



# International Journal of Community Currency Research

Volume 17 (2013) Section C

## BOOK REVIEWS

### **EQUAL TIME, EQUAL VALUE – COMMUNITY CURRENCIES AND TIME BANKING IN THE US**

BY ED COLLOM, JUDITH N. LASKER AND CORINNE KYRIACOU. FARNHAM: ASHGATE PUBLISHING LIMITED, 2012. PP. XI + 208; INDEX. £55.00. ISBN 9781409449041 AND 9781409449058.<sup>1</sup>

This book was written to “provide an in-depth investigation of Time Banking in the United States”. All three contributors have been involved in research into, and worked closely with, various Time Banks in the USA. They chose Time Banking from among the current systems of community currencies, in the knowledge that Time Banks are the most popular type, are more flexible than others, and their exchange data are more readily available as they are recorded electronically. However they can be very challenging to launch and sustain, so it is hoped that the information and examples provided here will enable long-term success in the future. All readers would gain both knowledge and inspiration from the wealth of well-organised information, though readers with an academic background in the field of sociology will appreciate more of the detail than the ordinary reader.

There is an account of the place of Time Banks among the community currencies used in the USA, including such as LETS (Local Exchange and Trading Systems), and Hours (paper currency linked to the national dollar). All Time Banks follow the core values outlined by Edgar S. Cahn, founder of the Time Bank idea: ASSETS – we are all assets; REDEFINING WORK – some work is beyond price; RECIPROCITY – helping works better as a two-way street; SOCIAL NETWORKS – we need each other; RESPECT – every human being matters. After collating information from all Time Banks, the writers then selected three particular examples, focusing on their special systems, their characteristic strengths, as well as their weaknesses.

The first is “a stand-alone Timebank, that has broad goals and no specific constituency, Hour Exchange Portland (HEP) in Maine”; the second, “Community Exchange (CE), in the Lehigh Valley region of Pennsylvania, was started by

a hospital-sponsored collaboration among non-profit organizations”; and the third “was launched by a social HMO (Health Maintenance Organization, for non-USA readers) (Elderplan) to provide needed services to older members and help them remain independent, Member to Member (M2M) in Brooklyn, NY.” Thus we can read of a range of types and the differences in their methods and results.

Then, in Chapter 3 “Why and Who: Motivations for Joining Time Banks and a Profile of Participants”, we read the inputs, the details of the research, including charts and graphs, and find great diversity of motivation, and a wide variety of types of people, besides the gender factor (most members are female). Chapter 4 “Time Bank Organizations: Membership Size and Services Exchanged” concerns exchanges, showing the variations in growth and stability of membership and organizations; and the wide variety of service types, including the selling of goods for Time Dollars. Chapter 5 “Time Bank Members: Participation and its Determinants” develops exchanges further, at the individual level, within the different types of networks. Chapter 6 “The Outcomes of Time Banking” reveals the benefits to individuals, organizations, and communities, which are not identical, varying with the goals, the members, and the services offered. Chapter 7, “Conclusion: The Impact and Future of Time Banking” emphasises the advantages of Time Banking over other forms of US local currencies, through its flexibility, its politically neutral nature, its egalitarianism, and its radical democracy in a world where localism is making an impact.

This book’s greatest strength is the clear organization of a huge amount of material, so that both the professional reader and the less well-informed will be able to find what they want. Each chapter’s content is clearly organized under sub-headings, including its Introduction, outlining the purpose and plan of the chapter, and a Conclusion, briefly tying together the main points arrived at, and indicating the content of the next chapter. If any reader has strictly limited time, reading only each chapter’s Introduction and Conclusion would give a clear understanding of the book, and easily enable further searching for detail.

<sup>1</sup> Email: [julietruthadams@gmail.com](mailto:julietruthadams@gmail.com)

Adams, J. (2013) ‘Equal Time, Equal Value’ book review, *International Journal of Community Currency Research* 17 (C) 1-2, <[www.ijccr.net](http://www.ijccr.net)> ISSN 1325-9547

For the professional reader, the many figures and tables supporting the text would be invaluable; as would the final section of each of Chapters 2 to 6, the Methodological Appendix, providing an overview of the research, describing the methods used and types of data collected. This would be particularly useful for anybody planning to do similar research. The Bibliography, of 12 pages, provides a wealth of references to writers on relevant topics, including books, journals and online information. The 6-page Index is clearly cross-referenced, assisting the reader to find material under alternative keywords.

As a practical matter, the book is heavy, with tight binding, so its first reader would be well-advised to have a strong bookstand, and avoid hard work for the hands, while making it more comfortable for the later readers. The print, while clear, is rather fine for readers with less than perfect eyesight, but larger print would have made the book even heavier. These factors may deter some potential readers who would then miss out on valuable information. For ordinary readers simply wanting to find out about current systems, without reading every page, the Index may seem rather limited. For example, if they wanted to know how the internet is used, they would need to know about Community Weaver software to find the information.

This book is extremely useful for both “academics” and “activists”. What would be seen as strengths for academics might be seen as weaknesses by readers new to this kind of material. Although quite a lot of the information will be less accessible to the ordinary reader, through the use of specialist language, sociologists and those studying health policies, inequality and the creation of community and sustainability will find detailed, well-supported information to work from.

People in any country considering starting up some kind of community currency would be well advised to read this book first, although if they lack specialist knowledge they may find that, after the second chapter, they will gain sufficient valuable information by reading simply each chapter’s Introduction and Conclusion, leaving aside the tables and figures and each Methodological Index. Those who are already involved in Time Banking would also gain from reading this material, as they would discover ideas and methods that could help them to improve and sustain their own systems, wherever they are. There would also be reassurance from these case studies that there are ways to deal with problems that seem to threaten the survival of a Time Bank.

The chapter on Outcomes provides a lot of reassuring statements, such as “It is not the number of hours or quantity of members’ participation that matters for outcomes, but the quality of that participation.” Nowadays, many non-professional people who would like to find out more about Time Banks simply would not choose to read such a com-

prehensive, detailed book. Online information is much more attractive to many, so perhaps the authors/publishers would consider making a documentary, preferably animation, and seen on youtube, outlining the main results of this research, and therefore promoting the book itself.

Juliet Adams

*Librarian, Project Lyttelton*

*34A Voelas Road, Lyttelton, New Zealand*

*Julietruthadams@gmail.com*

**PEOPLE MONEY: THE PROMISE OF REGIONAL CURRENCIES** BY MARGRIT KENNEDY, BERNARD LIETAER AND JOHN ROGERS. AXMINSTER, DEVON: TRIARCHY PRESS, 2012. PP. VI + 251; INDEX. £20 (PAPERBACK) ISBN 9781908009760 <sup>2</sup>

This book is the long-awaited translation of Margrit Kennedy and Bernard Lietaer’s 2004 work, *Regionalwährungen – Neue Wege zu Nachhaltigem Wohlstand* (2004) – but to say only this is to do it a serious injustice. John Rogers has been added as a third author, and the book has been thoroughly updated to include examples and references from as late as the middle of 2012, just a few weeks before publication.

The book comprises two parts. The first makes the case for regional currencies, while the second, which takes up approximately twice as much space, looks at regional currencies in practice, giving numerous examples of successful currencies from many places in the world.

By “people money” the authors mean any form of money (or facilitator of exchange) that is not created by governments or banks. Governments issue notes and coins (and also bank reserves, which the authors neglect to mention); banks create money through fractional reserve banking (pp.16-17). The authors take people monies to be regional, but this is to confuse two distinct things: non-government money can transcend regional or even national boundaries. Business currencies, which the book deals with fairly briefly, can easily go beyond national boundaries. The air miles phenomenon is a good example of a highly successful private global currency.

It is true, however, that most non-business people monies – community currencies – are limited in their circulation to a particular region (and, indeed, often to just a single town), and frequently only to a particular group of people within the area in which they circulate. Such currencies have the advantage of keeping economic value within a particular

<sup>2</sup> Email: jonathan.warner@questu.ca

Warner, J. (2013) ‘People Money: The promise of regional currencies’ book review, *International Journal of Community Currency Research* 17 (C) 2-3, <www.ijccr.net> ISSN 1325-9547

area, making it more difficult for resources to drain away. Just as credit unions strive to source their loans locally and support local businesses by lending to them, community currencies keep transactions local, as they are generally acceptable only within that area.

The categorization of currencies for the examples in the second part of the book uses two axes – that of the main purpose of the people money, and its core mechanism. The former looks at the major objectives of the currency (promote the local economy, or to grow community); the latter looks at the way the currency works (as a form of community credit, or as currency backed either by goods or national currency. Attempts to categorize community currencies (for example, those by Jerome Blanc and Jens Martignoni in the IJCCR – the latter was translated into English by John Rogers) have yet to yield a framework on which researchers are agreed, largely as the appropriate point in trade-off between category and complexity has not been resolved. (The greater the number of categories, the more complex the scheme: the less the complexity, the smaller the ability to make distinctions.) It is therefore a reasonable choice to use the classification system they do, but it does have the drawback that there are quite a few interesting ideas (at the end of chapter seven) which don't fit well with the typology.

So, what makes for a successful community currency? As chapter four points out, each region is different, and so a one-size-fits-all approach to producing a regional currency is unlikely to be successful. The case studies (chapter seven) capture the rich variety of people monies that exist, from survivors from the 1930's (Switzerland's WIR parallel banking system), through the business barter networks from the 1980's, to the issues of paper and electronic fiat monies from the past decade. In order to place the examples in context, chapter six provides a short analysis of what is necessary to succeed, using a format that would be familiar to people producing business plans. People Money follows John Rogers' ORDER process – get your team together and work out what the goals of the community currency will be (Ownership); Research what kind of currency might work in your community; Design an appropriate form (physical, electronic, time-based or national currency-based), then launch it (Engagement); finally, continually Review what's happening, and adjust as required. The rest of chapter six explains these elements in greater detail.

The first requirement in John Rogers' list is very well documented in chapter seven, which first presents a profile of effective organizers of people monies and then moves on to over a dozen examples; organizers of various kinds of people money were interviewed for this chapter, which, at almost 100 pages, is by far the longest in the book. Many old favourites are here: BerkShares, Ithaca Hours (both USA), and the Chiemgauer (Germany), along with more recent arrivals such as the Brixton Pound UK). Two further examples involving banking (WIR and Banco Palmas, from Brazil) are profiled in chapter two. Many of the stories attest to the patience, skills and resilience of the organizers who kept going, despite early setbacks.

But apart from the determination of the currency's organizer, what else can be gleaned from the case studies? Chapters nine and ten draw out some common significant features from the case studies. It's clear from chapter nine, which enumerates several empowering aspects of local currencies, what success would look like; but it's not clear to what extent community currencies as a class have achieved these goals. Many currencies profiled in chapter seven need ongoing outside financial support (to pay for the considerable amount of work that the organizers do); in addition, much volunteer effort goes into keeping the currency circulating. For the committed idealist, this is pure joy; but for others it may grow old fast, leading to the failure of the currency.

One drawback of examining only successful cases is that it ignores what can be learned from failed experiments. Chapter six does start with the example of the Rössle Project (Stuttgart, in southern Germany), which failed. According to a member of the core group, this was due to a combination of burn-out in the organizers, too few participants, a lack of awareness and the dispersion of participants (meaning long journeys to find businesses that would accept the currency). Clearly, remedying these factors is necessary, but it is not clear that doing so is sufficient to guarantee success. As with many novelties, community currencies may start with a reservoir of goodwill, but this can soon be drained if the advantages of the currency take a while to manifest. The use of BerkShares (profiled on pages 138-143) "was huge, with every fourth customer at the banks buying BerkShares out of curiosity (p. 141), but then saw a decline which tested the currency's credibility. Salt Spring Island's currency was launched in 2001, is not featured in the book, apart from an illustration of one of its notes. (This is on p.19, and, from context was probably referenced in the German text.) At first this was very well received, but over the past few years it has seen falls in circulation so, although it is readily accepted on the island, it seems today to be used almost exclusively by visitors.

The table of contents and index are helpful and thorough – one quirk of the index is that people are indexed by the first name, rather than by surname. The book is not quite a handbook or how-to guide to community currencies, but it comes close. For anyone wanting to learn more about the potential of community currencies or who is interested in reading stories of successful ones, this is a most valuable resource.

Jonathan Warner

*Tutor In Economics*

*Quest University Canada*

**CREATING SUSTAINABLE SOCIETIES – THE RE-BIRTH OF DEMOCRACY AND LOCAL ECONOMIES (1ST ED.)** BY JOHN BOIK. IRVINE, CA: SITEFOR-CHANGE, 2012. PP 170. \$16 (PAPERBACK). ISBN-10: 1470120968 AND ISBN-13: 978-1470120962<sup>3</sup>

John Boik, a cancer biologist from Los Angeles, is courageous and original. He faces the big issues of our time—financial, environmental, economic, social, and even technological threats – and presents a blueprint to solve them by opt-in grassroots solutions. Boik's ideas are idealistic and refreshing and some of them have a practical appeal. A who's who of the complementary currency and democracy movements commend the book and Bernard Lietaer wrote the preface. Boik advocates a token exchange system, a principled business model and collaborative governance and applies democratic principles to each. He envisages a network of principled businesses and a network of policy makers.

His blueprint could have a profound effect on national systems and whole populations. He describes an approach and technology that would allow citizens to voluntarily cooperate at the metro level in demonstrating new, sustainable financial, economic, and governance systems. The proposal for democratic self-governance can be demonstrated in a pilot scheme in a small group in one city. If it is successful he hopes that the idea spreads quickly to every metro area in the U.S. and to cities in many other countries. He expects that the ideas on which it is based would start to influence state and national politics.

The book contains an excellent section on writing legislation, where he applies decision making processes of open source software development and his knowledge of genetics, with each round being more sophisticated than the last.

Though he advocates pilot schemes he is probably aware that top down solutions are part of the mix and when these solutions are creative and benign they are very powerful. One of the problems with reinventing society is that so few include resource-based taxation in their agenda.

The current political process has a lot going for it and we should retain what is effective. The process by which a new policy comes into being is first by public advocacy, controversy and finally by legislation. While Boik understands the growing role of the Internet in shaping public opinion, he doesn't mention the role of the media in this matter. Elegant and simple legislative solutions always trump a patch-on solution. Politics at its best can be the most creative enterprise of all. The right policies send signals to businesses and avoids the artificiality of exceptions and of picking winners.

Boik is an American in an American society. While some states have referenda, the US doesn't have proportional representation. Geoffrey Palmer's introduction of Select Committees was a huge advance in democracy. This is not yet, I believe, emulated in the US. While New Zealand has much further to go in achieving better democracy, we at least are a small country and can constantly refine and improve what we have. 500 people actively participated in rewriting the constitution of Iceland, a country with only 350,000 people.

His idea of a local currency is the Token and he believes some should be diverted into investment and some into loans. However, the feasibility of this idea will depend on the scale of the currency and maybe he underestimates its potential size. Of course we should use democratic means to choose which business to invest in. Some publicly owned banks are doing this already to some degree. Here again the role of legislation is underestimated. Good legislation will bring good investment decisions, just as well designed currencies will.

He acknowledges that housing accounts for 42% of consumer spending and that his proposed Tokens won't help much with this.

Plaudits for his stimulating and original suggestion of how to change the world and rescue us just in time from total environmental and economic collapse. Consistent with his philosophy is publishing the book free as a pdf and allowing anyone to publish a hard copy of the book as long as they give 50% to the Principled Societies Project.

An excellent animated video, the first of four is now on the website associated with this book at <http://www.principledsocietiesproject.org/local-financial-system-animation/>.

Deirdre Kent

<sup>3</sup> Email: [deirdre.kent@gmail.com](mailto:deirdre.kent@gmail.com)

Kent, D. (2013) 'Creating Sustainable Societies: the rebirth of democracy and local economy' book review, *International Journal of Community Currency Research* 17 (C) 4, <[www.ijccr.net](http://www.ijccr.net)> ISSN 1325-9547

**THE TIERRA SOLUTION: RESOLVING CLIMATE CHANGE THROUGH MONETARY TRANSFORMATION** BY FRANS C. VERHAGEN. NEW YORK: COSIMO BOOKS, 2012. PP. XXI + 351; INDEX. \$19.99 (PAPERBACK). ISBN 978-1-6140-688-2.<sup>4</sup>

Climate change has undoubtedly been created by the modern way of doing things, both within the economic sphere and society in general. Even though there is an incessant debate as to how and to what extent the climate is affected by human activity, we all know by our mere experience that nature will face immense challenges if human societies continue business as usual. The book "The Tierra Solution: Resolving climate change through monetary transformation" by Frans C. Verhagen contributes to this debate by: a) discussing the main reasons and main solutions to this problem, and b) presenting an original proposal for an international monetary reform in detail; this will focus on tackling climate change and international inequalities.

"The Tierra Solution" is addressed to various audiences, from academics of different disciplines (such as economics, international relations, law, the natural sciences, and business administration) to activists; from people who need a general introduction to the monetary system and its impacts on the environment, to policy-makers who need briefing in a vast spectrum of issues.

The book is organised in two parts, which facilitates the study of the theoretical, historical and practical/activist issues discussed. The first part presents the climate crisis and carbon reduction regimes, the international monetary system and its history and provides a general overview of the monetary justice principle. The second part consists of the concrete proposal concerning the Tierra Fee and Dividend System, at both national and international level.

Chapter one presents the climate crisis and its implications on the relations between the global North and South, whereby the South is an ecological creditor of the North; something which has serious ecological, economic and political implications across the planet. The second chapter analyses the already existing and/ or proposed methods of reducing carbon emission levels, dealing with their respective advantages and disadvantages.

Chapters three and four are dedicated to the international monetary system. The historical overview of the modern monetary system is informed and concise, but with numerous references to events and important documents in case the reader wants to learn more and carry out further research on the topic. The recent international monetary trends (chapter four) comprise even the most recent events, including information on several regions of the world outside Europe and the USA.

The fifth chapter breaks with the mainstream neo-liberal view against the role of the central government in monetary issues. Instead, it discusses the public sector as the sole creator of money which needs to assume this exact role in order to transform monetary flows as well as money management in the entire economy.

The sixth and last chapter of the first part of the book offers a discussion on the monetary justice principle and how this might be crucial for the international monetary system. Monetary justice has several practical implications because it is connected to: values and value-based planning to tackle economic inequalities at national and international level; environmental and social sustainability, with a focus on bioregionalism and low-carbon economies; an ethical stance intertwined with sustainability principles; and the actual governance of the international monetary system, with public institutions run according to monetary justice and its satellite principles.

The first chapter of the second part of the book, chapter seven, offers a basic explanation of what the Tierra Fee and Dividend (TFD) system is. It is a carbon-based monetary standard which is proposed to be introduced at international level. The standard would require revaluation of national currencies according to each state's environmental performance and its ecological debt-or-creditor position. The system will be run by a global central bank and a monetary court to adjudicate any emerging conflicts.

Chapter eight presents perspectives of the TFD system in relation to the current international monetary situation to the Kyoto and post-Kyoto global situation. The TFD system will have climatic, economic and financial impacts, and will also affect international trade and governance.

The ninth chapter is mostly addressed to activists who want to present the proposal in favour of the TFD, giving instructions on how to effectively present the idea and its main axes. The next chapter (chapter ten) is even more specific, briefly presenting critiques, questions and answers in relation to the TFD. It also presents some possible positive developments of adopting this monetary system.

Although the book is dedicated to a certain monetary proposal and attempts to persuade about its validity, it remains well informed as to all related and/ or alternative monetary reform proposals and institutions. The selected bibliography and extensive notes (with website information) included offer good reading suggestions to anyone wishing to read more on the subject.

On the one hand, the book is not focused on complementary or local currencies as such. The centralising approach might be shocking for those who focus more on boosting local economies. On the other hand, however, local currencies and economies are never isolated from their general

<sup>4</sup> Email: irene.sotiropoulou@gmail.com

Sotiropoulou, I. (2013) 'The Tierra Solution: Resolving Climate Change Through Monetary Transformation' book review, *International Journal of Community Currency Research* 17 (C) 5-6, <[www.ijccr.net](http://www.ijccr.net)> ISSN 1325-9547

economic environment. The general issue about the necessitated reformations of the institutions which interconnect local economies is something that no one in the alternative currency theory and action field considers to be a minor discussion. Accordingly, even if the reader is not persuaded or does not really find the TFD proposal satisfactory enough to be preferred over other climate-sustainability ideas, this book cannot be omitted from reading. Additionally, it is very informing in terms of its analysis of climate change and alternatives to monetary systems and, of course, it gives a thorough presentation of one more alternative economy proposal. Moreover, it shows that even if one does not end up supporting the TFD, he/she is able to find interesting discussions and arguments to face the mainstream monocracy concerning monetary issues.

Finally, it is a book which contributes important information, arguments and practical proposals to a problem no one can put aside anymore. Ideas like the South-North ecological debt flows, the public sector's role concerning money, or the sustainable value-based monetary standard can be further elaborated by other theorists and activists in order to collectively find the best solutions to the current ecologically destructive situation. In other words, "The Tierra Solution" book has justifiably become part of the alternative sustainability discussion.

Irene Sotiropoulou