This concluding chapter provides an answer to the main research question and some recommendations for government authorities, nongovernmental organisations, researchers and communities in regard to local currencies.

6.1 Conclusion

The main research question of this thesis is:

Which social and environmental injustices are perceived, (not) addressed and (not) counteracted by stakeholders involved with local currencies in the Global North and specifically in the United Kingdom?

A main perceived injustice is the dominance of the market sector, which marginalises alternative practices and undervalues the environment. Additionally, two main injustices within the market sector are the unfair competition between small independent businesses and multinational companies and a disempowerment of employees and consumers. This is strongly related to the Transition movement, which is concerned with peak oil, economic instability, climate change, overconsumption and a lack of bottom-up control.

These issues are addressed by local money projects by creating alternative market practices, empowering communities and enhancing environmental awareness. Due to knowledge sharing and (financial) support from various actors, local currencies in the United Kingdom have become more institutionalised over the years and experimentation is continuing. Nevertheless, the actions taken by stakeholders involved with local currencies are limited due to exclusivity and a lack of local suppliers, motivated customers and local shops.

In regard to counteracted injustices, this research shows that the social aspect of local currencies is most obvious, including an increase in trust, pride and a sense of belonging. Alternative monetary systems provide a sense of empowerment, raise awareness and provoke people to think differently. However, due to the small scale of projects, the economic and environmental impact of local currencies are currently neglectable. Furthermore, inequalities persist as local currency project are not powerful enough to tackle structural issues. Still, these systems can be used as an awareness raising tool to focus attention on these injustices. Also, local currencies play a role in the creation of a monetary ecosystem which usefulness may become apparent in the next financial crisis. Overall, the main injustices that are counteracted by local money initiatives to some extent, is strengthening the marginalised position of the community sector and helping to reframe the dominant idea of economics as a more holistic concept.

6.2 Recommendations

First of all, it is crucial for local currency initiatives to have realistic aims that can be evaluated and achieved. While local moneys can certainly play a role in empowering communities, enhancing environmental awareness and reframing the economy, they cannot counteract all injustices in society. Therefore, it must be acknowledged that both bottom-up and top-down efforts are needed to enhance social and environmental justice.

Secondly, already in the start-up phase it is important to realise that particular designs and promotions will attract particular kinds of people. For example, if a project focuses on sustainable consumption and local energy provision, probably only a small but dedicated group will be involved. Another option is designing a more inclusive and mainstream monetary system, to make sure more and diverse groups in society are involved and economic impact is significant.

To enhance inclusivity, it can be useful to look beyond dichotomies, such as local and global, left and right-wing and small independent shops and chain stores. Instead of depicting these terms as opposites of each other it could be more advantageous to focus on the potential cooperation between them. For example, by involving chain stores such as supermarkets in a local currency, various people and neighbourhoods are reached and these chain stores can play a larger role in supporting local economies.

Thirdly, both local and national government officials should help local currency initiatives to become more institutionalised and used on larger scales. Additionally, these actors should play an important role in counteracting the major injustices of wealth inequality, gentrification and the lack of recognition of minorities, so that more people feel that they are part of a system that is working for them rather than against them. When more diverse kinds of people are empowered, bottom-up initiatives like local currencies can become more diverse as well.

Fourthly, for researchers and nongovernmental organisations it is important to both show the potential of local currencies and the current lack of evidence for that potential. These actors can help to set up reachable targets and evaluate outcomes of local money projects. Future research on local currencies can compare the results from this research with cases in other parts of the world to analyse differences and similarities and new possibilities for shared learning. Moreover, it is interesting to examine how the reframing of economics can be integrated in higher levels of politics, businesses and policy, so that the alternative market practices of local currencies can be accompanied with top-down improvements.

Fifthly, it is essential for anyone to realise that money is a very ambiguous and complex concept. Therefore it would be beneficial for government authorities, researchers and nongovernmental organisations to provide more information on this subject, teach about it in schools and create platforms to discuss it. There should be attention for the socially constructed and psychological side of money as well as monetary regulations and impacts.

Lastly, as alternative monetary systems are closely related to changing norms and values in society, it is essential to keep believing in such alternative systems, which consequently helps to reframe economics and democratise societies. Continuous experimentation with local currencies and shared learning are therefore key.

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Appendix

I. Questionnaire Initiator

1. How did the initiative start? Was Transition Town involved? How?
2. Was the local council involved from the start? How? Does the local council/different parties have different motivations to be involved?
3. How is the initiative currently organised (CIC, credit union, volunteers etc.)?
4. Can you shortly describe how you are involved with the local currency? For how long have you been involved with the local currency?
5. Why did you get involved with the local currency? What is your personal motivation?
6. Do you use (get paid in) the local currency? Have you changed your spending habits? How have you experienced this?
7. Do colleagues/councillors make use of the local pound? Do you think your colleagues have similar motivation or does it differ a lot within the organisation?
8. What (do you think) are the most important reasons for users, businesses as well as consumers, to get involved?
9. Do businesses need special requirements to be involved? Do they trade amongst each other and/or pay businesses rates in local money?
10. In my research I found that local currencies often have economic, social and/or environmental objectives. Which one(s) are most important for the Brixton/Bristol/Totnes pound? Why do you have this focus?
11. In my research, I found that local currencies can contribute to (among other things) increasing social cohesion, strengthening the local economy and stimulating consumption of local products.
 - (a) Do you notice these kind of changes or not at all or different kind of changes?
 - (b) While having environmental objectives, impact is often neglectable. Do you agree with this? Do you think environmental aspects will be visible on the long term? Do you think local currencies are appropriate tools to aim for environment sustainability or other tools need to be used to address environmental issues?
12. Do you think change should come from bottom-up empowerment or also a top-down approach is needed?
13. Is it a good thing that citizens and businesses get more responsibilities? Is there diversity in participation?

14. I have read some articles stating that mostly the middle class is able to buy products at local shops as supermarkets are cheaper. Do you think/notice that the most vulnerable people in society are benefitting from local currencies or is it mostly used by the middle class?
15. Is Brixton/Bristol/Totnes a special place or could a local currency work anywhere?
16. Are there also negative impacts, for example people that are not able to participate? Do you think issues like gentrification are neglected or worsened due to the use of local currencies or are they able to play a positive role in this regard?
17. Should the initiative be more inclusive and mainstream or remain radical?
18. How would ideally responsibilities be shared between citizens, businesses, council etc.?
19. Overall, how important is, in your opinion, the local currency for Brixton/Bristol/Totnes? Why?
20. I have read that overall impact is often limited because of the small scale of local currencies. What do you think about this in regard to the Brixton/Bristol/Totnes pound and do you think impact will grow/decline/stay the same? In what way and why? Do you have anything to add, any questions or remarks?

II. Questionnaire Local Business

1. How long have you been accepting/using the local currency?
2. How would you describe this business?
3. Why did you start using the local currency? What is your motivation?
4. Do you think the local currency helps to achieve this?
5. How often is the local currency used? Every day/week/month? Why?
6. What kind of customers make use of the local pound? Do you think mostly the middle class makes use of it?
7. I have read that local currencies are often part of Transition Towns, are you also involved with Transition Towns or interested in it?
8. How do you spend the local money you receive (local trade, business rates, etc.)?
9. In my research I found that local currencies often have social impact. Do you notice this?
10. I have read that overall impact is often limited because of the small scale of local currencies. What do you think about this in regard to the Brixton/Bristol/Totnes pound and do you think impact will grow/decline/stay the same?

11. Should mostly citizens be involved or also the municipality and/or businesses? Who should take responsibility?
12. Overall, how important is, in your opinion, the local currency for Brixton/Bristol/Totnes? Why? Do you have anything to add, any questions or remarks?

III. Questionnaire Partner

1. How long have you been working at the NGO/local council?
2. Can you shortly describe what you focus on in your role is in the NGO/local council?
3. What is the main vision of the NGO/local council? How do you see this yourself?
4. What is your relationship with the local currency initiative?
5. Do you make use of the local currency yourself? How do you experience this?
6. Do you think the responsibilities between volunteers, municipality officials, researchers, businesses and so on that are involved in local currencies are fairly shared?
7. Do you think bottom-up empowerment or a top-down approach is more useful?
8. Do you think the motivation behind and objectives of local currencies are similar to your own motivation or are they different/conflicting?
9. Local currencies are often part of a Transition Town. Do you work together with Transition Town Network as well? What do you personally think of this network?
10. What do you think about locally embedded currencies versus larger regional monetary systems?
11. Should local currencies aim to be quite radical and promote different ways of living or aim to become more mainstream so more people are engaged?
12. In my research, I found that local currencies mostly contribute to social cohesion because of the small scale. Do you agree with this?
13. I have read some articles stating that mostly the middle class is able to buy products at local shops as supermarkets are cheaper. Do you think that the most vulnerable people in society are benefitting/can benefit from local currencies or is it mostly for the middle class?
14. Do you think that the impact of local currency initiatives will grow/decline/stay the same? Why? Do you have anything to add, any questions or remarks?