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## **The money makers: The institutionalisation of alternative currencies in North-West Europe**

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PART

II





# Chapter 3

Failing Forward: The Historical  
Development of Alternative  
Money in North-West Europe

My heart pounds a fraction faster than usual as I walk up the swirling staircase of a light and airy university building. It could be the climate—it is 08.30 am and already hot outside—but in all probability it is my nerves. This is the first day of the ‘3<sup>rd</sup> International Conference on Social and Complementary Currencies’ held in Salvador da Bahia, Brazil, from October 27<sup>th</sup>- 30<sup>th</sup> 2015. Today, one month into the start of my PhD, I will meet Money Makers from all over the world who have gathered to discuss their experiences, strategies, currency models, and, crucially, to learn from each other. The conference is held every two years and travels around the world. The previous one was in the Netherlands, precisely during the time I was studying an alternative currency in Greece in 2013. After Brazil, the Money Makers converged in Spain in 2017, where I participated by presenting some preliminary results of my research. And the most recent one was held in Japan in 2019. But today, I am a newbie in this wondrous network of cosmopolitan idealists all aiming to institute a different type of money in their own locality.

The stairs lead me to the main hallway on the first floor. I walk into an open arena of stands and flyers, where arriving participants greet each other enthusiastically. Almost everyone attending is also presenting. The variety of talks, all held in small workshop rooms, range from time-banking in Australia and the UK; successes and failures of local currencies in France; barter exchange systems in Bulgaria; an initiative called the ‘Catalan monetary ecosystem’; comparisons between local currency systems in Mexico and Argentina; psychological factors in using alternative money; seeing money as art; local currencies as strategies for peace building; the impact of local currencies on sustainability; and simulation and gaming as tools for currency design. There are also reflections on a recently concluded major European-wide project, sponsored by the European Union, called ‘Community Currencies in Action’. If it all sounds dazzling, that is because it was.

Events like this are relatively new, extraordinary, and certainly do not represent the daily reality of designing, implementing, and managing alternative currencies. Nonetheless, I review these conferences because they illuminate three

characteristic qualities of the Money Makers in my research. (1) Though alternative currencies are decidedly marginal in scale and in economic impact—as I established in the introduction—their vast imaginative potential mobilises people to think through possible forms and functions of money; and to invest in discussing these ideas within a transnational network. (2) The resources that go into organising such a conference in turn says something about who the Money Makers are, because—different from the image of monetary alternatives as small, subversive, grassroots groups—they *have* money to spend, either from their own organisations, or they are capable of attaining sponsors and institutions that support their ideals and efforts. (3) Moreover, this imaginative potential of the currencies in combination with the precious time and resources that go into attending conferences discloses a particular experimental approach to creating local monetary alternatives. This approach is the pivot of this chapter. A key phrase I heard constantly, at the conference and throughout my fieldwork, is that the Money Makers aim to learn from their own and each other’s experiments with alternative forms of money. It is this attitude of perpetual experimentation, of failing and learning as a route to success, that I have since come to call ‘failing forward’.

Failing forward refers to how the rapid rise and fall of alternative currency forms is interpreted as a positive route of discovery towards a sustainable economy. Never quite successful, never quite finished, never just-right: to fail forward means that failure is *required* to attain success. The currencies are never perfect, because none of them have—yet—reached the ultimate goal of a financially sustainable, closed-loop, and fair economy. Each new initiative works to learn from the lessons of past initiatives, so that they are a constant (re)invention upon themselves and upon capitalist practice. All of the Money Makers in my research share this attitude of constant experimentation and the discourse of discovery, adventure, and experimentation is widespread. Rob Hopkins, a well-known leader in the Transition Town movement that inspired the Bristol Pound, quotes French writer André Gide in his book: ‘One does not discover new lands without consenting to lose sight of

the shore for a long time' (2008, 97). The distinct sense of innovation and newness is palpable in these circles.

The three organisations I chose to focus on—STRO, Qoin, and the Bristol Pound—form a different, yet crucial, node in the connected web of Money Makers across Europe. This is, not in the least, because of their vivaciously vocal protagonists. To be sure, the attitude of experimenting and of doing something new also propels a particular self-image. The boisterous Money Makers are, in their own words, 'the cowboys of currency' who are 'at the vanguard of financial innovation'. My introduction to this 'frontier' in October 2015 revealed not only the cosmopolitan outlook of the Money Makers and their access to funding bodies and municipal interest, but also how they are categorically unfazed when another one of their inventions is shut down. If anything, the demise of a currency presents an opportunity for the next.

Analyses of alternative currencies in the literature are often about their local success in terms of users, focussing on why people use them and how. This is not my line of inquiry. As said, this dissertation is about the *administrators* of money. Furthermore, to the Money Makers themselves the actual users of the currencies are *secondary* to the currency design and their institutional embeddedness. Only when these conditions are met (namely, to have the perfect design and a functional, financially sustainable, institutional embeddedness) it is time to, in the words of Theo, 'think about consumers'. In many cases there is no user profile. The Money Makers are concerned with models, systems, and structural cooperation with municipalities, funding bodies, and organisations—in turn, so am I.

In this chapter the Money Makers at STRO, Qoin, and the Bristol Pound take centre-stage as I trace the development of the organisations and currencies they have created, and continue to create, on the frontlines of monetary innovation. What, to borrow a phrase from Aihwa Ong (1999, 5), are the 'rationalities' that make a bounded circular economy thinkable, desirable and practicable? I examine which ideas or ideologies prevail in the creation of alternative currencies from the

perspective of their key actors, by historically situating their emergence and typologies in North-West Europe—detailing as such their move towards institutionalisation. This chapter thus outlines the web of multiple currency forms, organisational entities, practices and idea(l)s that form the field site of my study as well as the structural conditions that might obfuscate or facilitate them. This sets the scene for the following chapters, in which I ethnographically develop the four perspectives introduced in chapter one, namely (1) the political physiology of money, (2) incorporation, (3) managerial governance, (4) economic imaginaries drawing from my ethnography with STRO, Qoin, and the Bristol Pound. First, in this chapter I show that STRO, Qoin, and the Bristol Pound are connected to each other through knowledge networks and funding bodies, how they differ in their approach, and how their protagonists seek to administer alternative money through a process of continuous failure. For what is failure but a stepping stone to success (which, for the ambitious Money Makers, always lies ahead in the imminent future)?

### **The Social Trade Organisation**

You almost miss it, if you don't pay attention. The bright blue front door of the Social Trade Organisation sits to the right of an unassuming, narrow building facing Utrecht's main canal. STRO's office, a monument that has been in their possession since the 1970s, is beautifully situated on just a two-minute walk outside the main urban shopping area. The cobbled streets are never void of people or vehicles. As if vying for attention with the peaceful canal-view, or—more likely—smart-phone screens, STRO's tall windows are covered in promotional material, neatly aligned on eyelevel: the front page of the latest newsletter called 'STROkrant', as well as flyers that introduce their recent invention the *Utrechtse Euro*. Yet passers-by rarely seem to notice the building—let alone what goes on inside it.

This small foundation tucked away in the centre of the Netherlands is a world-leading research and development organisation on alternative monetary innovation. To be precise (at least, according to themselves and echoed by the Money Makers I

spoke to across Europe): *the* world-leading organisation in this area. All currencies and organisations in this dissertation can be traced to the activities and products of STRO. They characterise themselves first and foremost as a research and development institute focused on realising a fair and sustainable economy through the payment software innovation called *Cyclos*. STRO's staff situates their activities within the landscape of FinTech (financial technology) innovators and often proudly mention they won the 2014 VISA/Mastercard e-pay innovation award as well as the innovation award of the Gates foundation.

I have worked at STRO's office on a regular basis these past months. This stark day in December 2017 is no exception. Dodging cars, bicycles and pedestrians on the narrow street, I wedge my bike in-between those of the visitors of the neighbouring yoga school. I'm in the final stages of the fieldwork here and have been thinking about ways to describe STRO: their own representation as 'FinTech innovator' might conjure up Silicon Valley-inspired images of a workplace teeming with young developers writing code on gleaming MacBooks. Feeling amused, I unlock the blue door—anticipating no such thing.

The spacious room on the ground floor features a large empty table and two unoccupied PC's. It is about ten am, which means not all of STRO's employees will be at the office; instead working from home in the mornings. Some folders, flyers, and books are lying about on the dresser to my right. The banner above the red sofa in the back of the space reads 'STRO: for an interest-free economy' (my translation). There is also a pile of second-hand solar panels stacked up in a corner, to be put on the roof on some unspecified later date. This is the area where meetings with visitors are held and where the communal lunch takes place. I feel the distinct warm-but-dusty air generated by the small gas heater against my face as I head for the stairway leading to the two main office areas on the first and second floor—doubling back to the kitchen to make a pot of tea. I can't help but feel at home here. The place feels timeworn and the second-hand furniture combined with a lack of ornaments radiates a practical yet cosy atmosphere.

Turning into the small office on the first floor, the relative emptiness of the ground floor is replaced with desks featuring stacks of paper, post-its, and various knick-knacks. On this day, like many others before it, I find Theo, STRO's instigator and CEO, at work amidst a type of chaos that resists any classification into organised or disorganised. As I carefully place the teapot in between a stapler, some flyers and a book, Theo swivels around in his chair with a good-humoured 'Hello!', while holding up his favourite mug for a refill. It's the one sporting a colourful Bristol Pound design: a daily material reminder of how entwined the three organisations are. 'Cold today, huh,' he observes. I concur, and tell him I nearly got knocked off my bike because my mind was drifting. That morning I had been reading the book he wrote with economist Helen Toxopeus, *Een @nder soort geld* ('A different type of money'), and came across one of the first questions he ever asked me: 'Did you ever change the rules of Monopoly when you were young?' Theo's face breaks into a mischievous grin. He loves this question. He, after all, did change them—and has made it his life mission to alter the rules of economics beyond this popular board game. Indeed, the first and most important thing to know about Theo is that he strives to amend the entire monetary system towards a sustainable and circular economy; and that he does so relentlessly, with an almost endless supply of brisk energy. This, to be sure, is not a modest goal. Yet breaking-open systems that appear deadlocked is what has driven him out of bed for over five decades now.

The non-profit foundation<sup>27</sup> Theo set up on the first 'Earth Day', April 22 1970, emanates his purpose through this day. This environmental action group called *Aktie STRObalm*, for



Figure 2 - Logo STRO

'an honest society in balance with the natural environment', started out protesting against nuclear energy and championing eco-tax. But, Theo says, by focussing on connecting environmental issues with the unequal distribution of wealth 'we soon

<sup>27</sup> In Dutch: *Algemeen Nut Beoogende Instelling* (ANBI).

found out the root of all the ecological—and many social—problems is money’. This shift in focus happened around 1985. ‘Just as in Monopoly,’ he will explain to anyone listening, ‘money follows a set of rules: the rules of the game set the playing field and direct the players. How people behave in our economy is largely directed by the rules of money.’ Over the years, *Aktie STRObalm* became *STRObalm*, and then—to become more international and shed the doomsday-ish feel of its signifying Dutch saying, *de laatste strobalm*, meaning as much as ‘the last straw’ or ‘the last hope we have’—the name changed to the **S**ocial **T**Rade **O**rganisation. Coincidentally, in October of the same year that STRO saw the light of day, a blueprint for the European economic and monetary union was developed by an expert group in the Werner Plan to set up a currency union. Led by Luxembourg’s Prime Minister, the team proposed a currency union that would eventually lead to the European Monetary System (EMS) in 1979.

STRO’s frontman continues to figure strongly in its daily operations and strategic decisions. Though Theo has a slender built, you could easily find him in a crowd. Because he is sensitive to the cold—the icy wind of Dutch winter gives him migraines—he always covers his head with an eccentric brimless cap to stay warm. Besides a streak of grey sideburns, he is always clean-shaven, making the bushy eyebrows lining brown-greenish eyes even more striking; especially since he talks as much with these eyebrows as with his hands. Not that you would have the time to thoroughly analyse body language in any conversation with Theo. Like Qoin-founder Gerard, when he speaks it seems his thoughts are already ten steps past what his words can convey, while his eyes lock you in with an intent gaze—as if making sure all the information he emits is finding its proper landing-place. As an ecologist, Theo’s mind works in terms of systems and interdependencies; he aims to approach the world from a general stance of holism and has a great distaste for rigid ideological frameworks. ‘You have to continuously be able to shift and adapt your mindset,’ he repeatedly stresses.

Theo's view of the economy is that of an ecosystem. Much more complex than Monopoly, of course, with many dependencies and niches. To him, the type of ecosystem that prevails now is not functioning properly because it is neither sustainable nor resilient and, importantly, it can be changed from the bottom-up. Theo's ideas are contagious. There is a steady and loyal crew of about six people working for the organisation, as well as an ever-shifting cloud of around forty volunteers. 'STRO is built upon human capital,'<sup>28</sup> Theo said to me when I just started working there.

Besides Theo, I most regularly met Ton, Sarah, Arnold, and Tobias at the office. Working full-time as STRO's programme manager for over fourteen years, forty-year old Ton is a marathon-runner with a track record in patience, endurance and relentless optimism. As a foundation, STRO funds its large projects mainly through subsidies. Such projects are coordinated by Sarah, whose desk is placed right across from Ton. Colleagues for a good part of those fourteen years, they oftentimes work together on writing the applications. As a programme manager, Sarah also coordinates the projects and keeps in touch with institutional donors. She radiates an amiable and communicative vibe and is one of the few STRO employees who enjoys coffee. Having travelled a lot, she emigrated from South-Africa to the Netherlands and shares a passion for running with Ton. Arnold has worked at STRO for just over three years. He is in his thirties and oversees the overarching project of interconnected Dutch currencies called *Circuit Nederland*. His job also involves outlining the philosophy and worldview of the Social Trade Organisation and its currency models in talks, writing, and meetings with potential members. I found the breadth and depth of his knowledge on all things economic always quite impressive. Tobias, halfway through his twenties, started as a volunteer at the exact same time as I came to the organisation. We were, in a sense, equals in the hierarchy. But Tobias quickly surpassed me through his endless enthusiasm and unwavering admiration for STRO's cause. At one time, he even lived in the room adjoining STRO's office

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<sup>28</sup> Conversation - Theo 170303.

space. As a broker, Tobias is the leading figure on the ground in implementing the *Utrechtse Euro*.

STRO's key contribution to the alternative currency scene is twofold. For one, there are the multitude of on-the-ground experimental cases in alternative economics they have initiated in both the Netherlands and internationally. Second, the development and exploitation of the—partially open-source—payment software Cyclos. The management of Cyclos largely falls onto the shoulders of Theo's son, Stefan: the practical, hands-on chief of the programmers. In this chapter I focus on the first; the following chapter more extensively outlines the latter. STRO's approach to changing the monetary system is one of perpetual experimentation. 'This bottom-up trajectory,' Theo mentions, 'was ground for testing our approach, and adjusting when necessary.' Theo and the other employees regularly emphasise that there are still many experiments necessary before there will be a functioning alternative to current money. As Theo says, 'STRO is like an oil tanker. We slowly but steadily keep on moving'.<sup>29</sup>

### **The Shared Archetype of Social Money: LETS**

The jump-off point for the development of alternative currency models in Europe are Canadian-born Local Exchange and Trading Systems: LETS. STRO's first experiment with creating a different type of money from the bottom-up was a LETS-variety called *Noppes*—which is Dutch slang for 'nothing', referring to economic exchange without conventional money or interest. Created in Amsterdam in 1993, it exists up to this day. Yet its continued existence does not make it a success: the Money Makers concur that LETS does not meet the desired objective of creating a workable monetary alternative because it is unscalable and does not align well with businesses or institutions. Hence, they can be characterised as the first failure. The story of LETS is important because it evidences how local currencies have been

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<sup>29</sup> Conversation - Theo 170303.

developed through global networks of experiential knowledge and highlights the exploratory trajectory of European alternative currency forms.

*Noppes* was not the first LETS in Europe. LETS had been developed by Michael Linton in 1983, in a small Canadian community near Vancouver. Linton had spent nearly a year researching currency systems before he launched the experimental scheme. Setting a precedent for contemporary currency schemes in more than one way, he commented that ‘All the components of LETS systems were drawn from other sources, but the precise arrangement of them seems to [have been] unprecedented’ (Douthwaite 1996, 152). Alas, it collapsed after roughly three years—just when this particular exchange system started to gain traction in the United Kingdom. To be sure, the United Kingdom of the 1980s proved fertile ground for the entry of LETS into Europe. First, since there was no language barrier the Canadian pamphlets and media coverage on the alternative currency could be widely read. Second, there had been some experience with local currencies across the United Kingdom due to dedicated seminars by the *New Economics Foundation* (NEF) held in the South of England from 1985 onwards. Third, the political climate of increasing economic integration in Europe—the Schengen Agreement was signed in continental Europe and the European Commission drafted a ‘White Paper on Completing the Internal Market’—incited fear of recession and an ever-widening wealth gap amongst the more non-Thatcherite left-wing economists. These factors worked together to ignite a succession of local economy initiatives across the UK.

But why, out of a vast global history of local currency forms, did the LETS model become popularised? It was certainly not the first local currency model in the modern world. The answer lies partly in its brief origin story, which resembles that of the miracle of Wörgl. All currency advocates and practitioners I spoke to during my fieldwork reproduce it as follows:

LETS originates from a small Canadian mining community. The local economy suffered a crash because some mines had closed and all money, as means of exchange, leaked away from the area. So materials and human skills were present, but there was no means to trade

them. Hence Michael Linton designed a computerised system of exchange with ‘Green Dollars’ to remedy the situation.<sup>30</sup>

Other versions of the story mention a closing local wood shop, instead of mines (cf. Lietaer and Hallsmith 2006, 30), or a closing factory (Williams 1996). In reality, however, the economic downturn resulted from the relocation of military personnel (Krause 1997); the significant loss of inhabitants negatively affected the housing market and mortgages started to spike. Be that as it may, the fictive examples given instead are important because they signal two central tropes circulating in the world of the Money Makers. The first is an image of a tangible, ‘real’, local industry or service that should sustain community life. This imagery feeds into a particular value system of what is the ‘real economy’. The second is that, despite the local work-ethic, money tends to ‘leak’, ‘flow’, or ‘drain’ away from peripheral communities; as such creating monetary deserts. This portrayal of money acting like water is vital in understanding the types of solutions alternative currency practitioners develop in order to remedy what they consider to be, namely, a faulty monetary system.

For the moment, I focus on the fact that LETS was well documented and replicable because, in the words of Michael Linton, ‘it came on software’ (Rudisuela 2018). Theo concurs: ‘It was an enormous step in the right direction that mutual debt obligations could be tracked through a computer’ (Toxopeus 2014). The first group attempting to use the Canadian software was based in the British town of Totnes, in 1987. The next notable experiment occurred in Stroud in 1990, also in the UK, followed in turn by Wiltshire and a range of other, smaller, initiatives. STRO got wind of these early implementations when an activist and writer called Liz Shephard initiated LETSLINK UK: a country-wide agency dedicated to promote local economic systems. To find out more about the UK experience, two STRO employees—one of whom would later start Qoin—‘jumped on a motorbike to Liverpool’, says Theo,<sup>31</sup> in 1991. Across the pond they found out that LETS is a

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<sup>30</sup> For an example of this story told in Dutch, see ‘Welkom bij Noppes Amsterdam...’ (Noppes 2010).

<sup>31</sup> Interview - Theo 170215.

rather straightforward digital mutual exchange system, wherein members exchange goods and services in a closed network.

So what, precisely, is the LETS model? ‘It was much simpler than we imagined’, Theo explains during our first interview.<sup>32</sup> ‘Importantly, these exchanges are interest-free and recorded in a central, digital, administration.’ The mutual exchange model implies that LETS credits emerge at the point of transaction: the moment you buy a product or service, your account balance goes negative. Returning this balance to zero, or positive, means you need to earn credits by selling a product or a service in the network. Hence the sum of all transactions in the network will always be zero. This is visualised in the logo of *Noppes* [Figure 3], which depicts a series of individual accounts of varying size, always balancing back to zero (Noppes, n.d.).

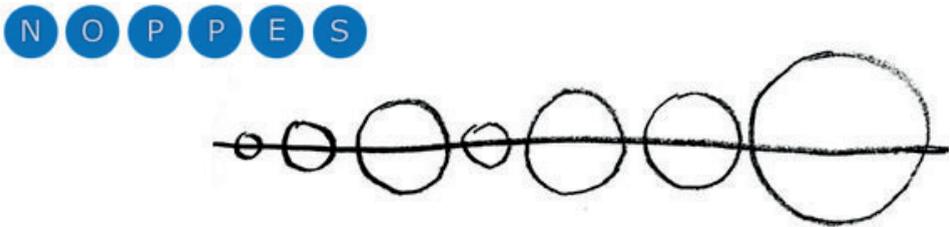


Figure 3 - The ‘zero-principle’

LETS aim to support economic exchanges that build social capital in local communities (Seyfang and Longhurst 2013). This, at its core, remains one of the goals of current alternative currency models. It is, in addition, a ‘sub-economy’ for people whose skills or expertise cannot compete in the regular marketplace. LETS, in the first place, offers a social infrastructure for people to meet and interact. The main challenge of designing a successful scheme thus lies in the development of its economic function. ‘We started *Noppes* because we wanted to find out about the transformative potential of LETS, as well as its weak points. For example, we noticed LETS was fun to use,’ Theo says, ‘and had positive impact on local community life’.

<sup>32</sup> Interview - Theo 170215.

Elsewhere, he mentions how ‘*Noppes* was the testing grounds to find out how viable LETS could be’ (Toxopeus 2014, 196). At the height of its popularity, *Noppes* included 960 members (Toxopeus 2014, 196). STRO was not the only one that took notice: Gill Seyfang and Noel Longhurst (2012) have counted over 1300 LETS in Europe. This line of work from a sustainable consumption perspective zoomed into the explosion of such new initiatives and investigated their diversity, scale, geography and development trajectory (Seyfang and Longhurst 2012, 2). These studies approach LETS as grassroots initiatives that might act as niches for sustainable innovations (see also Seyfang and Longhurst 2013; Seyfang and Smith 2007).

However, this number is steadily declining because, according to Theo as well as the founders of Qoin and the Bristol Pound, the model faces fundamental difficulties in socio-economic sustainability. It fails because it does not meet its goal, namely building social capital in local communities. It is widely regarded by my interlocutors, therefore, as ‘the first step’ in the on-going progression of European alternative monetary systems. From the perspective of the Money Makers, as they present themselves in the books they write (CCIA 2014) as well as in interviews with me, there are three lessons learned from this experiment:<sup>33</sup>

1. Contrary to conventional money, LETS credits are easier to earn than to spend. This is especially so for popular service providers such as plumbers or dentists. Eventually, this results in the stagnation of circulation velocity. Hence scaling up is necessary to allow for a wide variety of products and services and maintain user-interest.
2. Scaling-up, however, requires mechanisms to maintain interpersonal trust.<sup>34</sup> One of LETS’ greatest design flaws is the possibility of unlimited debt: people with a negative balance who fail to return any products or services into the system. This is why the Canadian LETS failed. Beyond a socially tight community of users—and sometimes even then—it becomes

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<sup>33</sup> See also Douthwaite and Wagman 1999; Toxopeus 2014; and Seyfang 2002, 2004 for appraisals of LETS that echo the points my informants make, and viceversa.

<sup>34</sup> This is true at least in the case of an alternative currency, as its use is voluntary. It is a different matter for official currencies such as the euro, which bases its legitimacy on the state.

difficult to disincentivise such behaviour, resulting in a spiralling lack of trust amongst members.

3. The small group of volunteers usually in charge of a LETS have a difficult time keeping up with the administrative workload. They do not have the expertise or the experience necessary to develop a growth strategy. There are often no external funds available to support the operational costs of the scheme.

These points are vital to understand the trajectory of European alternative currency forms. To start with the latter: though the shared history of STRO and Qoin includes having initiated the first Dutch LETS in Amsterdam, employees at both organisations now call LETS ‘grassroots movements’ and refer to its members as either ‘hippies’ (at Qoin) or ‘usual suspects’ (at STRO). To be sure, this perspective is shared by the Bristol Pound team. STRO’s goal with *Noppes* was to professionalise LETS to such an extent that businesses would be interested in joining the scheme. For *Noppes*, this did not materialise. The peer-to-peer nature of LETS was hardly scalable and businesses were not interested in joining a scheme in which they would incur a risk of unusable credits. LETS, then, came to embody the boundary between what is an alternative ‘grassroots currency’, and what is considered ‘professional’. Clearly distancing STRO, as a specialist organisation, from LETS practitioners, head of Cyclos Stefan says:

LETS people usually contact us and expect a lot from STRO. They’re super-excited and passionate about changing the monetary system, because to them it’s a new discovery that it doesn’t work. Then they think about it, and contact us to offer some solution they thought of. Because we have the means and knowledge, they say, to then develop their genius idea. But of course, these are not new ideas. But they expect us to advance their thoughts and implement it [into the software]. It takes a lot of our time to manage these people.<sup>35</sup>

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<sup>35</sup> Conversation - Stefan 170927.

All three organisations (STRO, Qoin, and the Bristol Pound) feel that years of experience developed their practice and thinking. One crucial insight they share is that LETS ‘do not work’. Nico, Qoin’s CEO and initiator of *Noppes*, speaks to the first two lessons when he posits that ‘grassroots initiatives are too small to ever work: currencies need scale and motion. They lack momentum and a network of stakeholders, both crucial in the success of any currency.’ And, he continues on a more technical note, ‘the mutual credit system, with a seemingly endless pool of credits, proves unsuccessful. Money needs to be scarce in order to be valuable’.<sup>36</sup> Though *Noppes* is operative to this day, my interlocutors consider it a failure because it does not fulfil their ambition for a financially sustainable, scalable, currency.

From this experiment the Money Makers took the lesson that achieving the goal of a monetary overhaul to attain a more sustainable and socially just society requires city-wide currencies—possibly interconnected—and a closer entwinement with ‘actual money’. Consequently, all the current alternative currencies designed by these three organisations form part of a national network and have one-to-one conversion rate with the official currency. Yet core elements of LETS, especially the mutual credit structure and peer-to-peer functionality, remain a central part of the subsequent currency designs. This is because these features explicitly work to ‘humanize’ the economy (Hart, Laville and Cattani 2010) in the sense that the interests of a community in what is traded take centre stage—and these interests might vary per locality.

STRO withdrew their support from *Noppes* in 1998, a year before the launch of the Euro in the Netherlands and ten more European countries. It was also the year that Nico left STRO because of escalating animosity with Theo. Gerard went soon after because, in his words: ‘He and Theo decided their personalities were too strong to fit into one organisation.’ Nearly 20 years later, as I am drinking tea with Theo, I can imagine the three eternally optimistic, yet unfailingly stubborn, men debate their ideals for a functioning local currency in this very office. ‘Gerard and

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<sup>36</sup> Interview - Nico 160801.

Nico,' Theo says with a smile when I ask about their shared history, 'are real commercial business men'. 'They can talk. Yes, they're great at selling. At STRO, we have a different approach'.

Departing from a shared intellectual and experimental heritage through LETS, Qoin and STRO took very different routes in shaping the face and substance of professional alternative currencies. Yet regardless of the route: from this point onwards, the frontier of alternative currency experiments in the heartland of market economies becomes less 'oppositional' to the capitalist system. The next section, introducing Qoin, shows how the organisations and their currencies are increasingly institutionalising in relation to new funding opportunities: Europe turns out to be a rather generous laboratory.

### **Qoin: Coaxing Money as Loyalty Schemes**

'A misunderstanding about Qoin is that it is an IT-company,' CEO Nico says, in a tone that seems to imply I should really jot this down in my notebook, while he shows me around the office of this 'community currency consultancy'.<sup>37</sup> I try to concentrate on his words as I absorb in the space. The office is a short fifteen-minute bike ride West from Amsterdam Central Station.<sup>38</sup> Nevertheless, it is quite hard to find, and the entrance is far from inviting. Located within a dark grey office building, Qoin advertises only with a tiny printed sign at eye level. After ringing the intercom-powered doorbell, I waited a few heartbeats before the large electric doors would glide open. Walking through, I buzzed myself past a second pair of doors. In the all-but-empty foyer the only way is up; so, discounting the lift, I opted for the stairwell. This was not a great choice the first time around: it brought me to the first floor—where I crossed a vacant platform and entered a glass door towards another flight of stairs. Two additional glass doors, a hallway, and some navigational

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<sup>37</sup> Conversation - Nico 160127.

<sup>38</sup> Qoin has since relocated.

confusion later, I find myself in the middle of Qoin’s spacious and orderly looking corner office.

Green, yellow, grey and blue carpet squares form a vibrant pattern on the floor. I’m almost certain they are the source of the unmistakable smell of ‘newness’, which overtakes the more familiar workplace aromas of coffee and deodorant. Both outward-facing walls feature large windows, currently spattered with rain drops, looking over the industrial zone next to one of Amsterdam’s main parks. The view, alas, is one featuring parking lots, a parking garage, and a gas station. Yet the uninspiring cloudiness outside fails to penetrate the brightly lit, functional headquarters of Qoin. The nine large work stations are tidy and arranged in a linear fashion; not all of them seem to be in use. There are two leather-like black couches to the left of the room that surround a low, square coffee table. Besides a whiteboard, a flipchart, and a poster on the back wall saying ‘Keep calm and circulate some currency’, the office is void of ornaments. The space strikes me as a tribute to rational efficiency and work ethic. Three guys in their thirties, two with a headset, briefly glance up from their computer screens and greet me with an absent-minded wave. One of them is talking in his headset about configuring Cyclos—STRO’s software—which includes ‘some mini-sprint fixing a thing with charge backs’. I have no idea what that means. Turning around to face Nico, I joke, ‘That sounds kind of IT-like to me.’

Unlike Chief Currency Officer (CCO) Gerard, who exudes buoyant energy and speedy sentences, former business consultant Nico’s tall appearance and thoughtful expression over the rim of his glasses generates a contemplative impression—only to be broken by outbursts of thunderous laughter on the many occasions he deems something hilarious. Luckily for me, this was such an occasion. He replies:

Absolutely, IT is a big part. Listen. If you look at community currencies like a car, STRO provides the engine: the IT to make it run. But you also need to know about your aims,

partners, and funding strategy. What use is an engine without bodywork [*carrosserie*] and a steering wheel? At Qoin we provide the entire car.

His mentioning of STRO is not incidental. Nico and Gerard have known each other for a long time: they met as friends and later became colleagues at the Social Trade Organisation, where Nico worked on creating *Noppes* in 1993, the first Dutch LETS. Gerard worked as STRO's principle currency researcher and coordinated the Research and Development team from 1993 to 1998. After Nico left STRO, because of disagreements with STRO's founder Theo, Gerard also decided to go because, in his words: 'He and Theo decided their personalities were too strong to fit into one organisation'. Both Nico and Gerard have a knack for thinking on their feet, and can both be stubborn to the point of irrational conflict.

Frank, the third and most recent addition to Qoins directors' team, balances out their dynamic ebb and flow of clashing synergy. Strategic-minded, confident, and assertive, Frank is the personification of the Harvard Business Review; drawing upon a seemingly infinite source of knowledge on anything business-related. When emotions flare or arguments become heated, he reinstates focus and veers the discussion back to its core. Looking for meaning and deeper value to life, Frank decided to apply his background in business-development and implementing numerous payment innovations as Chief Marketing and Sales Officer (CMO) at Qoin. His increased involvement with the company means a turn towards both internal and external professionalisation—for example the standardisation of HR-management and renewed company guidelines. The three of them worked to further Qoin's core activities: the design, implementation, and management of complementary currencies throughout the Netherlands.

To this end, they build a team ranging between six to seven people who shared similar principles. Besides the friendly and diligent Jasper, *SamenDoen's* product manager, I worked frequently with Qoin's youngest currency consultant, and the only woman, Renee. She came to the organisation first as an intern for her graduate degree in religious studies because she felt compelled to make a positive impact on

the world. The courses she took at university disillusioned her from the world of international aid organisations, and—seeking to contribute to fair, sustainable societies on a more fundamental level—she discovered Qoin and the possibility of altering the rules of money. We met at the international community currencies conference in Brazil, and almost instantly became friends. Renee’s experiences with writing *SamenDoen* project proposals for municipalities, her critical view, and her perceptive analyses of the organisation and its goals taught me much about the inner workings of Qoin.

That first day at the office I was intrigued that the metaphor Nico used for consultancy in alternative economies—the car—later repeated many times by Qoin’s staff, is the very product that propelled the era of Fordist standardised mass production and consumption. On top of that, it is also not the epitome of sustainability. Perhaps, I mused, the car reference is just inspired by the view. During my time as a consultant, I came to learn about the complex of paradoxes characterising the Money Makers’ efforts—but at that moment I did not have the time for further questions. Qoin’s Monday morning meeting was about to start; the first in a sequence of meetings that would come to chain my days, weeks and months together during the majority of 2016.

Qoin—’spelt like coin but with Q for quality’ as Gerard is fond of saying—is the successor of private consultancy firm *Barataria*. Gerard and Nico’s first company after they left STRO in 1998. Barataria refers to the parable written by economist Silvio Gesell (the very one who inspired the currency in Wörgl) in 1922. The story explains why, in the eyes of Gesell, it would be more efficient to have interest-free money because it disincentivises wealth creation. It was also the name of the *Barataria Exchange Project*: an experimental endeavour in developing currencies for businesses and professionals in Scotland, Ireland, the Netherlands, and Spain. This is one of the first documented transnational local currency projects funded under the auspices of the European Union.<sup>39</sup> The Dutch case-study delivered *Amstelnet*—

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<sup>39</sup> Specifically, the DG Employment, Social Affairs and Inclusion of the EU.

first supported by STRO and from 1998 onwards by Barataria—as a commercial barter currency in Amsterdam, which focuses mainly on supporting businesses through a mutual credit network. Soon after its launch, however, *Amstelnet* ceased to exist. It failed because, according to Theo, the overhead costs of managing the scheme were too burdensome: the underlying currency software lacked proper development. While STRO took this lesson to further develop Cyclos, it inspired Gerard and Nico to think about ways to not only include businesses in the currency, but do so with the backing of political authorities.

To this end, *Barataria*'s first solo experiment with alternative economies introduced a new element into the currencies that Qoin continues to promote to this day: loyalty points. Money can not only be designed so it creates more social coherence (LETS, *Noppes*), or local economic prosperity (commercial barter, *Amstelnet*), it can also work to incentivise particular behaviour while disincentivising other behaviour. This was the key to *NU-Spaarpas* (NOW-incentive card): a project stimulating sustainable behaviour, which ran from May 2002 to October 2003 in the Dutch harbour city of Rotterdam. Framing a local currency in terms of 'incentivising' and 'steering behaviour' proved the key to attracting both recognition and funds from political authorities. The project was implemented by the municipality of Rotterdam<sup>40</sup> and the banking cooperation Rabobank, under the auspices of the European LIFE-demonstration framework.<sup>41</sup> This project evidenced the feasibility of attracting funding for economic experimentation from established financial and political institutions. Through *Barataria*, the possibility of alternative currencies as a policy tool became thinkable and practicable in Dutch municipalities, as well as other European cities.

Crucially, *NU-Spaarpas* also emphasized the volatility of coalitions with local government. Alternative currencies are not politically neutral. When the right-wing populist party *Leefbaar Rotterdam* won local elections, after their national

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<sup>40</sup> Specifically, the Environmental Policy section of the Public Works Department, RET Transport Authority and Roteb Sanitation Department.

<sup>41</sup> LIFE III programme of the European Commission and the Province of South Holland with the Learning for Sustainability initiative.

spokesperson Pim Fortuyn had been shot to death, the project was instantly shut down. Since then, Gerard and Nico learned two things. The first is that framing money as a policy tool attracts wealthy and powerful stakeholders, providing a route to city-wide financially sustainable currencies. The second is that their consultancy firm needed to work hard to shed the image of, as Gerard says, ‘leftist social democratic hippies’. They took several measures to this end; all of which boil down to an almost obsessive ambition with ‘being professional’.

Gerard and Nico regrouped in 2008 under the header *Qoin*, just when the global financial recession hit Europe in full. As Gerard told me, ‘We felt this name is short, powerful, business-like. It fits our expertise. We talk different languages,



Figure 4 - Logo Qoin

with different stakeholders.’<sup>42</sup> When I ask about the timing, he replies, ‘The crisis certainly helped to give the idea of other moneys a boost. Some trust in the system was lost: this thing about TINA [There Is No Alternative: a phrase by neoliberal British prime minister Margaret Thatcher] was shaking. There are alternatives. We give them’.<sup>43</sup> I include Qoin’s logo, as it was at the time of my fieldwork, in Figure 4. The tag line, ‘money that matters’, refers to Qoin’s service of designing currencies with a particular, intended, purpose to work for local communities. And the chosen colour scheme is a marketing-textbook representation of trustworthiness and business expertise. Indeed, ‘professionalism’, Qoin’s employees reiterate, means looking into the future and being able to provide consistent services over time: it is about reliability and trust. Both the founders and staff of Qoin repeatedly claim the organisation is able to ‘speak the language of funders and municipalities.’ In this chapter I focus on how Qoin, along with other alternative currencies, increasingly came to connect to - and resemble—*institutions*.

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<sup>42</sup> Interview - Gerard 160115.

<sup>43</sup> Interview - Gerard 160115.

Innovations in local alternative currencies emerge from global coalitions and interconnected networks of knowledge and money. This is true for LETS and *Amstelnet*—and as will become evident, for the Bristol Pound—and it holds for Qoins organisational development and currency model. Almost from the get-go, Qoin became immersed in a transnational, multi-stakeholder, multi-year alternative currency coalition called Community Currencies in Action (CCIA). This was their jump-off point for developing consultancy services under the header *Currency As A Service* (CAAS) and ultimately Qoin’s paramount currency called *SamenDoen*. The CCIA project was a coalition between the Belgium province of Limburg, the cities London (UK), Amsterdam (NL) and Nantes (FR); and three research and implementation organisations.<sup>44</sup> Running from May 2012 to June 2015, CCIA was part-funded through the INTERREG IVB North West Europe Programme: a financial instrument of the European Union’s Cohesion Policy Investing in Opportunities.<sup>45</sup>

Over three years, the partners worked together to develop six ‘professional currencies’ (CCIA 2014) in North West Europe and two principal platforms for knowledge dissemination: a book (NEF 2015) and a website.<sup>46</sup> The network aims were to achieve vibrant cross-national networks of knowledge and practice across North-West Europe. According to Gerard, Qoin invested a great deal of time and energy in writing the European funding application. ‘It nearly cost us bankruptcy,’ he says, ‘it nearly cost us everything.’<sup>47</sup> Nonetheless, in terms of international fame the project was a huge success. Through CCIA, Qoin developed the commercial barter network *TradeQoin* as well as the loyalty scheme and time currency *Makkie* in Amsterdam. Both were not quite successful and neither are fully functional at the

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<sup>44</sup> Qoin, Spice Timecredits, and the New Economics Foundation (NEF)

<sup>45</sup> The EU invested a total of 6.253.957 euro, nearly half of which from the Operational Programme ‘North West Europe (NWE)’, by the EU’s European Regional Development Fund, for the 2007 to 2013 programming period. As my principle field sites are the currency organisations, the precise motivation and aims of the EU in funding alternative economic initiatives falls beyond the reach of this research. Though, interestingly, this particular funding stream—and others to follow—falls under the theme of ‘territorial co-operation’. It could be surmised, then, that in the eyes of the EU, alternative currencies might achieve closer European integration.

<sup>46</sup> The website was called *Community Currency Knowledge Gateway* (CCIA, n.d.)

I last accessed it on January 29 2019, and it has since gone offline.

<sup>47</sup> Conversation - Gerard 161114.

moment. Qoin has long since refocused their attention to *SamenDoen*. This is the currency model Gerard laid out for me with tea-room items on that very first day of fieldwork. It forms the basis of the *WoolsePas* I outline in chapter six.

*SamenDoen* aims to support communities by activating its citizens, stimulate a lively club- and association culture, and a vibrant local economy. The means to do so is by rewarding citizens with points for mutual support, local shopping, participating in society, and enacting desired behaviour. Executed only through cross-sectoral partnerships, the currency provides an instance of how the need for resilient local communities in the context of increasing self-governance inspires inter-organisational webs (Peck and Tickell 2002). Especially, it highlights the prevailing notion amongst the Money Makers that currency success requires more business-like attitudes and professional standards, in order to gain momentum and attract recognition—as well as funding—from political authorities. This implied, simultaneously, a framing of alternative currencies not as ‘alternative’ currency, but as a policy tool able to coax citizens into performing desirable behaviour. ‘I believe in the *homo economicus*,’ Gerard told me one evening,<sup>48</sup> ‘but I also believe that people are motivated by other values that are currently lacking in the economy.’ The wave of professionalisation of alternative economies sweeping through North West Europe goes hand in hand with their institutionalisation; revealing simultaneously how the ‘currency cowboys’ see the *entire* economy as an experimental playground, whereby neoliberal logics or practices are not off limits.

Qoin’s founders explain the rise of these loyalty currencies not only as timely, within the context of crisis-induced budget cuts, but also along with a range of currency researchers (e.g. Blanc 2011) as the culmination of a series of experiments since the introduction of LETS. As Gerard says, ‘We’ve created *SamenDoen* from an ideal blend of three models: namely the Brixton and Bristol Pound where people support local shops; the LETS peer-to-peer systems like *Noppes*; and aspects of loyalty and behavioural change schemes like *NU-Spaarpas*.’<sup>49</sup> Alongside their framing

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<sup>48</sup> Conversation - Gerard 170727.

<sup>49</sup> Interview - Gerard 170515.

as social policy tools, professionally implemented schemes are positioned on a scale of progressive development within a heterodox economics that does not exclude neoliberal thought. The Bristol Pound featuring closest to the cutting-edge.

### **The Bristol Pound: A Transition Currency for Resilience**

‘The Bristolian economy is built upon things that kill you quickly and things that kill you slowly’. I ponder this comment I heard at the Bristol Pound office yesterday, as I jump out of the way of five cyclists skidding over the thin layer of ice that has formed overnight on the small foot bridge towards Bristol’s Floating Harbour. Though it is an exceptionally cold morning this February 2018, the River Avon never freezes over. It has, in fact, the second highest tidal flow in the world. The sheer magnitude and pace in which the river bed empties and fills itself marks a city built upon an intimate relationship with the Atlantic, and accordingly, with the world. Bristol, as a portal city of an empire-building nation, was a focal point in the early dynamics of globalisation. Travelling far and wide, Bristolian traders dispatched both people and tobacco from the shores of Britain.

These foundational pillars of Bristol’s wealth are never far from the collective consciousness of the city. Every time I leave my house in Southville, south of the river Avon, I brush past the largest of the former tobacco factories spotted across town. These impressive square terra-coloured brick buildings now, rather than the thing that kills you slowly, store other wares, squatters, or creative theatres. Passed Bristol’s harbour, the statue of slave-merchant Colston, my next stop on my walk to work, has been shackled by local activists with a melon-size knitted ankle-chain. The bright red contrasts with the dull grey of the statue.

Today, the biggest single source of revenue for the city’s economy is the manufacture of weapons: a thing that kills you quickly. I was surprised to learn this statistic about a city that takes such pride in its independent spirit, alterity, and open-mindedness. The city houses thousands of artists and musicians, adding to the young population averaging thirty-three-years old. Walking across town, the popular

movement striving for change, equality and green living is visibly present. There are politically charged messages splayed all over otherwise ash-coloured concrete walls; an astounding variety of vegan cafes; vegetable greenery patches maintained as part of the urban food trail; and no shortage of vintage and thrift shops. Moreover, you'll see the bright blue 'We accept Bristol Pound' stickers at the cash registries of numerous independent businesses. The logo of the organisation [Figure 5] is also prominently visible on shop windows throughout the city.

I start to walk somewhat more briskly now. Instead of heading to the newly built shopping mall housing all the major world-wide brands, I turn left onto Corn Street. The shades of the surrounding buildings turn a soft yellowish-brown. This area is called 'Old Town'. I can already spot the local merchants rummaging around their stalls in front of 'the Exchange'. Built in 1741-43, this monumental building was used as a corn and general trade exchange; Bristolians therefore refer to it as The Corn Exchange. Today, the sharp aroma of curries intermingles with the soft-creamy smell of coffee with oat milk, as Bristol's largest collection of independent traders set up shop. Bristol flourishes because of global exchange. Nevertheless, perhaps ironically so, the importance of local trade and independent businesses as iconic and central to Bristolian identity cannot be overstated.

The Bristol Pound has set up office in the street where people have traded for centuries. Anyone entering the Exchange passes four brass tables with flat tops and raised edges known as 'The Nails': they were used to settle a sale on the spot by 'payment on the nails'. On the 19th of September 2012, at 12 noon, Lord Mayor Peter Main stood by one of the nails wearing full mayoral regalia, held up a Bristol Pound and declared, 'What will anyone give me in exchange for my Bristol Pound?' Upon this, a local baker stepped forward with a loaf of bread, and said 'I will give you this loaf for your Bristol Pound.' Since that day, the prominent blue and orange of a Bristol Pound 'cash point' sign on the front gates urges consumers to exchange their pounds sterling for the Bristolian local currency.<sup>50</sup>

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<sup>50</sup> This is the story the Money Makers told me and can be read as well in reports of that day online (for example in Sunderland 2014).

Once inside, the Corn Exchange resembles the Hogwarts School of Witchcraft and Wizardry.<sup>51</sup> Amidst turning staircases, vault-like doors, empty rooms and circular corridors, it is quite easy to get lost. By now I surefootedly make my way to the Bristol Pound HQ. Just before the heavy entrance door, my eyes scan the large pin-up wall board displaying Bristol Pound flyers, maps, folders, published news articles, and award notices. The lights are already on: I am never the first to arrive in the small L-shaped corner office on the first floor. Finance officer Victoria is already typing away in a daunting-looking Excel-sheet. Oliver, the IT guy, stands behind his desk—earplugs in to block out the echoes of a sound-checking street musician. The two remaining founders and current directors of the Bristol Pound are not in yet, often working irregular hours. Jack and Caleb share a demeanour of a friendly, somewhat scattered and absentminded chaotic-ness, and, like the leadership of STRO and Qoin, they are of the same age, skin colour, gender, and middle-class socio-economic background.

The Bristol Pound is a city currency. Consequently, its identity, activities, mission and ideology are closely entwined with the distinct urban heartbeat of Bristol. It is, moreover, not just any city currency. The



Figure 5—Logo the Bristol Pound

The Bristol Pound emerged on a ‘wave of change’ inspired by the Transition Town Bristol Group in 2012 and capitalized on a strong desire for economic localisation—though, crucially, quite unlike the kind that factor into the Brexit trials and tribulations from 2016 onwards. Membership Manager Jade says, ‘it was part of another string to the bow of the independence of Bristol—as a city that was striving towards being sustainable and green,’ and adds:

I found it a bit like an immediate reaction in accordance with the Occupy movement and all of these things that were happening across the UK but also the world [...] 2008 was the

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<sup>51</sup> An apt local reference used by the Bristol Pound staff; Harry Potter author JK Rowling was born in Bristol.

financial crisis, 2010 was the Occupy movement. People started to think about globalisation and the fact that these big corporations do not have our interests at heart. And then amazingly in a city like Bristol, where people are progressive and have ideas and are innovative, people used their energy to create organisations which would change things.<sup>52</sup>

Jade is in her late twenties and left the organisation not long after I arrived; her successor, David, is of the same age and also possesses a ‘green heart’—but was hired for a large part because of his skills and experience in sales, in addition to his idealism. From the outset, the Bristol Pound was set up as a way to combat the detrimental effects of economic globalisation by incentivising people keep money from ‘leaking away’. Supporting earlier research that states how alternative currency advocates often find inspiration in ‘green’ and ‘new economics’ movements challenging mainstream economic thought (Douthwaite 1996; Greco 2001), Caleb, one of the founders and current Head of Compliance of the Bristol Pound, explains how the currency became real:

Caleb: Back in 2009 [...] I had the idea of doing a currency rather like the Totnes Pound. But I wanted to do it on a bigger scale, Bristol scale. And as it happened there was a number of other people in the city who were thinking along the same lines. There was basically four of us who were...who coalesced around the idea. We met at a Schumacher Conference.<sup>53</sup> And we started to chat about it and decided to team up and do it together [...] We got some money from the council, Green Capital.<sup>54</sup> Five thousand pounds I think we got, which we put together a report with, a feasibility report. That took a good long time, six months maybe. Because we spent a lot of time, you know we didn’t just write a report of what we knew, we looked into stuff.

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<sup>52</sup> Interview - Jade 180307.

<sup>53</sup> Schumacher college, named after economist E.F. Schumacher, is an educational institute focused on ecology and sustainability close to the town of Totnes. It is famous for its complex systems approach, such as espoused by systemic ecologist Brian Goodwin. STRO employee Arnold sometimes gives guest lectures at the institute. This particular conference was held in Bristol on October 17, 2009 and was called ‘Bristol Schumacher Conference 2009: From the ashes of the crash - Rebuilding with the new economics’. One of the speakers was, notably, David Boyle (I detail the role and vision of these currency advocates for the Money Makers’ understanding of money in Chapter four).

<sup>54</sup> Bristol received the European Green Capital Award in 2015.

Coco: So you were researching different currencies or ways of doing?

Caleb: Partly we were searching whether there was a market for it, whether people would be interested. How much it would cost and what the income streams would be. What the situation was from a regulation point of view. And what other people had tried to do elsewhere, both in the UK and international [...]<sup>55</sup>

Caleb's remarks demonstrate how the Bristol Pound originates from a thoughtfully designed plan, based on experience from around the world. In its design the founders drew on advice and experience from STRO and Qoin as well as the available practitioner literature (for example Boyle 2002; Lietaer 2001). It became, however, much more than the sum of these parts. In the landscape of community currency models, The Bristol Pound is categorized as the first city-wide *Transition Currency*. These currencies form part of the 'transition town movement', that started in Totnes in 2006, followed by the Lewes Pound in 2008 and the Stroud Pound in 2009. These, in turn, were inspired by the *Chiemgauer* currency in Germany that was set up in 2003 as part of a network called *Regiogeld*. A similar initiative is BerkShares, set up in 2006 in the United States. I will not go into detail about Totnes, Lewes, Stroud, the *Chiemgauer*, or BerkShares; there are myriad other transition currencies and I mention these key ones here just to contextualise the creation of the Bristol Pound as part of an transnational movement.

The ambition of the Bristol Pound was grand from the outset, as the founders aspired to move beyond the small scale of existing transition currencies: Caleb, Jack, and the rest of the group first incorporated in the UK-version of a social enterprise, called Community Interest Company (CIC) as 'The Bristol and Bath Local Currency' in 2010. But, said Jack,<sup>56</sup> 'we soon discovered the area was too broad, too undefined': hence they redirected their focus a year later, and changed the CIC's name to 'The Bristol Pound' in 2011. The purpose of the currency, they stated, is to 'strengthen

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<sup>55</sup> Interview - Caleb 180510.

<sup>56</sup> Conversation - Jack 180228.

the local economy through the provision of an alternative, locally controlled means of exchange.<sup>57</sup> Like all transition currencies (see Ryan-Collins 2011), the Bristol Pound strives towards resilience against global capitalism by localising production and consumption as much as possible.

Indeed, the transnational currency movement from which the Bristol Pound arose shares particular practices as well as idea(l)s about money. Because money, like water, 'leaks' away to financial centres, communities need to actively border their local economies to be more resilient against shocks and keep their distinct identities. Resilience, then, can be achieved by means of a monetary diversity that simultaneously challenges global economic monopolies. I explore this notion of 'leakage' and other idea(l)s further in chapter four. The Bristol Pound, in short, hopes to spur Bristolians to shop at independent local traders, who in turn will see their profits surge. One of the key motives for businesses to join the scheme, therefore, is the promise of increasing customers and turnover. CEO Jack calls this approach 'fiscal localism'. Crucially, and unlike any of the Dutch initiatives, the project was set up in close partnership with the Bristol Credit Union: the local financial institution responsible for all digital Bristol Pounds. The grand ambition and institutional embedding of the Bristol Pound differentiates it from earlier initiatives. There is a one to one conversion rate with pounds sterling. All of the online units are considered to be sterling by regulatory authorities and the notes are part of a closed non-redeemable voucher system. I will return to this infrastructure in chapter five.

Five years after its launch, five million Bristol Pounds have been spent and eighty thousand digital transactions have been made. UK's first city-wide digital and paper currency can be used to pay energy bills or bus fares; it is accepted tender for council tax or business rates; council employees can opt to have their salary paid fully or partly in Bristol Pounds; the previous major George Ferguson took his full salary in the local currency; the Bristol Pound claims that there are fifteen hundred

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<sup>57</sup> Documentary analysis - Bristol Pound 180328.

individual members and the money is accepted in over eight hundred businesses. These are the results and figures produced by their media team. Such progression is staggering for any local currency and this marketing has put the Bristol Pound on the map, almost mythically so, as one of the most successful experiments across the world. They are therefore a welcome guest at conferences the Money Makers organise. During the International Conference on Social and Complementary Currencies held in Barcelona, there was even a representative from the municipality of Bristol discussing their involvement. This panel was held in the main conference room and drew a huge crowd.

Decisive in the development of the Bristol Pound have been its funding sources: first, the municipality-sanctioned EU-funds dedicated to sustainable urban living. Second, they profited partly from the European CCIA project—which resulted in Qoin being the principal partner in IT-support of the Cyclos digital payment platform. This relationship continued during my fieldwork. Third, soon after its launch the Bristol Pound became a partner in a STRO-initiated transnational project called DigiPay4Growth. The project was funded under the European Commission Competitiveness and innovation framework programme with financing from 2014-2016. The general objective of the project was to demonstrate the use of currency software Cyclos in four pilot projects in the European market (The Netherlands, Catalonia, Sardinia and Bristol). The pilots were meant to illustrate the various possibilities of Cyclos to showcase a solution for economies facing effects of the Eurozone crisis by a) conditioning the flows of purchasing power to increase local spending and thereby creating income and more jobs and b) creating an innovative credit guarantee fund for mutual credit to small businesses. Through DigiPay4Growth, the Bristol Pound experimented with a local credit scheme called *Prospects*; this project, and its eventual failure, almost meant the dissolution of the entire organisation.

Caleb explains<sup>58</sup> how DigiPay4Growth meant two things: ‘We had a load of money. But it also meant we had a lot more reporting to do to people and a lot more bureaucracy [...] the way the finances were dealt with is very complex. I mean, really unnecessarily complex.’ Developing a financial instrument proved to be something quite different from keeping a local currency up-and-running; it completely absorbed the attention of both Caleb and Jack. Recalling the conundrum within the organisation, Caleb says, ‘People were saying, well actually what we should be doing is concentrating on the Bristol Pound and making the Bristol Pound work. And not doing this European project, except we need the money from the European project to run the Bristol Pound.’ But the types of projects that are eligible for funding are not necessarily the projects that are needed to perform the core functions of the local currency as envisaged by its initiators. Indeed, it is quite ironic, I remember thinking, for a transition currency championing ‘fiscal localism’ to depend on EU-funding for its existence. Yet, as I hope to make clear, such institutional entanglements in European alternative currencies are more of a rule than an exception.

Engaging with official political bodies, consequently, implied a shift towards a more professional and less volunteer-based organisation. ‘Originally,’ Jack says,<sup>59</sup> ‘Everyone did everything really.’ At the start, he and Caleb cobbled together a team of idealists, dreamers, and innovators to give shape to what was to become the Bristol Pound: ‘There was no organisation, no hierarchy, we just knew we wanted a revolution,’ Jack says, ‘Change money, change the world.’ However, soon the bureaucracy and reporting-expectations of various funders meant the Bristol Pound needed ‘to come to resemble an actual business,’ as Caleb adds, continuing: ‘We needed a CFO [chief financial officer] and a tech person, and an admin person, and someone for legal issues. After we got the European money in 2013 we set those roles in the organisation.’ Alternative economies are not exempt from the processes Weber described when he said, ‘in the modern state, the increasing demands for

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<sup>58</sup> Interview - Caleb 180510.

<sup>59</sup> Conversation - Jack and Caleb 180227.

administration rest on the increasing complexity of civilization and push towards bureaucratization’ (1969, 212). Funders request particular organisational transparency and accountability mechanisms, which translates into a push to become ‘professional businesses’. Hence one of the ways in which local currencies are, as Bristol Pounds technology officer Oliver put it nicely, ‘hammered into shape’, is through conditional money flows.

Despite the struggles with focus and professionalisation, the currency managed to keep afloat and, once more, failure meant an opportunity for moving forwards. During my entire fieldwork period, the organisation worked towards launching a renewed interest-free credit mechanism for local business that was based on the experience with Prospects. Every Thursday morning, CEO Jack, finance director Joan, and technology officer Oliver would allocate time in their Outlook agendas for what is called the ‘loans meeting’. Though DigiPay4Growth concluded two years past and Prospects has long been abandoned, their legacy remains very much alive in the promise of financial innovation and prosperity that a local currency-backed loans scheme holds. I outline this trajectory further in chapter five on financial regulations and institutional entanglements. For the moment, I pause to offer an overview of the fluid and dynamic landscape of alternative currencies in Europe that I have been sketching throughout this chapter.

### **STRO, Qoin, and the Bristol Pound: An Overview**

These are the contours of how alternative currency experiments in Europe have become chained together over time, as they morph into a diversity of institutions. Each of the organisations I presented faces structural conditions that can facilitate or complicate their advancement. I already situated the political landscapes of *de participatiesamenleving* (the participation society) and the Big Society in the introduction of this dissertation. In this chapter, I highlighted key conditions for their development, whilst outlining the historical trajectory of the three organisations and their currency forms. From the story of STRO it becomes evident that the

development and democratisation of the internet has been key in the progress and expansion of alternative moneys. The efforts of Qoin illuminate the importance of political conditions that might block or support a local currency, and their countercyclical success rate. The creation and funding of the Bristol Pound reveals how newly instituted legal entities (such as the UK-specific social enterprise form ‘community interest company’) aid budding initiatives, and how funding conditions shape ambitions and practices. Each of these structural conditions weaves through the chapters to come, as I stress how alternative economic initiatives are embedded in institutional frameworks.

The notion of failing forward is key to understanding the practices and ideologies of the Money Makers. It illuminates their disposition of forward-looking optimism and ambition, as well as how the term ‘alternative’ is not to be taken as diametrically opposite to the conventional monetary system: the inadequacies of alternative currencies repeatedly animate further experiments, often simultaneously executed in a messy co-existence that does not exclude the logics of ‘mainstream economies’ (see also Peck 2010). The rapid rise and fall of currency forms is interpreted as a positive route of discovery towards a fair and sustainable economy. To fail forward means that failure is *required* to attain success. The currencies are never perfect, but rather a constant re-invention. A ‘failure’ is only a failure in the sense that it presents an opportunity to grow, because it means that that particular model did not yet achieve the ambitious goal the Money Makers have set for themselves. By way of a summary, I have outlined the timelines of currency projects and their successors that I mentioned in this chapter. I list these projects within the organisational histories of STRO, Qoin, and the Bristol Pound in Figure 6 below.

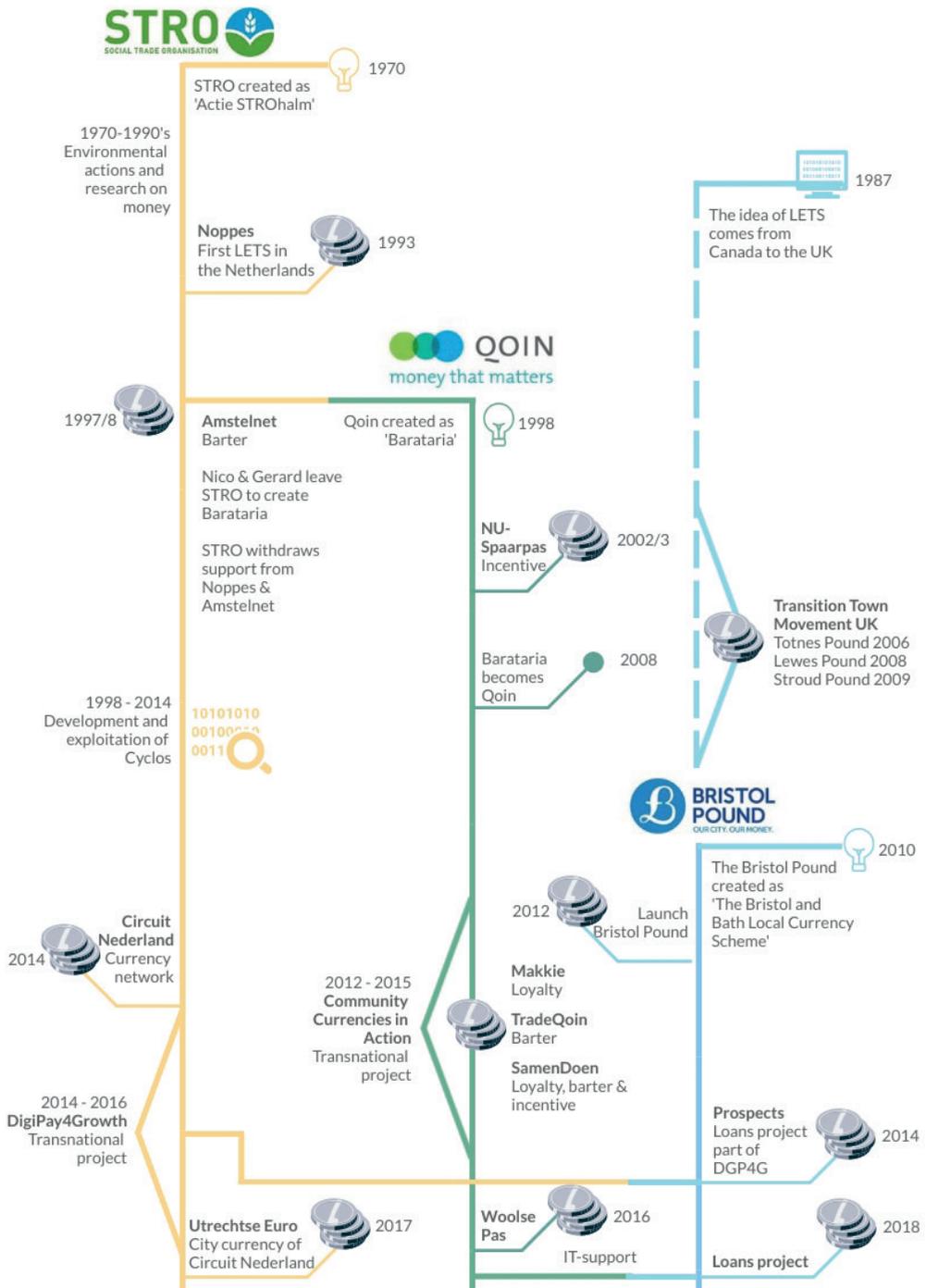


Figure 6 - Organisational histories STRO, Qoin, and the Bristol Pound (author's design).

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I started the chapter with the question of what makes an alternative currency desirable, thinkable and practicable. Through the narrative of organisational development that followed, I distilled some answers. An alternative currency is *desirable* in the eyes of the Money Makers because the current monetary system is considered to be faulty: interest-bearing money ‘leaks’ away from local communities towards financial centres. STRO, Qoin, and the Bristol Pound believe that city-bound currencies have the potential to remedy this. It is precisely the idealised, perhaps unattainable, destination of sustainable monetary pluralism that contributes to the vigorous forward-leaning energy of currency advocates and practitioners. Such currencies become *thinkable* based on a vast interconnected global history of alternative currency forms and their success stories. These moneys are not an innovation, my interlocutors stress: the Money Makers simply emphasise that money has never been neutral and, as a social construct, its design can and should be subject to change. Chapter four delineates in detail the ways in which the Money Makers envisage money, as well as how they manage it through the software Cyclos.

Launching and sustaining a successful complementary currency is notoriously difficult—as evidenced by the rapid rise and fall of thousands of initiatives across all continents (Seyfang 2004). What makes an alternative economy *practicable*, in the view of the Money Makers, is expertise, scalability, and the backing of political authorities at various levels. The currencies are dependent on funding and subsidies in mainstream money for their existence, rather than operating in opposition to the current economic system. They do believe this system to be at fault, and like a mechanic—to return to Nico’s metaphor—they consider perfectly acceptable to fix certain parts, add some new ones, and leave others intact. As I will continue to show, they are thoroughly embedded within this institutional system. How the Money Makers relate to existing financial regulations and institutional constraints is the topic of chapter five; how they engage with managerial expectations and economic discourse is explored in chapter six.

Alternative currencies are not politically neutral initiatives; neither are the organisations that design and manage them. To shape economies into an ideal image, or to determine the content of ‘desirable behaviour’, is a political act. To receive and use European Union money in particular ways, for particular purposes, is a political act. And to do so in partnership with local government and other community stakeholders is, once more, a political act. The ways in which these partnerships take shape, and which expectations, institutional structures and dispositions influence them, is the topic of chapter seven, where I argue how specific notions of localised, economic citizenship come to the fore in the practices of the Money Makers.

Though the organisations share a similar economic narrative and ‘origin myth’, their approach differs in emphasis: while STRO focuses on slowly igniting a bottom-up revolution of the monetary system through technology, Qoin positions itself as the more pragmatic enterprise aiming for local impact through top-down institutional partnerships. The Bristol Pound is an instance of such a partnership, but their approach of ‘fiscal localism’ lacks the behaviour-coaxing element of Qoin’s currencies. Moreover, in accordance with emerging transnational networks of knowledge and expertise and the crucial role of EU-subsidies, the Bristol Pound unmistakably exposes the push towards incorporation and adopting bureaucratic ‘ways of doing’. In the chapters to follow, I use these particular idiosyncrasies of STRO, Qoin, and the Bristol Pound to develop the four perspectives I outlined in chapter one, namely the physiology of money, incorporation, managerial governance and economic imaginaries. This means that the ethnography will detail one or two organisations per chapter. In fact, as I have argued in chapter two, and ethnographically unravelled in the current chapter, these organisations form part of one interconnected field site, and I present them as such.