



Earth and Economy



Quaker Peace & Social Witness Sustainability & Peace and Economic Issues programmes

Spring 2016

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The New Economy project: Working on a larger scale

Cait Crosse, New Economy Project Manager for Quakers in Britain, shares what's been happening on the New Economy project and explores why reflective, systemic thinking about economics is vital for creating change.

The current economic system is unsustainable and unequal. We are currently consuming resources 50% faster than the global ecosystem can accommodate¹ and the richest 1% of the world's population now owns more wealth than the rest of humanity put together.²

But how can we do things differently? Yearly Meetings in recent years have voiced a need amongst Friends to gain clarity on what a “different system in which our testimonies can flourish” might look like.³

Our New Economy project is a response to this need. We have just published two short booklets; the first of seven that will be released in the coming year and will be available as resources for meetings. They build on the *Principles for a new economy* document that many Friends contributed to in 2015.⁴

These new publications question how we can best measure economic success, reimagine work and organise business structures to serve “the enhancement of all life, human and non-human”. They also suggest ways that we can sow the seeds for systemic reform today. Our hope is that the booklets will be both visionary and practicable, both educational

and provocative; a starting point for broader conversation and discernment amongst Friends, rather than a final word on economic change.

A positive vision

At a time of pressing economic problems, including rising foodbank use and child poverty, why bother with this more reflective work? Firstly, this project aims to inspire action. Envisioning our direction of travel is an important part of this process. To borrow former Labour minister Tony Benn's words, social change has two prerequisites: “the burning flame of anger at injustice, and the burning flame of hope at a better world”. We believe that the reflective process can help ignite this “flame of hope”. It is all too easy to feel despondent at the state of the current system, but clarity over how things could be different can motivate us to strive for change, not only compelled by a sense of wrong but also drawn on by a promising vision. Action can become more creative and joyful.

Economic democracy

Another reason to reflect, collectively, on economics is that this topic is too important to be left to economists. Conventional economic thought was unable to predict the financial crisis in 2008 and fails to adequately address the impact of 'business as usual' on the planet. In order to realign economic policies with human values, we all need to have more of a say on economic matters. Whilst this may require intellectual engagement and reflection, it is also about confidence. The concepts and language of economics are often made unnecessarily technical in order to make outsiders feel unqualified to give their opinion. 'Economic speak' is often used to justify decisions which, whilst they may involve a degree of complexity, ultimately come down to value judgements about, for example, who deserves wealth in our society. We hope that the New Economy booklets will provide structure for Friends to reflect on and learn about economics, but also to feel that their opinion is valuable.

Systemic thinking

In 2011 Britain Yearly Meeting discussed the challenge of transforming the global economic system. Minute 23 made in that year stated: "There are many small steps we can all take, as individuals and as meetings. But we also feel called to work on a larger scale."

We live in a hugely complex world, and if we are to address challenges like global economic inequality and climate change, then we need to think systemically. The New Economy project exists to help Friends join up smaller steps with bigger-scale thinking, to plan small-scale or local action, but with a view to enabling wider, longer-term systemic change. Many Friends are already doing this work, and we hope to encourage and support further thinking and

action. This will not be an easy process, but it is of vital importance. The Quaker vision of "a more just economy, based on goodness, justice and selflessness, rather than greed, selfishness and waste," has never been more needed.

New resources

The first and second New Economy booklets, which look at economic growth and measures of economic success, and work and business structures, are now available at www.quaker.org.uk/our-work/economic-justice/new-economy.

If you would like paper copies of the think pieces as a resource for your meeting please email caitc@quaker.org.uk or call 020 7663 1035.

How can you get involved with *Earth and Economy*?

Welcome to our *Earth and Economy* newsletter, where we explore issues of economic justice, sustainability, faith and money. This newsletter is free and sent twice-yearly. If you would like your meeting to receive copies, or would like to subscribe yourself, please email Ellie Roberts at ellier@quaker.org.uk or call 020 7663 1056.

You can also connect with the *Earth and Economy* network by:

- signing up to receive monthly e-updates on our work, opportunities for action and news from Quakers across Britain. Go to bit.ly/earthandeconomy to subscribe or contact Ellie using the details above
- joining the discussion about economics, our lives and the planet on Quakernomics, an online space for sharing and exploring ideas: www.quakerweb.org.uk/blog
- sharing action you've taken, and finding out what other Quakers are doing, on the Our Stories blog: www.quaker.org.uk/our-work/our-stories
- following us on Twitter @EandEquaker or liking the Sustainable Quakers page on Facebook.

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1. See www.footprintnetwork.org.
 2. See Oxfam report, 'An Economy for the 1%'.
 3. Britain Yearly Meeting 2011 – Minute 23.
 4. Principles for a New Economy (available at www.quaker.org.uk/our-work/economic-justice/new-economy).

Building a community of climate action

Between 20 November and 12 December 2015, world governments met in Paris to negotiate a new international agreement on climate change. Here, we share some of the many actions taken by Quakers before and during the negotiations to call for climate justice, and explore what we can do next to realise the ambition outlined in the new agreement.

Over the course of 2015, hundreds of thousands of people across the world mobilised to demand climate justice. In November and December, we followed Quakers around the UK walking, cycling, praying, marching, protesting, and building local community for climate action. Here, we share just a few of their stories.

On the road to Paris

Quakers Maud Grainger and Liz McPherson were two members of the group which walked some or all of the 200 miles from London to Paris with #Pilgrimage2Paris, arriving just before the climate negotiations began.



Top: Pilgrims walking in Morecombe Bay. Photo: Morecombe Bay Quakers. Bottom: The 'Cooperide' on the road from Copenhagen to Paris. Photo: Julian Rizzon.

You can read the full stories on the Climate Justice through Paris blog at www.quakerweb.org.uk/blog/category/justicethroughparis.

Quaker Phil Holtam was part of a group which cycled nearly 1,000 miles from Copenhagen to Paris, engaging with local groups, hosting events, and taking part in actions to challenge the fossil fuel industry along the way.

Morecambe Bay Quakers organised a People's Pilgrimage, joining thousands of others around the world in walking to the places they love to call for action on climate change.

And, in London, more than 100 Quakers joined the People's March for Climate, Justice & Jobs, with many others marching in Edinburgh, Cardiff, Bristol and other cities around the UK.

Prayer and silence

Quakers in Birmingham helped to organise an interfaith walk and vigil in the city centre on the middle weekend of the negotiations, where representatives from Buddhist, Christian, Hindu, Jewish, Muslim and Sikh communities gathered.

Christine Meredith, of Exeter Meeting, also shared her Blue Marble Minute for the Climate initiative, inviting people to be silent for one minute each day to uphold international action on climate change.

At the negotiations in Paris

Quakers were present throughout the climate negotiations in Paris, including representatives from the Quaker United Nations Office (QUNO) and the Britain Yearly Meeting (BYM) Sustainability Group. Writing from Paris, Lindsey Fielder-Cook, who leads QUNO's work on climate change, spoke of the role Quakers

can play in bringing a personal narrative to the negotiations, and in recognising climate change as a spiritual challenge.

Building local action

Swindon Meeting took part in the launch of the Wiltshire Declaration on Climate Change, committing to support the UK target of an 80% reduction in carbon emissions by 2050, as well as to reduce the carbon footprint of their own community. Swindon Meeting is among many others around the UK working to become a low-carbon, sustainable community.

What happened in Paris?

Many have celebrated the Paris Agreement's objective to limit global temperature rise to "well below" 2°C above pre-industrial levels, and to "pursue efforts" to keep temperature rise below 1.5°C. The inclusion of 1.5°C is in itself a victory for the campaign led by developing countries, particularly the Small Island Developing States at risk from rising sea levels.



Quakers join thousands of others in Paris to call for climate action. Photo: Owen Everett.

However, there is no obligation for governments to actually achieve 1.5°C, and the carbon emission commitments made so far do not even set us on a pathway for 2°C.

Indeed, just one month after signing the agreement, the UK government publicly reaffirmed its support for the UK's oil and gas industry, announcing that it will take action to revitalise fuel exploration¹.

What next?

The Paris Agreement marks a positive step in showing universal commitment to limiting climate change, but it does not yet deliver the radical transformation we need. As Quakers, we need to continue working towards this transformation by strengthening a community of action for climate justice.

In particular, we need to keep challenging the power and policies of the fossil fuel industry to create a political space for action, and to drastically slow the ongoing expansion of coal, oil and gas extraction. Over the last four years, over 500 institutions and communities including Quakers in Britain – collectively worth more than \$3.4 trillion – have joined the global fossil fuel divestment movement by removing their money from coal, oil and gas companies.

Churches and meetings around Britain are also switching from fossil fuel to renewable power. Quakers in Britain have negotiated access to a cheaper tariff with Good Energy for local meetings and other Quaker institutions. To find out more details and information about joining see www.quaker.org.uk/our-work/sustainability/fossil-fuel-divestment.

Through 2016 and beyond, we need to continue to work as a Quaker community to remove public and financial support for the fossil fuel industry, and invest ourselves in strengthening the movement for just and renewable energy.

What can you do?

- Join the divestment movement by removing your meeting's money from coal, oil and gas. You can find a divestment guide for meetings at www.quaker.org.uk/our-work/sustainability/fossil-fuel-divestment.
- If your meeting has divested or is interested in exploring divestment, we'd love to connect you with other Friends doing the same and share your story with the yearly meeting. Please contact Sunniva Taylor at sunniva@quaker.org.uk or on 020 7663 1047.

1. www.gov.uk/government/news/pm-announces-further-boost-for-uk-oil-and-gas-industry

An update on the Quaker Living Wage campaign

In our last *Earth and Economy* newsletter, we heard from Lancaster Quakers as they launched their Quaker Living Wage campaign. Six months on, Ann Morgan, of the Lancaster Quaker Living Wage Group, gives an update on what's been happening.

In June 2015, having worked to raise awareness of the Living Wage in our local community for over a year, we were invited at a meeting of the Manchester & Warrington Social Justice Group to lead a national Quaker Living Wage campaign. We are delighted to announce that our group is now officially partnered with the Living Wage Foundation.

We are currently focusing on raising awareness of the Living Wage within the Quaker community.

Letters have gone out to all 70 area meeting clerks, inviting their meetings to join our campaign by becoming accredited Living Wage employers. We have also asked clerks to let us know if their meeting already pays the Living



The Quaker Living Wage campaign logo.
Credit: Lancaster Quakers

Living Wage vs National Living Wage

The new National Living Wage (NLW) came into effect on 1 April. But what is it? And why has it received a mixed reception from campaigners?

The NLW, which has been set at £7.20 per hour, will see over a million workers better off by 50 pence per hour. It is expected that the NLW will rise to about £9 per hour by 2020.

With growing evidence that “in work” poverty is a major problem in the UK, any reforms which boost the income of low-paid workers are a step in the right direction. However, there are two major flaws with the NLW which mean it can only ever be a partial answer.

Firstly, despite the name, the National Living Wage isn't actually enough to live on. You might reasonably assume that the NLW is the same as the Living Wage that Lancaster Friends and others are campaigning for. However, this is definitely not the case. The NLW is actually more than £1 less than the £8.25 per hour (£9.40 in London) that a company has to pay to become certified as a Living Wage employer.

The NLW and Living Wage are calculated completely differently. The Living Wage is based on what the general public says the average family needs to enjoy a basic standard of living. The NLW, however, is based on estimates of how much employers can afford to pay before there is a significant loss of employment.

The second criticism of the NLW is that it ignores workers under the age of 25. Workers between the ages of 21 and 25 are still only entitled to the National Minimum Wage of £6.70 per hour, with even lower rates for younger workers. Despite the fact that many of the UK's millions of younger workers will be facing similar living costs as workers over 25, none will see any benefit from the NLW.

Wage, and if they will consider asking their trustees to apply for accreditation. We are offering support with the process of becoming accredited, including conversations with the Living Wage Foundation.

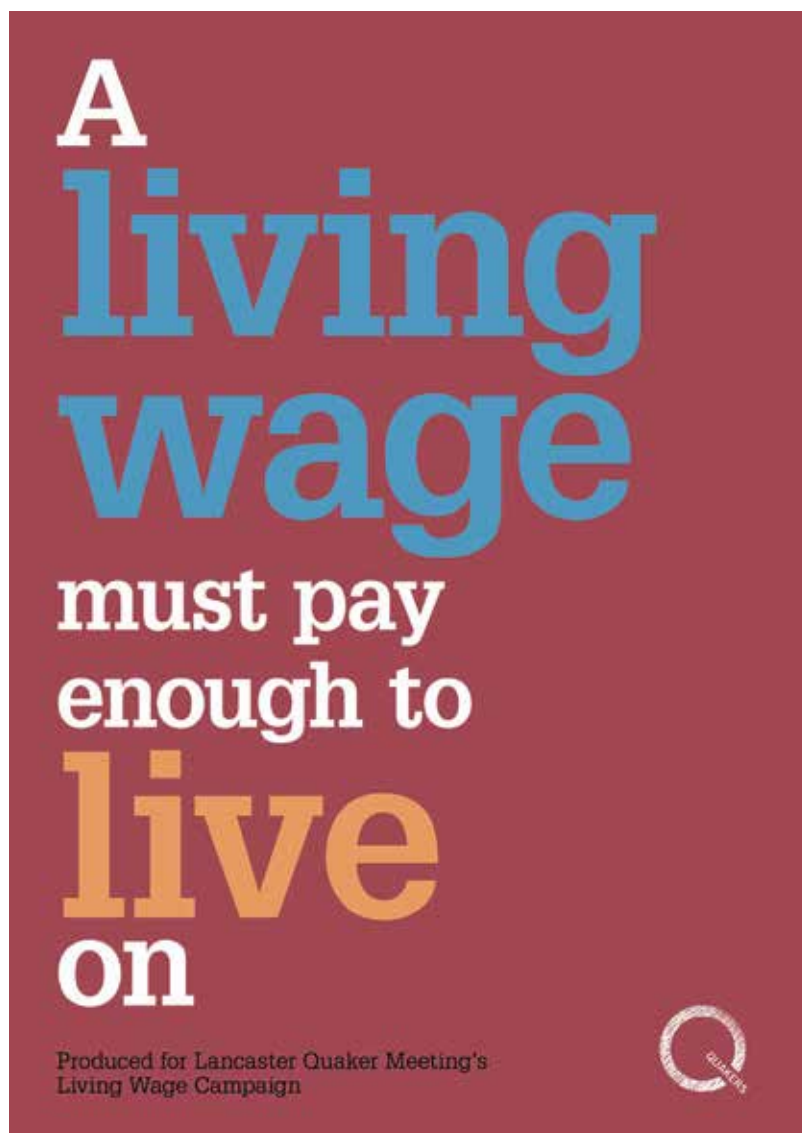
In March, we also sent a survey about the Living Wage to the 300 members and affiliates of Quakers and Business. From this, we hope to hear that some pay the Living Wage and that some are seeking accreditation. We also hope to gather information about the problems that small enterprises may face in paying the Living Wage.

Earlier in the year, Bailrigg Meeting in Lancaster met with UNITE the union, which is starting pay negotiations nationally with higher education institutions, including Lancaster University. The union feels that letters from local Quaker meetings making the moral case for paying the Living Wage would support their negotiations. We have written to the vice chancellors of the universities of Lancaster, Cumbria and Central Lancashire.

We have also invited Quaker schools to pay the Living Wage to their support staff and will be following this up in the summer.

In 2015, we encouraged Quakers around Britain to write to the Co-operative Group asking them to pay the Living Wage. In total, more than 500 people have now written to

them. The HR Director for Co-operative Food has responded to inform us that they will pay £7.28 an hour, 8p more than the new National Living Wage but 97p less than the Living Wage outside London (see box for explanation of the National Living Wage).



One of the posters created for Lancaster Quaker Meeting's Living Wage campaign. Image: Britain Yearly Meeting

How can you get involved?

- Join the Quaker Living Wage campaign by ordering a campaign pack, which includes ideas for taking action and three posters you can display in your meeting. To order, email ellier@quaker.org.uk or call 020 7663 1056. Please note that we will pass your contact details on to the Lancaster Living Wage Group so they can be in touch with you directly. You can also download the pack from www.lancsquakers.org.uk/livingwagecampaign.php.
- Encourage your area meeting trustees to work towards becoming a Living Wage employer, or to seek accreditation if they are already paying the Living Wage. You can ask Lancaster Quakers for advice and support with the process by contacting livingwage@lancsquakers.org.uk.

Social security cuts poised to worsen inequality

The Welfare Reform and Work Act received royal assent on 16 March 2016. Quaker Peace & Social Witness, alongside many individual Friends and Quaker meetings, actively campaigned against the bill. Suzanne Ismail, Economic Issues Programme Manager for Quakers in Britain, discusses what the act means and how we might continue to challenge economic inequality.

The Welfare Reform and Work Act was presented as a key part of the government's plan to make another £12 billion in social security cuts. Unfortunately, for the most part, the government succeeded in pushing through its desired reforms. These include further cuts to the household benefit cap and restrictions on key benefits for people who are unable to work because of sickness or disability. As a result, hundreds of thousands of individuals and families will, very soon, find it even harder to make ends meet. Nevertheless, it is important to reflect on the fact that without a strong campaign from anti-poverty groups, trade unions, churches and other faith groups, things might have been even worse.

Campaigners helped to dilute the government's plans on the so-called "two-child limit" for Child Tax Credits (CTCs). From next April, most households starting to claim CTCs can only do so for a maximum of two children. Alongside other churches and faith groups, Quakers in Britain argued strongly that the entire premise of the limit should be rejected.¹ An amendment initiated by the Bishop of Portsmouth succeeded in exempting kinship carers and some adoptive families from the new rules. Whilst the concessions do not go as far as we wanted, they are nevertheless welcome.

The government was also forced to continue reporting on the number of children living in poverty, although it will not be required to submit a formal report for parliamentary scrutiny. Its initial proposal was to replace an internationally recognised measuring system with one that only considered two criteria: educational achievement and whether a child's parents were in paid work. The changes would have completely ignored the growing problem

Need some ideas for taking action on inequality?

We have recently produced a mini-guide called *Taking action on inequality*. You can download it from www.quaker.org.uk/our-work/economic-justice/inequality. Or contact Suzanne at suzannei@quaker.org.uk or on 020 7663 1055 for paper copies.

of "in work" poverty, as well as the fact that a lack of money is the defining feature of poverty.

Although not strictly part of the Welfare Reform and Work Bill, the House of Lords stopped the government from making considerable reductions to the value of Working Tax Credits. These are an important source of support for people who are in paid work, but don't actually earn enough to live on.

Whilst in the overall context of the bill these changes are relatively small, they will make a significant difference to many households in difficult circumstances.

Thank you to the many Friends who engaged with their MPs on this issue. We know that many of you found it a frustrating process. But in a climate where social security cuts remain relatively popular, it is vital that political representatives are reminded that large sections of the population believe our social security system could be structured in a more just and equitable way.

Of course, engaging with the political process is not the only way we can work to challenge inequality. We can continue to campaign and raise awareness of issues like the need to pay the Living Wage, we can get involved in projects that directly support people suffering the worst impacts of inequality, and we can continue to challenge the assumptions and negative stereotypes that are all too prevalent in our divided society.

1. See www.theguardian.com/politics/2015/nov/10/uk-faith-leaders-unite-to-challenge-welfare-penalties-on-larger-families.

Climate activism: what does our conscience lead us to do?

From 2014 to 2016, Quakers in Britain is sharing the stories of five people who refused to kill during World War I through the *White feather diaries* project. Sunniva Taylor, Sustainability & Peace Programme Manager, explores the links between the action they took and our activism today, asking what our peace testimony calls on us to do in the context of climate change.

“Respect the laws of the state but first let your loyalty be to God’s purposes.”

From Advice 35 in *Quaker faith & practice*

At the end of February 2016, 13 activists from the grassroots pressure group Plane Stupid were found guilty of occupying a Heathrow runway in protest against airport expansion. They were given suspended sentences and community service orders after arguing that they were preventing greater harm; that what they did was necessary and proportionate due to the airport’s contribution to life-threatening climatic changes.

Amongst them was Sam Sender of Ealing Meeting who, during his appearance in court, said he was following his conscience in taking the action he did. He received the support of Meeting for Sufferings, the national representative body for Quakers in Britain, which recorded his name in its court and prison register.

As the Plane Stupid activists argued so eloquently after their sentencing:

“This action wasn’t ours, it is part of a historical process, it emerged through us and it doesn’t end with us either... there are no heroes, there are just those who happen to be living in a time



The Heathrow 13 after their sentencing in February. Photo: Fields of Light photography.

when these actions are necessary, and those privileged enough to be in a position to act.”

One hundred years ago, during World War I, the peace testimony, and its call on Friends to refuse to kill, drove Quakers to conscientiously object to military service and campaign for the right to conscientious objection in law.

I have been pondering the links between climate activism today and their actions a century ago. What does the peace testimony call us to do now in the context of climate change?

The impact of climate change threatens the lives of millions of people. Thousands have already died. Pollution from the extraction and burning of fossil fuels, including by airplanes, has a devastating impact on health and wellbeing. Yet the world continues to use fossil fuels in greater amounts than ever before; airports expand, and the fossil fuel industry searches for new sources of coal, oil and gas.

Climate change is in some ways different to war. We are all ‘conscripted’ to the fossil fuel economy that drives climate change, and are complicit simply by living our lives. This begs the question of how radically we have all tried as individuals to transform our lives in response.

Those privileged enough to have, or be part of, institutions with financial assets (including Quaker meetings) can at least choose not to profit from this economy, and challenge the morality of it, by withdrawing their money. Friends are increasingly active in the fossil fuel divestment movement, speaking out against proposals that restrict the right to use this tactic.

It’s not easy, however, to extract ourselves entirely from the fossil fuel system, and I would argue that we should not only do that. Friends are also called to examine and challenge the underlying causes of climate change and to build an alternative fossil-fuel free economy.

Sam and the other 12 activists present us with another illustration of this call to conscience: nonviolent direct action. His actions echo those of Quakers of the past – including conscientious objectors – who put their conscience ahead of the laws of the state, and risked liberty, and

even life, as a consequence. Friends have a history of advocating nonviolent action which may break the law, and even have staff paid to train people in these skills, in the form of Quaker Peace & Social Witness’s Turning the Tide programme. We need to continue to defend the right to follow this course of action, which is increasingly restricted.

I speak to a lot of Quakers. Many are doing much to draw attention to, and challenge, the causes of climate change. Others find the enormity of the crisis overwhelming and struggle to know what is best to do. This is a rational anxiety; there are many psychological barriers to engaging with a threat as all-encompassing as this. The question of what is ‘best’ or most effective is also important; it was an analysis of power and an understanding of climate science and the media that led the Plane Stupid activists to target the expansion of airports.

But, having said that, I am struck by the words of one of the Quaker conscientious objectors featured in the *White feather diaries* project: “Strangely enough the question of winning or losing the war didn’t enter into it as far as I was concerned.” Perhaps we need to be led by our consciences, and do whatever it is we are called to do.

Find out more

For more information about QPSW’s work on sustainability, including fossil fuel divestment, go to www.quaker.org.uk/our-work/sustainability.

Turning the Tide is a QPSW programme that provides training in skills for nonviolent social change, and can help you or your group to be more effective in making change. See www.turning-the-tide.org for more information.

To find out more about Plane Stupid, and how you can get involved, see www.planestupid.com.

You can follow the *White feather diaries* at www.whitefeatherdiaries.org.uk.

Quaker Peace & Social Witness Sustainability & New Economy Grants

Each year, QPSW awards £5,000 to innovative Quaker or Quaker-supported projects focused on building sustainability and the new economy. Last year, we shared some of the projects from 2015 as they got started. Here, the groups tell their stories of what happened over the course of last year.

Martha House

Martha House offers accommodation for destitute migrants who have no recourse to public funds, providing a home for those who have fled their own countries. It is also an open house and hub for the neighbourhood, based around non-economic interactions and support.

We have given over 2,000 nights of accommodation to 28 people. Most have been asylum seekers or refused asylum seekers, others have just received their leave to remain, some have been victims of trafficking, and others have had more complex legal situations.

We have an open house every Wednesday – some come every week, others dip in and out. Neighbours, ex-guests, other refugees and asylum seekers we know, and various other people we've met in the course of trying to build community, make up our motley crew. Those who come regularly have a sense of ownership and often do a lot of the cooking and welcoming of new people.

Creating a grass-free lawn – Dorchester Meeting

We decided a grass-free lawn would be just right for our meeting. Grass-free lawns attract insects and retain moisture, while also creating a green and attractive area. Another side benefit is that they only need to be trimmed four to six times a year.

We wanted the plan to take everyone with it. The children created mosaics for stepping stones within the lawn. Working as a community, we each grew seed trays of recommended cultivars, bringing them together as a patchwork on the lawn.

By September almost the whole lawn area contained an attractive covering of foliage

and flowers. Bees and other insects soon discovered the new nectar, and our very own frog made an appearance in time for the garden party.

Urban Harvest – Central England Quakers

Urban Harvest is a project of Northfield Eco Centre. It takes the unwanted fruit that is so often left to rot in gardens and community spaces and turns it into an exciting community resource and learning experience. Over the last three years over six tons of fruit has been picked and distributed.



Photo: Enjoying the new garden at Dorchester Meeting.
Credit: Dorchester Quakers.

2015 was one of our busiest years, with over 70 volunteers taking part in the fruit picking for six weeks between September and October. This fruit has been donated to children's centres, homelessness projects, food banks, community centres, nurseries and schools across South Birmingham, as well as to a local care home.

Local fruit sellers have also purchased some of the produce, which has contributed to the reduction of Birmingham's food miles, and in turn our carbon footprint.

Launching the Exeter Pound – Exeter Meeting

The Exeter Pound, which we launched in autumn 2015, is a sterling-backed local paper currency which can be spent only in local businesses.

We used the QPSW grant to promote the currency in order to increase the number of individuals and traders signing up to use it in the run-up to the launch and afterwards, as the success of a local currency depends on participation by a wide range of traders.

The grant supported two skilled unemployed graduates to make a film about the Exeter Pound and to use it in engagement with local traders, community groups and members of the public.

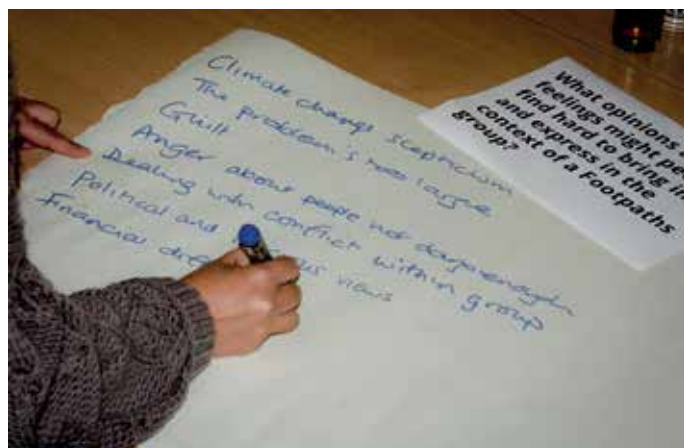
The launch went extremely well, with speakers including a local athlete, Molly Scott Cato (our Green MEP), a local councillor and our MP Ben Bradshaw.

Footpaths to a Greener Life – Stocksfield Meeting

We trained ten people to facilitate Footpaths to a Greener Life, a community carbon-reduction course initiated by Transition Leicester. The training weekend allowed people to come together to consider, in a supportive environment, the opportunities and barriers associated with taking action to reduce carbon emissions in their own homes and communities.

The second stage of the project, which is ongoing, will support the participants to gather a group of ten people in their local area and run seven two-hour sessions with them.

You can find out more about the Footpaths course at www.transitionleicester.org.uk/projects/footpaths.



Footpaths to a Greener Life facilitator training weekend.
Photo: Hannah Herbert

Apply for a QPSW Sustainability & New Economy Grant

Have you got an idea for a project that will help to build low-carbon, sustainable communities or a different kind of economics?

You can apply for a QPSW grant of £100–£2000 to help you to start, or develop, your project. Applications for 2017 are now open!

For more information go to www.quaker.org.uk/our-work/grant-making/sustainability-economy, where you will find guidance notes for applicants and an application form.

Before applying, we recommend that you contact Ellie Roberts at ellier@quaker.org.uk or on 020 7663 1056 to discuss your project.

We can answer any questions you have and provide support with the development of your ideas into project plans.

Local currencies – opening the discussion about what our money is for

Gill Westcott of Exeter Meeting, and a member of the Exeter Pound project group, writes about some of the different ways of sustaining local economies and reflects on the growth of local currencies in the UK.

Local currencies are not a new idea. In medieval times, many currencies were specific to towns or regions. In the Great Depression in Europe and the USA, hundreds of local currencies were issued by municipalities or large businesses to restore a functioning local economy, while the collapsing global economic system left millions unemployed. Some of these currencies had to be validated by a stamp after a certain time period so that people didn't hang on to them but spent them quickly, more effectively reducing unemployment.

Some of these schemes failed after a time but others did well. Their disappearance was due more to the opposition of the banks, who wanted to defend their monopoly, than any drawbacks in their operation.

Today there are hundreds of community currency schemes throughout the world. These include many in Southern Europe set up to revive business in recession-hit areas. They also include the Bangla Pesa, which has boosted income and employment in Kenyan slums, and Local Exchange Trading (LETs) systems in many areas of the UK. Usually, these are not backed by mainstream currencies. One must join to trade and there are sophisticated online platforms to facilitate transactions.

There are also Time banks, through which people exchange services valued in hours, and Spice Time Credits, where people who volunteer for community and statutory services are given tokens for the use of council leisure services and other benefits. The latter have been found to increase volunteering and improve recipients' health and social participation.¹

Other currencies are backed one-for-one by primary currencies, such as those sparked by the

Transition Town movement in Totnes, Lewes, Stroud, Brixton and Bristol. The Exeter Pound, supported in its first year by a grant from QPSW, is the newest of these schemes.



Exeter Pound exchange point.
Photo: Exeter Pound

These sterling-backed currencies are more widely accepted by businesses and often by local authorities. They can be spent with local independent traders and recirculated locally, aiming to keep money within the local economy, with corresponding benefits for sustainability and resilience. The Bristol Pound can also be used to pay business rates, council tax, and First bus and train tickets, with circulation exceeding £200,000 in the currency's first year. These schemes do not, however, create new money as mainstream banks do by giving out loans without first receiving deposits, and only maintaining reserves at a fraction of their deposits. Nor do these schemes directly boost low incomes.

So Exeter Pound is part of something big: a global network of alternative currencies that fulfil many different purposes. As these community currencies grow, questions of what kind of money we have, and what it's for, are again open for discussion.

Find out more

You can find out more about local currencies, including videos and case studies, on the Community Currencies in Action website: www.communitycurrenciesinaction.eu.

You can read more about the Exeter Pound project at www.exeterpound.org.uk.

1. People Powered Money, New Economics Foundation, www.neweconomics.org/publications/entry/people-powered-money.