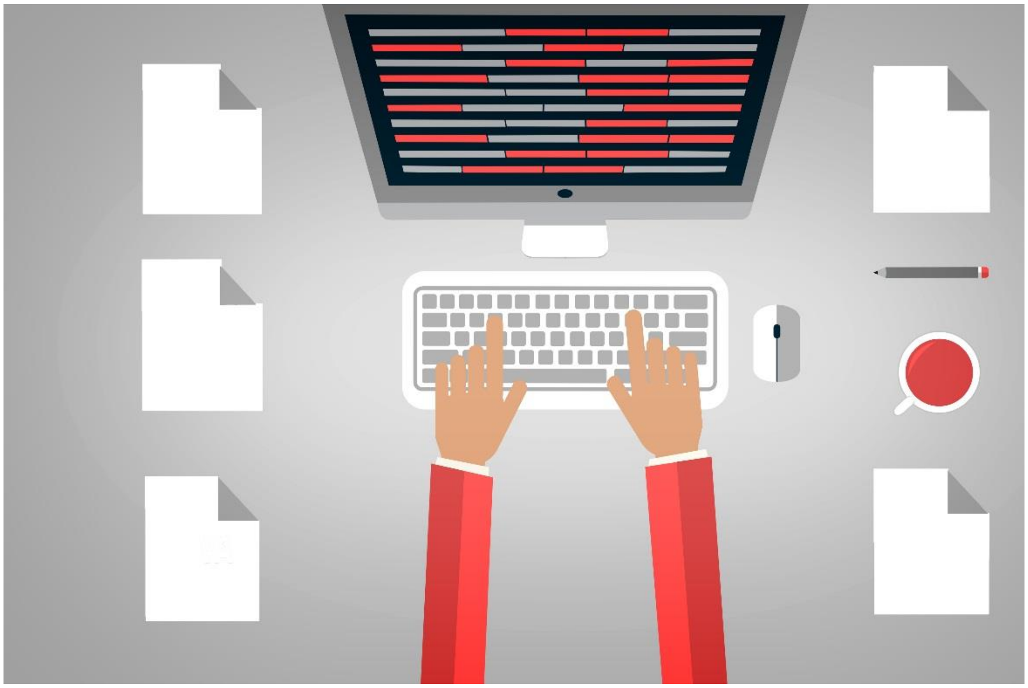

Research
&
Knowledge

Read the paper of Marek Hudon and Camille Meyer about complementary currencies.

When currencies are established as commons, or common goods: the example of complementary currencies

by Marek Hudon & Camille Meyer

The commons as a concept is increasingly used by practitioners and social activists with the promise of preserving and creating new collective wealth. According to David Bollier, we are witnessing the emergence of a "commons paradigm", that refers explicitly to forms of civil society organizations enabling people to collaborate and share in order to meet social and economic needs. This new paradigm is an alternative way of organizing economic activities collectively according to values, principles and operating methods that differ from those applied by the market and the state. As such, the commons consist of activities and actions based on cooperation and solidarity.

Recently, Camille Meyer (University of Victoria and former Ph.D. candidate at CEB/CERMi, SBS-EM) and Marek Hudon (Professor at CEB/CERMi, SBS-EM) published an article in the top journal of critical management studies, *Organization*, to explore the extent to which money could be established as a commons or social systems enabling the production, use and circulation of shared resources in communities (De Angelis and Harvie, 2014). To this end, they analyzed five community currency (CC) schemes based on the theoretical framework of commoning developed by Fournier (2013). Fournier developed three conceptual dimensions of commoning: organizing in common, of the common and for the common. In recent years, an increasing number of communities have developed complementary currencies with the objective of fostering new forms of exchanges (Biggart and Delbridge, 2004). With more than 3,000 CCs worldwide, these alternative forms of monetary organization are often considered as vehicles of social change on a micro scale. Indeed, official currencies, mainly produced by commercial banks through the production of credits, are increasingly criticized on the grounds that they increase economic and social disparities, and lead to unsustainable consumption patterns.

CCs are conceived of and issued by local nonprofits, civilian associations, businesses unions and local governments. These complementary currencies exist alongside their conventional counterparts, circulate within a defined geographical region or community, and arbitrate the exchange of goods and services without bearing interest. They encourage community-based local trading and the development of ethical values for currencies, such as non-accumulation and non-speculation; they promote local and sustainable development, tackle poverty and social exclusion and build social capital.

Meyer and Hudon argue that, by exploring new ways of producing, distributing and consuming money, CCs potentially provide an interesting example of how the concept of commons is applied to finance. Their findings suggest that since CCs create a community of alternative-currency users that is governed collectively and democratically; they can be considered as commons.

In particular, CCs are organized cooperatively through collective choice arenas. The five CCs we studied are good examples of collective governance or management. Indeed, members are often active in management and general governance, and are involved in decision-making processes. Hence, most of these CCs organizations share similar governance features with social and solidarity economy organizations, which have a very participative governance structure. However, it is well known that self-managed nonprofit and solidarity economy organizations face several challenges to achieve continuous participation by community members. These difficulties are also present in CCs, which often require strong leadership to continue operating.

CCs are not only about organizing a currency collectively, but they also create and strengthen communities. A collective belonging and identity is created by these monetary institutions. As such, CCs give other meanings to community members' exchanges linked to solidarity, sustainability and social cohesion. This collective identity stands outside pure commercial relations, and the financial resource is less subject to private accumulation and appropriation.

Meyer and Hudon's analysis suggests that the main differences between the communities created by CCs and official currencies lie in the values promoted by these systems and in their governance. Hence, CCs represent a citizen claim on money. The touchstone of community currencies is that no one should be excluded and that collaboration between stakeholders will lead to a better, more sustainable society. These socio-economic practices create new forms of monetary organization, collectively shaped and promoting both individual and collective interests. This objective tends to change the nature of exchange and the notion of economic community by emphasizing cooperation and responsible user behavior. Nevertheless, CCs rarely match the last dimension of commoning, organizing for the common, which refers to the collective use and consumption of shared resources. Although the monetary institution is shared by and jointly benefits all CCs users, the monetary units—the amounts exchanged—enable the acquisition of goods and services that are privately used.

Complementary currencies are also present in Belgium. Marek Hudon is currently coordinating at CERMi/CEB a research project with Financité, with the objective of studying the resilience of new CCs in Brussels.

MAREK HUDON

Marek Hudon is an associate professor at the Université Libre de Bruxelles (ULB), where he is one of the co-directors of the Centre for European Research in Microfinance (CERMi) and director of the Centre d'Etudes Economiques et Sociales de l'Environnement (CEESE). He is a professor in Social Finance, Sustainable Development and Ethics at the Solvay Brussels School.

CONTACT :
mhudon@ulb.ac.be

CAMILLE MEYER

Camille Meyer is a Post-Doctoral Fellow at Victoria University (Canada). He has done his PhD student in Economics and Management at the Centre for European Research in Microfinance (CERMi) at the Université Libre de Bruxelles (ULB).

CONTACT :
camillemeyer@uvic.ca

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