

Social Currencies

A currency that stimulates local economy and strengthens organizations within a solidarity economy.



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"The first step for any community aiming to become more self-reliant is therefore to establish its own currency system"
Richard Douthwaite

Tag: Economy. Local Economies & Shifting the Global Economy to Sustainability & Right Livelihood

Challenge:

The international system of currencies deliberately hinders the development of local economies, making it difficult to increase trade and exchange between different members of the same community. That same system creates a sense of an economy that is separate from the idea of working for people and helping them to satisfy their needs. The projects and communities that do aim to be ecologically and socially sustainable and resilient must also face the challenge of being economically viable. To achieve that, it is important to find tools that serve to strengthen and maximize the exchanges between products and services with ecological and social criteria. This is an important step to strengthen organisations working under the principles of a solidarity economy.

Solution:

Social currency is used as a tool to develop the local and solidarity economy in an area. It helps to generate exchanges between individuals possible where a lack of "official currency" is a limiting factor. Social currency is created and destroyed based on real economic activity that occurs between entities and individuals. It is a local currency, which produces no interest and no motivation to accumulate it. This eliminates the possibility of speculation with it and this helps to facilitate local trade. Some of the social currencies base some of their operation on bonuses given to consumers with every purchase. These bonuses aim to broaden the impact of the solidarity economy and develop extensive networks that can operate with a currency that gives proper consideration to social and ecological criteria.

References:

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