

Proposal for PhD Thesis

2012/2013

Area of Study:

The Discourse and Practice of Complementary and Community Currencies

Proposed Title:

**“The Practice of Community Currencies and the Critical Examination
of the Discourse of Money”**

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Abstract

Since the financial crisis in 2008, complementary and community currencies (in the following abbreviated as CCs¹) have received unprecedented attention by the media, grassroots change agents and policy makers. Despite questions raised by the financial crisis and its aftermath, money itself remains as elusive a phenomenon as water must be to fish. Economic and business disciplines commonly only describe the use and functionality of money instead of its nature. However, the practices of complementary and community currencies can challenge this narrow understanding.

In the discourse of community currencies, the conceptual under-determination of money appears to find its continuation in the different and even conflicting framings of money and currency employed by different practitioners and approaches. There are still no coherent theoretic frameworks to understand all kinds of complementary currencies and "money as we know it", which consequently impedes the understanding and the measurement of the effectiveness and impact of complementary currencies as tools for systemic financial change and sustainable development.

This proposed research aims to reduce this conceptual gap, and thus improve the practice and finally impact of community currencies, by mapping and analysing the discourse and framings of community currencies by their practitioners and advocates and comparing these with the discourse of money and finance in economics and related disciplines.

Rationale

Even before the global financial crisis of 2008, the World Bank had identified 96 banking and 176 financial crises between the years 1971, the beginning of our current monetary regime, and 1996 alone (Carpio & Klingbiel 1996). Consequently, the failings and fallacies of our finance and money system have been identified as "systemic", requiring fundamental changes beyond regulatory adjustments (Lietaer et al. 2012).

¹ The terms "complementary currency" and "community currency" are often used synonymously, but while the former can encompass all possible monetary unit systems including commercial and top-down currencies, the latter often represents the subset of complementary currencies with a deliberate bottom-up, democratic or impact-orientated approach.

Complementary currencies have been employed throughout history, particularly in times when legal tender currencies have become too scarce to facilitate the basic necessities of citizens' lives (North 2008).

Several waves of innovations in complementary currencies have been identified over the last 3 decades (Blanc 2011), now offering a diverse and adaptive range of socio-economics tools for the benefit of local and sectorial communities (CCIA 2012). Together, they pose an "essential element in any solution" (Graeber 2013) of what appears to be a financial *gordian knot*, and to achieve the systemic change in financial and monetary matters needed for future social stability (Bendell & Greco 2013, Lietaer 2000).

All CCs offer and require varying degrees of reflection on the nature and technicalities of the money we commonly use. Some, like "Bitcoin", do this because they employ revolutionary new technologies of accessing liquidity and transacting it (ECB 2012). Others, like "timebanking", because they build on an explicit and strictly social set of shared values, which starkly contrasts with the values and qualities otherwise assigned to money and the economy (Cahn 2000). In practice, all of the many thousands of complementary currencies in circulation today (Seyfang 2012) and in the past are distinct from each other if one closely analyses their issuance, organisation and communications.

Adopting the notion of Norman Fairclough's progression from a negative critique of structures to a positive critique of change strategies (Fairclough 2010: 14), it seems that the analysis of our financial system and money "as we know it" now needs to be complemented by the analysis of those novel approaches and prototyping practices of CCs. The global phenomenon of complementary currencies presents an opportunity for research and, more importantly, for democratic and empowering changes to our economy and society.

The current theory of CCs is in many ways as nascent and diverse as its practice, which can be seen as a positive attribute for an innovation field. But, in the candidates personal and professional direct experiences with a wide range of currency initiatives around the world, this also harbours theoretical and conceptual incoherence, which adds to the practical difficulties in the popularization, solidification and scaling of CCs.

Despite several recognized attempts, there is no widely accepted typology and terminology of complementary currencies (Blanc 2011). This has its counterpart in the still under-determined or at least unsettled understanding of the nature of money as social technology in economic disciplines (Ingham 2004).

The topology of the monetary discourse includes, next to the concepts of money or currency, such elements as "credit", "value", "debt", "market", "barter", "exchange", "gift", "trusted third parties", "sovereignty", "economy", "finance". The practice of complementary currencies, because of the necessity of having to communicate their objectives and functioning to their targeted users and stakeholders, often refract the meaning we customarily assign to these terms in new ways. For example, it is curious to observe the popular discourse around the potential of the virtual currency "Bitcoin" as a disruptive technology (Der Spiegel 2013), without any reflection about the issuance mechanism of the units. The endlessly repeated analogies of "mining" and "digital gold" only obscure the factual mechanisms even further. Yet other elements like the transparency of transactions, the nature of speculative value and the basic legitimacy of money have surfaced into popular discourse through the practice of Bitcoin. Some community currency practitioners, who would be expected to be enthused by Bitcoin as the first complementary currency that caught the attention of mainstream media, actually dismiss it as a useful example of their trade because of its arbitrary issuance and distribution, assigning and transacting speculative wealth with no reflection or underpinning of value - economic, social or other (Jourdan 2013).

In this situation, CCs provide an exciting object of research in itself, but they also connect us to the wider topic of money and its discourse across different spheres and disciplines. They provide a micro-local approach for a "practice theoretical" examination of money, according to Ted Schatzki, which is the most appropriate entry point for substantial changes onto a larger and complex system like money and finance (Schatzki 2011).

Aims

The aims of this research are two-fold:

Firstly to contribute to the theoretical field concerned with the nature of money and exchange in a broad sense, by mapping and analysing the discourse of CC practitioners and experts including their framing of money. The focus of this analysis will be to test how the framing used influences the practice implemented or advocated for, and how particular approaches shape or possibly enable or inhibit their agency.

Secondly to derive a framing of money and currencies as social technology that is commensurable across the diverse objectives and practices of CCs and their backdrop of the wider money and finance discourse. The practical usefulness of such framing can be tested and validated by working with implementers and practitioners of new and evolving currency projects. Quantitative research and impact assessment of community currency initiatives is already part of the candidate's research for the New Economics Foundation.

Summary of Relevant Published Studies

The field of complementary currencies has seen a steady surge in publications over the last few years (Google Books Ngram Viewer 2013). This is also reflected in a novel interest of policy makers in the topic (UNRISD 2013). Despite numerous historic examples, the field of CC practice and theory has only started to coalesce as a trans-disciplinary academic and dynamic entrepreneurial discipline. Despite a host of individual studies on particular currency projects and models, the field as a whole appears to be incoherently covered academically.

In recent years several typologies have been proposed, but none has resulted in widespread recognition and acceptance (Blanc 2011, Maritgnoni 2012, Kennedy & Lietaer 2004). The diverse practices of CCs in specific contexts like regional development (North 2010), social policy (Gregory 2009) or economic regeneration (Greco 2001) have been described individually. But there is very little underpinning with quantitative and reliable qualitative data on the impact of the community currencies (Bindewald & Place 2013). This has recently led to doubts about the effectiveness of community currencies as a whole (Dittmer 2013).

Most individual contributions are presented in the young sector publication "International Journal of Complementary Currency Research".² But most reference material to date exists as non-fiction literature in the form of books, the authors of which feed on a wide range of different sciences, approaches and worldviews.

Similarly, the theory of money is still marginalized in orthodox economics textbooks (Ryan-Collins 2010). Some reviews of pertinent historic positions have been published (Boyle 2002, Ingham 2004, Graeber 2011, Blanc 2013) and will be reviewed in the proposed study in regards to the diversity of the discourse of money.

² 104 articles published since 1997 in 17 issues, www.ijccr.net, last accessed 28.08.2013

Tentative research questions

- 1) What are the framings of the nature of money and currency found amongst practitioners in complementary currencies?
- 2) How does this compare to the framings of money found in the sociological discourses of money, economy, finance and value?
- 3) How do these framings of money and currencies shape the outcomes of complementary and community currency initiatives?
- 4) What would be the criteria for more empowering framings, commensurable across the spectrum of practice and commensurable with the customary framing of money, economy and finance?
- 5) How can CC practitioners and other stakeholders be engaged in this exploration of framings and discourses, in a way that is conducive to the success of their projects?

Proposed Design and Methodology

This research proposal builds on the candidate's personal and professional experiences in the young global practice of community focused complementary currency initiatives.

The discourse of complementary currencies and money will be captured in two main ways:

- Desk research on publications, print and online
- Interactions with practitioners and experts/advocates

The latter will take the form of semi-structured interviews, the observation of workshops, community events and conferences and specific focus groups with representatives of new and established initiatives or peer groups. The focus will be on the salient established and promising new currency initiatives across the UK and other European countries and potentially further afield. The aim will be to capture and compare the approaches exhibited in the context of different currency models and stakeholder compositions. The candidate's personal networks will allow for exclusive access to practitioners and experts in the field.

The desk research will depart from the reviews of monetary theory mentioned above (Boyle 2002, Ingham 2004, Graeber 2011, Blanc 2013) and also incorporate the pertinent cornerstones of monetary theory, e.g. the Austrian School, the German School, Irvin Fisher and J.M. Keynes. The research will be guided through the engagement of prominent authors and experts in the field (like Bernard Lietaer in Belgium, Thomas Greco in the USA, Shann Turnbull in Australia, Hugo Godschalk in Germany) through semi-structured interviews, seeking advice on follow-up reading and personal synopses.

Methodologically, the analysis will be guided by the approaches of "Critical Discourse Analysis" (CDA), "practice theory" and "action research". These methods will be studied at the onset of the research program to guide and refine the overall research questions and research plan.

This research program will be designed in self-consistent work-packages that can be published and presented to the CC community of practice and academic audiences at regular intervals, in order to maximize action-research opportunities and discursive feedback and interactions. Possible initial topics, each for approximately 6-9 month, include:

- Study of practice theory frameworks to describe the CC practice in the context of monetary theory and structures.
- Study of CDA and outline of its relevance for the field of CC and monetary reform.
- Scoping study of historic monetary discourse.
- Scoping study of current money related discourses in related disciplines (geography, anthropology, sociology, law).
- Structured overview of current framings and positions employed by the pertinent CC practitioners and practices with the aim of identifying criteria and examples of commensurable framings.
- Action research validation of the derived criteria for commensurable framings. How can practice benefit from discourse analysis?

The candidate's current employment as a researcher on the topic of CCs at the New Economics Foundation in London will provide synergies for the action-research elements and potentially for joint funding applications.

Expected Outcomes and Implications

In addition to satisfying the candidate's acute curiosity in the subject matter, the proposed research will be the first comprehensive study of this kind in the innovative field of complementary currency in conjunction with a multi-faceted review of the historic discourse on the theory of money. This will lay the foundation for a more appropriate approach to understand, communicate and, most importantly, develop and improve the practice of complementary currency.

For the research in and on the field of complementary currencies, more commensurable theoretic frameworks will allow for better comparisons and juxtapositions of diverse practices, including their backdrop of monetary and financial systems.

For practitioners, these frameworks can help to improve their communications to stakeholders and peers, which can be seen as a precondition to improve the impact and viability of their initiatives. The research will also support the new credit-bearing post-graduate module on complementary and community currency that will be launched in 2014 by the proposed supervisor for this PhD, at the Institute for Leadership and Sustainability (IFLAS) of the University of Cumbria.

In the light of Fairclough's "Manifesto of Critical Discourse Analysis", and as reflected in the hopes and aspirations of many CC practitioners, this work will contribute to the "political struggle [...] which can transform social forms and social life in ways which advance human well-being" (Fairclough 2010: 14)

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