Local currencies for purposive degrowth? A quality check of some proposals for changing money-as-usual

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ABSTRACT

This article provides a quality check of the degrowth movement's proposal of local currencies as tools for advancing socially equitable and ecologically sustainable degrowth. The article draws comprehensively upon mainly English-language academic research about four widespread local currency types – LETS, time banks, HOUR currencies, and convertible local currencies (CLCs) – to assess their performance with respect to four degrowth-related criteria: community-building, advancement of alternative values in economic exchange, facilitation of alternative livelihoods, and eco-localization. *LETS* have been found to support alternative livelihoods under quite uncommon conditions, and contribute indirectly to eco-localization by moderately facilitating informal resale, repair, and sharing of commercially produced goods, although their burdensome management and confinement to small memberships limit their usefulness. *Time banks* help expand social networks, and are best at reaching the socially excluded. However, they are confined to unskilled personal services and dependent on grant funding. *HOUR currencies* do not stand out with regard to any criteria, but may have a minor capacity to promote local purchasing. *CLCs* are best at attracting local businesses, but no significant evidence of their said capacity to localize supply chains has surfaced as yet, and their business-friendly design works to the detriment of other criteria. In sum, existing research provides a very weak basis for advocating local currencies as tools for purposive degrowth. Local currencies are here categorized as two utopian socialist approaches: the *behind-society's-back* variety of LETS and HOUR currencies, and the *appeal-to-elites* variety of time banks and CLCs. Marx and Engels's critiques of these approaches remain valid: successful monetary systems require resources that are not available behind society's back, notably the power to levy taxes and designate by which means they can be paid. Local currencies that appeal for elite support – without mass popular backing – have shaken off most radical connotations, and are vulnerable to changing policy agendas. Given the present historical conjuncture of popular outrage against the banking sector, this paper argues that the degrowth movement would improve its chances of contributing to purposive degrowth by prioritizing government-centred ecological reform of the monetary system over local currencies.

Keywords: local currencies; degrowth; localization; utopian socialism; monetary reform

1. Introduction

Although largely neglected in mainstream economics and sustainability research, the nature of money is not neutral to the whats, whys, and hows of production and consumption. The manner in which money is allocated determines what gets done in society, and affects the price structure, thereby influencing the behaviour of all participants in the economy. Today, the banking sector enjoys the privilege of creating around 95% of the money supply *ex nihilo* as interest-bearing debt to itself, and sets the direction of the economy by controlling how virtually all money enters into circulation, giving preference to lending for short-term profit over long-term value to society (Robertson, 2012: 105-6). Moreover, as bank money bears interest as a condition of its existence, it has long been argued that a systemic growth imperative, antithetical to the second law of thermodynamics, is inherent to its design (Soddy, 1926). Reflection upon these somewhat underpublicized issues can suggest that the pursuit of the interrelated goals of ecological sustainability and social justice calls for changes to money-as-usual. This article focuses on the degrowth movement as a novel actor that argues for changes of this sort, and scrutinizes one of its preferred remedies; local currencies, which may be defined as alternatives or complements to legal tender money that are mostly created by civil society and sometimes by public authorities, and that circulate in a more limited space than conventional money.

The article is structured as follows: Sec.2 introduces the degrowth movement and explains its endorsement of local currencies in terms of four shared criteria: community-building, alternative values, alternative livelihoods, and eco-localization. The section also presents government-centred reform of the monetary system as another degrowth-relevant alternative to money-as-usual. Sec.3-6 draw upon the academic literature about contemporary local currencies to assess their performance with respect to the above-mentioned criteria. In this way, the article aims to clarify to what extent local currencies can be considered as practical initiatives for advancing the degrowth project. The literature consulted is limited to mainly English-language research, and the focus lies on four widespread types of local currency, namely LETS (Sec.3), time banks (Sec.4), HOUR currencies (Sec.5), and convertible local currencies (Sec.6). These four are the most important types of local currency together with the barter market currency type, which is best known for attracting millions of participants during the Argentinean economic crisis of 2001-2002. However, barter currencies have not been included in this article, as the Argentinean experience was above all about coping with chaotic, involuntary degrowth, not about purposive degrowth as a route towards social equity and ecological sustainability. Moreover, barter currencies are akin to HOUR currencies in that both are non-convertible paper currencies, essentially subordinated to an official money of account. Sec.7 presents the key findings of the criteria-based assessment, condensed for comparison across currency types, and problematizes the findings that do suggest prospects for local currency-led degrowth. The currency types considered are then categorized as two varieties of utopian socialism, and the continued relevance of Marx and Engels's critiques thereof is discussed. Finally, it is argued that the bleak record of local currencies, and the present historical conjuncture, suggest that a more likely course of advancement towards social equity and ecological sustainability is the reform of the official monetary system into a truly public resource, and that the degrowth movement would have a larger impact if it prioritized mobilization for this purpose over local currency advocacy. Sec.8 concludes. Given the emergent academic and activist interest in degrowth, and the endorsements of local currencies coming from this direction, this critical assessment of the relevant record of contemporary local currencies constitutes a timely quality check of the scientific basis for advocating them as tools for purposive degrowth.

2. Degrowth and monetary alternatives

Degrowth is a "missile word" designed to break the armour of the doctrine of perpetual economic growth, denounced by degrowth advocates as a root cause of contemporary global environmental degradation and human suffering (Ariès, 2005). Economic growth was "the universal creed of the twentieth century" in capitalist and communist countries alike (McNeill, 2000: 334), and remains the raison d'être of global capitalism. Degrowth advocates reject the techno-optimism behind proposals for 'green growth', emphasizing instead the worldwide trend of increasing material extraction and consumption (e.g. Dittrich et al., 2012), and the positive correlation between GDP and energy use (Hall and Klitgaard, 2011), to argue that green growth is a chimera. Moreover, the desirability of further economic growth – especially in high- and middle-income countries – is questioned on the basis of evidence from happiness research that the long-term (>10 years) correlation between happiness and income (even in many poor countries) is nil (Easterlin et al., 2010). Degrowth advocates consider the attempts of the last few decades to steer capitalism onto a 'sustainable development' path to have failed, despite the fact that today "it is as hard to find a politician opposed to sustainable development as it is to find one who is reluctant to kiss babies during election campaigns" (Dobson, 2007: 2). The appeal of degrowth as a slogan for a purposive socio-ecological transition is precisely that it is far less likely to be assimilated and neutralized by pro-growth politicians than its 'sustainable development' predecessor. Much for the same reason, however, degrowth is presently marginal to policy communities, and exists mainly as the banner of a social movement originating in France in the early 2000s (Martínez-Alier et al., 2010), and increasingly also as the subject of academic debate (see e.g. Cattaneo et al., 2012, Kallis et al., 2010, Kallis et al., 2012, Saed, 2012, Sekulova et al., 2013).

The degrowth movement argues that failure to abandon the global quest for economic growth will lead to catastrophic ecological and societal collapse, and aims to preempt this by bringing about a purposive process of degrowth, envisioned as "an equitable downscaling of production and consumption that increases human wellbeing and enhances ecological conditions at the local and global level, in the short and long term" (Schneider et al., 2010: 512). The degrowth project is therefore not a narrow call for GDP reduction, recognizing that this alone merely amounts to economic recession. Rather, it calls for a profound transformation of society, largely of the kind prescribed by what Dobson (2007) has pinned down as the ideology of ecologism, i.e. a less anthropocentric, more frugal, egalitarian, localized, and democratic society. In fact, it does little damage to the degrowth movement to simplify it as an incarnation of Dobson's ecologism, yet distinguished by its less ambiguous position with respect to economic growth. Still, even degrowth advocates believe that poor countries, "where ecological impacts are low relative to their biocapacity", may justifiably increase material throughput (Martínez-Alier et al., 2010: 1743), and also recognize that the proposed socio-ecological transition involves growth in the economic product and material throughput of some sectors (e.g. alternative energy sources) and some local economies even in high-income countries (Research & Degrowth, 2010, Schneider et al., 2010).

Among the concrete actions endorsed by degrowth advocates is the creation of local currencies (Douthwaite, 2012, Kallis, 2011, Latouche, 2009: 49-50, Declaration Committee, 2010). The period from the early 1980s to the present has seen worldwide experimentation with local currencies at a scale unparalleled since the Great Depression of the 1930s (see North, 2010b for a recent introduction to local currencies). Given the role of the international green movement in their design and diffusion (Helleiner, 2000), their resonance with the degrowth movement is unsurprising. Among the most common motivations for setting up and participating in local currency systems are: community-building, i.e. the resurrection and improvement of local social networks; advancing alternative values mediated through economic exchange (i.e. challenging mainstream values regarding race, class, gender, and nature); facilitation of alternative livelihoods, less dependent on formal employment; and eco-localization, i.e. the ecologically motivated localization of networks of production and consumption. To elaborate briefly on this notion of resonance, the objective of (re)building communities echoes the degrowthist call to "[e]ncourage the 'production' of relational goods, such as friendship and neighbourliness" (Latouche, 2009: 70), hoped to limit the satisfaction of psychosocial needs through material consumption. The use of local currencies to advance alternative values in exchange mirrors the call for 're-evaluation' (Latouche, 2009: 34), from which changes in production and consumption patterns would follow. The facilitation of alternative livelihoods with local currencies can be viewed as a degrowthist strategy of voluntary simplicity (Martínez-Alier et al., 2010), where larger self-determination over productive activity weakens the imperative to seek employment irrespective of its environmental consequences. Finally, "the localisation of exchange, production, finance and politics is seen as 'the most important strategic means' of degrowth" (Fournier, 2008: 538 citing Latouche). Eco-localization involves growth of some sectors of the local economy offset by reduced imports, and is not to be confused with the occasional promotion of local currencies on the basis of their purported ability to enhance aggregate growth by activating unused productive resources (e.g. Lietaer, 2001).

The degrowth movement's endorsement of local currencies can also be attributed to a preference for grassroots initiatives over government policy-making, as the latter is deemed to have failed to implement effective environmental policies during the sustainable development epoch (Kallis, 2011). This preference, however, is not unequivocal, and the movement has also addressed – to a lesser extent – the issue of government-centred reform of the monetary system. This includes the long-standing proposal of full-reserve banking, whereby the state terminates the privilege of banks to create money (e.g. Fisher, 1936, Soddy, 1934: 211). Although scarcely overlapping with existing degrowth research and activism, there is a growing literature arguing that strongly increased public control over money-creation is a prerequisite for monetary and fiscal policies that give priority to ecological sustainability and social equity over private profits (see e.g. Farley et al., 2012, Lawn, 2010, Mellor, 2010a, Mellor, 2010b, Robertson, 2012), and a recent emergence of campaign groups advocating related monetary reforms (e.g. positivemoney.org). This literature sees the increase of fractional reserve ratios towards full-reserve banking as a key component for transforming the monetary system into a truly public resource. The curtailment of the discretionary lending powers of banks would enhance governments' control over the money supply, hence over inflation, allowing governments to spend into existence a larger share of the money supply or lend it into existence at low to zero interest rates. This would eliminate (or at least mitigate) the growth imperative of an interest-bearing money supply. It would also allow a shift in emphasis from investment in private goods to public goods, and a shift in decision-making on credit allocation from the private to the public sector, in accordance with the view that a purposive socio-ecological transition requires a more publicly directed economy rather than one dominated by the profit motive. Government-centred reform and local currencies may to some extent be complementary – but sometimes conflicting – alternatives to money-as-usual. Whereas in-depth treatment of government-centred reform is not the objective here, this article notes it as a promising avenue of research and activism, whither the following stocktaking of local currencies prefers to point, rather than towards general gloom (see Sec.7).

3. LETS

LETS (usually *Local Exchange Trading Systems* or *Schemes*) are membership clubs using a virtual currency created at the moment of transaction as a credit for the seller of a good or service and a debit for the buyer. All participants start their accounts at zero, and can spend before they have earned any currency. Individual account balances are disclosed to deter abuse, and some systems apply debit limits, but no interest is charged on negative balances. Printed directories or on-line databases are used to communicate supply and demand, and a centralized accounting system, usually managed by volunteers, registers all transactions. The first LETS was created on Vancouver Island in early 1983 in reaction to an economic recession (Offe and Heinze, 1992: 86-7). The innovation was soon brought to the attention of the international green movement at The Other Economic Summit in London in 1984 (Ekins, 1986), through which it spread to the UK and Australia, and to New Zealand as *Green Dollar Exchanges* (Croall, 1997, Williams, 1996c, 1997). As LETS boomed in these nations in the recession years of the early 1990s, they also reached non-English-speaking countries, e.g. Germany as *Tauschringe* in 1993 (Schroeder, 2006), and France as *Systèmes d'Échange Locaux* (SEL) in 1994 (Laacher, 1999).

Community-building has been a prominent motivation for setting up LETS in the UK (Williams, 1996a) and in Australia (Williams, 1997). According to the main UK survey, 55% of respondents asserted that LETS had helped them develop a wider network of friends; 30% to develop deeper friendships; and 75% to develop self-help networks (Williams et al., 2001). However, a study of Manchester LETS found that because of low trading levels, collective events involving 'commitment-building mechanisms' were necessary for the generation of social networks for all but the most frequent traders (North, 2006a). Another limitation is the vulnerability of LETS to conflicts between social and economic motives for participation (Ingleby, 1998, Lee et al., 2004, North, 2006a), and conflicts over pricing resulting from different valuations of skills and quality are important disincentives to trading (Lee et al., 2004). The incompatibility between different ethos is such that a distinction has emerged between *LETS schemes* of a communitarian and countercultural nature, and *LETSystems* with an emphasis on economic objectives (Williams et al., 2001). Research on the potential of LETS as tools for social inclusion of the poor and unemployed has identified a number of barriers to participation, suggesting that the usefulness of LETS for *inclusive* community-building is very limited. The informal nature of trading, often taking place in members' homes, makes LETS inadequate for insecure environments characterized by mistrust (North, 1996). Another obstacle is the lack of clarity concerning effects of LETS incomes on unemployment benefits, giving rise to strong – although sometimes unwarranted – unwillingness to join LETS (Seyfang, 2001b, Williams, 1996c, Williams et al., 2001). Ironically, cash costs are also a problem, such as transport to the site of exchange (Aldridge et al., 2003). Although LETS have been found to boost self-confidence (Williams et al., 2001), its persistent shortage among vulnerable populations that feel that they have nothing to offer has been discerned as the major barrier to LETS-based mitigation of social exclusion (North, 1996). The overcoming of many of these obstacles would require that LETS become more mainstream and dependent on the state, a prospect that would gravely jeopardize their 'alternative' and voluntary character (Bowring, 1998).

A great deal of the research on LETS has been concerned precisely with their 'alternative' nature. Thorne (1996) suggests that LETS may be seen as a Polanyian case of 're-embedding' the economy in less unequal and exploitative social relations to the extent that participants affirm the 'principle of abundance', i.e. the freedom to negotiate prices on the basis of *alternative values*, generated by the absence of a formally regulated debit limit in most LETS. However, mainstream values have been found to be widely transported into LETS (Aldridge et al., 2001, North, 2006a), so that it may be said that LETS trading is “drenched in mainstream conventions” (Lee et al., 2004: 609). Consequently, wage inequalities based on age, class, and gender are common, as are gendered divisions of labour (Aldridge et al., 2001, Lee, 1996, Williams, 1996b, Williams, 1996d), although positive discrimination has also been observed (Aldridge et al., 2001, Seyfang, 2001b). In other words, the Polanyian countermovement against market values has not been strong in LETS.

Research on the alternative nature of LETS has also explored the extent to which they facilitate the realization of *alternative livelihoods*. The abundance of interest-free currency suggests a relaxation of the compulsion to seek formal employment, allowing larger individual self-determination over the content and extent of the participant’s working life (Bowring, 1998). North (2007, 2010a) has noted that this strategy of creating new forms of money to build a more liberated economy and society can be seen as a continuation of the 19th century utopian socialist tradition of Owen and Proudhon. Marx and Engels’s dismissal of this approach to societal change as destined to fail may no longer be valid (e.g. Engels, 1950, Marx, 1963), now that “ordinary people in advanced capitalist societies often have access to resources that nineteenth-century proletarians could only dream of” (North, 2007: xxvi). Therefore, the potential of the utopian socialist approach today is a question for research. Case studies of LETS in Manchester (North, 1999, 2006a, 2007) and Hungary (North, 2006b, 2007) conveyed “rather ephemeral economic alternatives that seemed to provide evidence in favor of the Marxist critique of the possibility of building alternatives to capitalism” (North, 2007: 131). However, the picture constructed from New Zealand’s green dollar exchanges is somewhat more optimistic. The research conducted here suggested that “[w]here participants had access to food from their local area, a part-time job, and a wider network of mutual aid, they often were able to provide for themselves the alternative, freer form of economy they wanted—as long as they were not materialistic” (North, 2007: 178). Some had been doing so for up to eighteen years, since the inception of the oldest exchanges. Unfortunately, it is unclear to what degree such examples constitute a departure from fossil energy- and materials-intensive lifestyles, as more rigorous results would require biophysical research methods that are only recently been applied to alternative livelihoods (e.g. Cattaneo, 2008, Cattaneo and Gavaldà, 2010). Nevertheless, the above conditions for emancipation were not the norm in New Zealand in the 1990s, so the green dollar exchanges failed as self-help networks for the majority of participants in the context of widespread unemployment and a retreating welfare state. For instance, members of the relatively successful Wairarapa Exchange earned an average green dollar income “of approximately G$173 a year to militate against benefit cuts in 1991 of $25 a week” (North, 2002: 491).

The contribution of LETS to *eco-localization* has been rather modest. Case study research indicates that LETS effectively encourage informal resale, repair, and sharing of commercially produced goods, thereby indirectly reducing interregional flows of commodities (Seyfang, 2001a). However, there is also evidence that LETS can fail to boost second-hand trading even among decidedly 'green' constituencies (Aldridge et al., 2003). Furthermore, business participation in LETS has everywhere been insignificant, minimizing their effectiveness in localizing economies. This is largely due to inherent design issues, such as the fact that anyone can issue currency for as long as there are people willing to receive it, with generally lax enforcement or even absence of debit limits. Consequently, unlike the capitalist economy where the scarcity of currency relative to demand disciplines people into offering goods, services, or labour time, conventional businesses participating in LETS are likely to find themselves earning credits that they cannot usefully spend. Moreover, the lack of sanctions for defection means that individuals as well as businesses can leave the system after incurring large commitments, devaluing the credits earned by fellow participants (North, 1998b). Indeed, the few New Zealand systems that did threaten to take defectors to court to enforce payment of negative balances were among the better-performing ones (North, 2007: 136).

In view of the shortcomings of LETS, Lee et al. (2004: 597) have argued that local currencies "are significant less for their material effectiveness than for their demonstration of the potential proliferation (…) of economic and monetary geographies". Similarly, North (1998a, 2006a) theorizes LETS as a 'New Social Movement' that constitutes a message to the rest of society about the possibility of alternatives to capitalist social relations. Such interpretations draw upon the work by Gibson-Graham (2006), highlighting the role of 'capitalocentric' discourses in reproducing the dominance of capitalism and the apparent weakness of alternative practices. However, the fact that LETS are now on a worldwide retreat (Seyfang and Longhurst, 2013), rather than an emerging alternative to be uncovered by readings for economic difference, suggests that they do more to confirm the continued validity of the Marxist critique than to dispel it.

4. Time banks

Time banking (a.k.a. time dollars or service credits) was created in the US in the mid-1980s by civil rights lawyer Edgar Cahn as a contribution to "the fight over being declared useless" (Cahn, 2000: 5) and the reconstruction of the 'core economy' of "home, family, neighborhood and community" (Cahn, 2001: 2), his aim being to make social welfare services more effective and humane through a participatory approach to service delivery, eventually labelled 'co-production'. Cahn's model, known as person-to-person time banking, formalizes the exchange of personal services by means of a time-denominated currency that assigns a uniform value to everyone's labour time, relying on a formally employed 'time broker' to coordinate exchanges and identify both needs and abilities of all members. This model is often based in mainstream institutions from the education, health, and justice sectors as participatory programmes rewarded in time credits. A later, less widespread model is the person-to-agency time bank, run by a public or third-sector agency as a tool for achieving its goals by changing the incentive structure of the target group, rewarding the desired behaviour (e.g. participation in public planning meetings or in the running of a community organization) with credits redeemable for goods or services to which access is facilitated by the agency. There are also agency-to-agency time banks to assist the sharing of spare capacity between organizations (Ryan-Collins et al., 2008). Rather than separate models, though, these functions may be combined in a single time bank. Time banking was brought to the UK in 1997 by David Boyle and the New Economics Foundation, and has also seen adaptations in a number of other OECD countries (Seyfang and Longhurst, 2013). In the UK, time banks were not claimed to boost formal employment, but neither were they seen – unlike LETS – as a threat to employment-based society by facilitating informal economic exchange. Instead, they were publicized as a social initiative for the improvement of public services and expansion of volunteering. Consequently, in 2000, the UK government declared time banks exempt from taxation and benefit calculations (Seyfang, 2002), and offered more financial and organizational support than had ever been obtained by LETS (North, 2003). Time banking has grown slowly through the 2000s in the UK, and is also currently growing in the US, Spain, Portugal, Japan, and New Zealand (Seyfang and Longhurst, 2013). Elsewhere, as in Sweden, person-to-person time banking has failed to develop in the absence of favourable tax and benefit rulings (Molnar, 2011).

The stronger uptake of time banking in many policy communities contrasts with the relative lack of academic interest as compared to the intense research activity concerning LETS in fields such as economic geography. In consequence of this, the claims made by time bank advocates are often based on anecdotal evidence, neither supported nor challenged by solid, critical research. An exception may be the claim that time banking is a *community-building* tool, which does at least enjoy the support of two peer-reviewed case studies of person-to-person time banks, one in London (Seyfang, 2003) and another in Glasgow (Seyfang, 2004). These studies also indicate that time banks are better than LETS at breaking out of the 'disenfranchised middle class' niche towards the socially excluded. Accordingly, time banks earn credibility among a larger constituency by being based in mainstream institutions, and improve outreach through reliance on targeted advertising rather than word-of-mouth (Seyfang, 2002). Another advantage is that participants are not required to directly contact each other and negotiate prices, as this may be off-putting to people lacking confidence and social skills. The broker assists members in identifying their abilities and opportunities for feeling of use to the community, and the fixed hourly rate emphasizes the value of everyday skills (Seyfang, 2002).

Regarding the advancement of *alternative values* and *alternative livelihoods*, Seyfang (2006a) argues that the egalitarian time-based remuneration system characteristic of time banking promotes normally unvalued community work in resistance to the pressures of market prices and employment-oriented government policy. From a degrowthist perspective, this argument implies that time banking can help steer society away from environmentally detrimental economic activity towards benign local community-based services, in line with Jackson's (2009) proposal for a strengthened 'Cinderella economy', where emphasis lies on personal and social services that stand out for not partaking in the continuous, growth-driving labour productivity race, but are precisely the kind of wellbeing-enhancing, materially light services that economic rationality fails to deliver adequately. Jackson seems unsure whether this sector should be promoted through stronger monetary recognition (2009: 233, n.21), although the examples of services he gives are community-based rather than the kind of feminized household services evoked by 'Cinderella' (2009: 129-30), which have long been the subject of debate for and against monetization (e.g., respectively, Dalla Costa and James, 1972, Gorz, 1989). Whereas the issue of conventional monetization of the Cinderella economy surpasses the scope of this article, it is pertinent to consider the potential of time banking for advancing this sphere. First, it is straightforward to observe that time credits are inadequate for trading goods: "how many hours for a pound of organic carrots?" (North, 2003: 270). Although goods have been available in some schemes in the US, where they are not subject to transaction tax as in the UK, these appear to be donated surplus goods (Cahn, 2000, Seyfang, 2004). Second, time banks suffer from a limited range of services on offer (Seyfang, 2006b), because – as a consequence of egalitarian remuneration – skilled participants are reluctant to offer their highly demanded services and thereby to undersell themselves and their professional colleagues in the mainstream economy (Lee et al., 2004). Except where external funding is available to compensate skilled participants in hard currency, time banking is therefore generally limited to unskilled services. It is a second-rate sphere of exchange, where work effort does not give access to the economy at large, and where the currency can circulate smoothly only in so far as all participants have needs that can be met by unskilled labour. Some bottlenecks may be avoided by donating unspendable time credits, or through partnerships with local businesses and authorities that give access to – for instance – sports facilities, as in the case of Spice, a person-to-agency time bank recently created in the UK (Naughton-Doe, 2011). However, such access may come at a cost, as "the institutional time credits of Spice are presented in a more instrumental fashion than the vision of rebuilding the core economy" (Seyfang and Longhurst, 2013: 74). In view of these inherent constraints, time banking appears inadequate as a tool for advancing the Cinderella economy.

Its confinement to unskilled personal services, which tend to be local in any case, means that time banking is not a tool for *eco-localization* (Seyfang, 2006b). However, it has been suggested that time banking may counter consumerism in a more modest way by changing the vehicle for meeting social and psychological needs from material consumption to human interaction, but this possibility has yet to be explored through research (Seyfang, 2009). The general dearth of time bank research is probably largely explained by a prevalence among academics of judgements to the effect that whereas LETS "are profoundly radical acts (…), they are profoundly different from 'time banks' (…), which remain a means of supporting existing social relations and institutions and even of commodifying personal relations" (Lee, 2002: 348). In semantically less cautious terms, another senior local currency researcher has suggested on similar grounds that time banks are simply "boring" (Peter North, pers. comm. 11 July 2012). Time banks support mainstream economic geographies by filling a gap in social reproduction (Lee et al., 2004), and the ever-present suspicion is that government interest in time banking, and in co-production in general, is merely a cover for the neoliberal dismantling of the welfare state (North, 2011, Seyfang, 2010).

5. HOUR currencies

Perhaps the most straightforward form of local currency is the printed piece of paper that is allowed to circulate freely in a locality with no backing from legal tender. The most well-known exponent of this category is Ithaca HOURS, created in 1991 in the town of Ithaca in upstate New York. Several US currencies have been modelled upon it (Collom, 2005, Schussman, 2007), but Ithaca HOURS alone has been the subject of more than occasional academic inquiry. Like the first LETS, Ithaca HOURS was created in the context of economic recession, but was also a localist reaction to the first Gulf War (Jacob et al., 2004a). Some years earlier, a small Ithaca LETS had failed, and now the objective was to establish "a more fluid and inclusive medium of exchange" (Jacob et al., 2004a: 6). The new currency was successfully received by the Farmer's Market and gained crucial support from the Alternatives Federal Credit Union, through which one of the initiators, Paul Glover, obtained a first three-year grant to work as full-time developer of the scheme (Jacob et al., 2004a). With their high-quality design and centrally controlled issuance (originally managed at open potluck meetings), Ithaca HOURS appealed to local businesses - initially mainly of the 'alternative' kind (Maurer, 2005: 48) - many of which signed up to accept limited numbers of HOURS in return for free advertising in the newspaper produced by Glover (North, 1998b).

Regarding the *community-building* potential of HOUR currencies, a study of Ithaca HOURS involving a weakly representative sample suggests that the system functions as "a social capital resource", allowing users to help others, develop deeper friendships, and increase their circle of friends to some extent (Jacob et al., 2004b: 42). However, the scheme has only occasionally managed to breach the town's race and class boundaries, with a membership strongly biased towards highly educated, self-employed whites (Papavasiliou, 2008: 135, 211). This situation is consistent with a US-wide study of the demographic and socioeconomic characteristics of the places where local currencies survive (Collom, 2005), indicating that the usefulness of HOUR currencies for socially inclusive community-building has so far been low. Even so, Papavasiliou (2008: 248) argues (on the basis of a small experiment) that the main barriers to social inclusion are perceptual rather than material.

In contrast to its many straightforward features, the unit of account of Ithaca HOURS has been the source of considerable confusion (Papavasiliou, 2008: 150). The currency name was chosen to express the principle of egalitarian labour exchange, inspired by the labour notes of the utopian socialist Owen (Glover, 2000), and was also a localist exercise in homophony (Maurer, 2005: 48). The time-based unit of account was, however, “never meant as a formal pricing practice enforced by the system” (Papavasiliou, 2008: 150), and the equivalence of $10 an HOUR, which Glover assumed to represent the average hourly wage in Ithaca in 1991, was soon declared as the standard (Maurer, 2005: 48). As Schussman (2007: 76-7) finds in his survey of successors to Ithaca HOURS, this is claimed to visualize the value of labour and demand justification of any deviation from egalitarian rates. However, Maurer (2005: 49) finds that wages paid in a mix of dollars and HOURS are calculated on the basis of the inferior dollar wage alone, and Papavasiliou (2008: 271) finds that “[u]se of standard market prices is the norm”, attributing this to a lack of shared representations of value within the Ithaca HOUR sphere. HOUR currencies do not seem to fare any better than LETS or time banks in advancing *alternative values* in exchange.

Whether HOURS facilitate *alternative livelihoods* has only marginally been addressed by research. In Papavasiliou’s sample of 75 participants, 58 earned Ithaca HOURS from their primary occupation (2008: 136), indicating that it is not a ‘hobby economy’ as suggested by Grover (2006). However, these primary occupations may themselves be of an ‘alternative’ nature, and their viability enhanced by participation. Although this is only a supposition, it fits with the predominance of services such as massage therapy, licensed counsellors, and music lessons in the directory analysed by Grover (2006). Still, these are clearly nonessential services, and their remuneration in local currency causes strain on suppliers of basic goods, such as the local food coop, that struggle with persistent overaccumulation of HOURS (Papavasiliou, 2008: 157).

Business participation in Ithaca HOURS has been stronger than in any LETS or time bank, making HOUR-driven *eco-localization* more plausible. The currency circulates only within a twenty-mile radius of Ithaca, embracing Tompkins County. Unfortunately, there is no robust research on the subject, leaving it an open question whether the currency “simply follows or actively augments local trade” (Papavasiliou, 2008: 256). Anecdotal evidence supports both possibilities (Papavasiliou, 2008: 259, 268). The reason no research has explored this issue any further is arguably the small size of the HOUR economy, which signals that any localization effect is bound to be minimal. Grover (2006) cites two estimates of annual HOURS turnover, $110.000 and $500.000, which he compares to the annual gross regional product of Tompkins County to the order of $2.200.000.000. For the average participant, HOUR earnings represent less than 1% of income (Jacob et al., 2004b). Ithaca HOURS has been in decline since Glover left town in 2005, costing the system its full-time development worker (Douthwaite, 2012). This is testament to the enduring importance of the key activist for the longevity of local currency schemes (North, 2010c).

6. Convertible local currencies

Convertible local currencies (CLCs) are the most recent type of local currency considered in this article, and also the least researched. The most well-known examples are the German *Regiogelder* (regional monies), especially the *Chiemgauer*; the *BerkShare* of Berkshire County, Massachusetts; and the British transition currencies. Like HOUR currencies, CLC notes circulate freely within a limited area, the main difference being their backing by a legal tender currency, for which they can be redeemed. The norm is full backing, implying that their issuance does not generate any additional purchasing power, only subjects the existing stock to more spatial friction. The exception to this zero-sum norm is the occasional practice of lending out a portion of the hard currency deposit (e.g. Longhurst, 2012).

CLCs constitute a retreat from the more radical break with the official monetary system represented by LETS, time banks, and HOUR currencies. The poor record of business participation in these earlier currencies has proven their ineffectiveness for localizing the economy, and CLCs – with their more business-friendly properties – are principally intended to address this shortcoming. The CLC approach to economic localization entails the renunciation of most of the other objectives here considered relevant to degrowth. CLCs may have some limited *community-building* potential, e.g. through economically motivated networking or the collective imagery of note designs, but these matters are largely unresearched. The social inclusiveness of CLCs is limited since they are no more accessible to the poor than the official monies on which they are based, with the minor exception of exchange rate discounts. For instance, consumers obtain 100 BerkShares by exchanging 95 dollars, a discount financed by the corresponding 5% redemption fee incurred as participants – usually local businesses – reconvert BerkShare revenues into dollars (North, 2010b). Each CLC has a unique name for its unit of account – e.g. one *Chiemgauer*, one *Brixton Pound* – but does in fact adopt the money of account of its backer, be it the Euro or the Pound Sterling. As a result of this subordination, and that of their supply to the availability of official money, CLCs do not facilitate the expression of *alternative values* in exchange. Also as a result of their self-imposed scarcity, they are less likely than more abundant local currencies (like LETS) to encourage *alternative livelihoods*.

The new approach to *eco-localization* has paid off for some CLCs, attracting far more businesses than any comparable contemporary local currency. The most successful in this sense is the Chiemgauer, operating since 2003 in the Chiemgau district of southern Bavaria, with around 600 business members since 2007 and a turnover of 6,2 million euro in 2011 (Gelleri, 2012). The Chiemgauer stands out among its German siblings, its money supply amounting to 64% of the aggregate money supply of 18 Regiogeld currencies (Thiel, 2011). Its success has been attributed to the strong local Bavarian culture, the vitality of the local business community with a tradition of regional sourcing, and the existence of local cooperative banks that are willing to collaborate with the Chiemgauer (North, 2010b). The support from local banks has aided the expansion of the Chiemgauer money supply by means of banks' privilege to issue legal tender as debt to themselves. Whereas the note issue (about a third of the total money supply) is restrained by its backing from a euro fund that can only grow as earnings of the system, the electronic Chiemgauer (the remaining two thirds) are partly issued directly by participating banks, accounting for them as ordinary bank-issued euros (Gelleri, 2012, Christian Gelleri, pers. comm. 7 May 2012), and their supply is therefore limited only by borrowers' ability to go into debt. Local banks offer Chiemgauer microcredits to local businesses since 2010 (Eder, 2011), notably at zero interest in line with Silvio Gesell's critique of rentier capitalism (Gesell, 1958), an important intellectual source for contemporary local currencies in Germany (Schroeder, 2006). Another Gesellian feature of the Chiemgauer is the requirement to adhere stamps worth 2% of face value onto notes each quarter to uphold their value (Gelleri, 2009). This feature, known as demurrage and likened to a negative interest rate, is meant to deter hoarding and speed up the circulation of the currency. To what extent demurrage is a controlled enactment of Gresham's law ('bad money drives out good') replacing transactions in official currency, or a catalyst of additional – possibly wasteful – consumption, has not been clarified by research. Solid research is also lacking on eco-localization induced by the Chiemgauer. An analysis of the directory of business participants identified a large number of agricultural producers, food retailers, and restaurants (Volkmann, 2009), suggesting a significant potential for material localization. However, as with Ithaca HOURS, existing research has not clarified to what extent the Chiemgauer actually drives the localization of supply chains, rather than just switching the currency in which already local trade is denominated. No evidence of significant localization has emerged from the academic research into British transition currencies – admittedly younger, more spatially restricted, and with much smaller memberships than the Chiemgauer – such as the Totnes Pound (Longhurst, 2012), the Lewes Pound (Graugaard, 2012), and the Stroud Pound (Scott Cato and Suárez, 2012). The Stroud Pound was in fact modelled on the Chiemgauer, and its relative failure can be taken as an indication of the strong context dependence of CLCs. More soberingly still, even the Chiemgauer is a diminutive phenomenon, with a turnover representing a mere 0,01 percent of the economic product of the region according to Der Spiegel (Mennen, 2012).

An interesting CLC development is the Bristol Pound, launched in September 2012 by a local credit union with support from the Liberal Democrat-led city council. The local government has agreed to accept Bristol Pounds in payment of council taxes from businesses in the city (Brown and Kuchler, 2012), an important endorsement of the currency from the point of view of the Modern Money Theory school, according to which 'taxes drive money' (Wray, 1998). However, it also raises the question of the role of the local state in a project of economic localization. A precedent in this regard is the Wörgl experiment, often presented by local currency popularizers as evidence of the promise of local currencies (e.g. Boyle, 2002: 236, Lietaer, 2001: 153-5). In July 1932, afflicted by the Great Depression, the parish council of the Austrian town of Wörgl issued a Gesellian demurrage currency known as labour certificates, 'backed' by an equivalent amount of schillings lent out to local wholesalers (Muralt, 1934). The council went on to undertake an impressive series of public works – all wages paid in labour certificates – cutting unemployment and earning an international reputation as the 'miracle of Wörgl'. As hundreds of townships around Austria considered replicating the experiment, the Austrian central bank brought about the termination of the experiment in September 1933 (Lietaer, 2001). More critical observers have suggested that the ephemeral success may owe a lot to the circumstance that local businesses were able to pay large parish tax arrears in labour certificates (Muralt, 1934, Schroeder et al., 2011), reducing the problem of finding suppliers willing to accept them. Rather than being based on local supply chains, the Wörgl currency would therefore perhaps only have been sustained – had it not been prematurely terminated – as long as its circulation remained dominated by the cancellation of the unusually large fiscal debt of the private sector. The implication of this for the Bristol Pound, and other CLCs seeking similar fiscal endorsement, is the challenge of balancing the benefits thereof for the general acceptance of the currency with the risk that excessive tax outlets for the local currency revenues of businesses minimize their incentive to localize supply chains. Under the latter circumstance, increased geographical discrimination in public procurement, favouring locally sourced goods, would be necessary on the part of the local state to recirculate tax revenues in a manner conducive to eco-localization. To the extent that eco-localization through the local currency system then becomes contingent upon the broader struggle for sustainable public procurement (Morgan, 2008), the relevance of the local business-oriented currency system itself may be put into doubt.

7. Discussion

7.1 Local currencies: Problematizing the prospects

As this review will have shown, there are no clear success stories of local currencies satisfying the degrowth criteria here considered. The key findings are summarized in Table 1.

Table 1
Degrowth-advancing performance of local currencies

Criteria	LETS	Time banks	HOURS	CLCs
Inclusive community-building	Improve local social networks, but limited by low trading levels, dependence on pre-existing sense of community, and barriers to participation for the socially excluded.	Improve local social networks. Good at reaching the socially excluded.	Improve local social networks, but membership strongly biased towards highly educated, self-employed whites.	May have some limited community-building potential (research is lacking). Not socially inclusive, because as scarce as official money.
Alternative values	Flexible libertarian measure of value, often failing to resist mainstream values.	Unflexible egalitarian measure of value, therefore largely confined to unskilled personal services.	Claimed to encourage egalitarian valuation of labour time, but standard market prices are the norm.	Measure of value completely subordinated to official money.
Alternative livelihoods	Supports partial autonomy from formal employment under certain conditions: access to land for growing food, a part-time job, and a wider network of mutual aid.	Do not support autonomy from formal employment, since they only give access to a limited range of unskilled personal services.	Possibly supports primary occupations in the ‘alternative’ service sector (research is scarce), but straining providers of essential goods.	Less likely than more abundant local currencies to support alternative livelihoods, as a result of their scarcity.
Eco-localization	Moderately increases local self-reliance by facilitating informal resale, repair, and sharing of commercially produced goods. Inadequate to business.	Does not increase local self-reliance or localize supply chains, being confined to unskilled personal services, already local in nature.	Possibly facilitates local purchasing (research is scarce). Small scale means any localization effect so far is minimal.	Good at attracting local businesses. Ability to localize supply chains not sufficiently researched.

Focusing here on the findings that do suggest prospects for advancing degrowth, there is some evidence that *LETS* can facilitate informal resale, repair, and sharing of commercially produced goods. However, this does not seem to justify the heavy burden of managing LETS (Aldridge and Patterson, 2002, North, 2010c), compared to more straight-forward internet-based platforms like Freecycle and eBay, which unlike LETS have a proven ability to operate with memberships of more than a couple of thousands. There is evidence that LETS can support more emancipated, frugal livelihoods, as long as certain – rather unusual – conditions are met. This is a valid basis for emphasizing the breadth of the realm of possibility, although the scarcity of successful examples questions their replicability. However, the long-term outlook of this "Escaping from the economy" approach (Fournier, 2008) is more problematic. Optimistic readings of possibilities for alternative livelihoods point at tendencies of jobless growth that render increasing numbers of people superfluous to the interests of capital, the potentially liberatory consequence being that "the state cares little how they choose to live their economic lives" (North, 2007: 181). This historical conjuncture may, however, come to an end with the age of cheap fossil fuels (making energy scarce relative to labour), raising questions about the place of this strategy in degrowth visions of socio-ecological transition. This predicament revolves around the uncertainty about the temporal remove of the coming of enduring fossil fuel scarcities, paralleling the ongoing debate about whether proposals for statutory reductions in working time make sense in the autumn of the fossil fuel era (Kallis, 2013, Sorman and Giampietro, 2013).

A scientific basis, although weak, exists for promoting person-to-person *time banks* as tools for inclusive community-building, but the question whether they mitigate consumerism remains unanswered. However, their bureaucratic nature and modest confinement to unskilled services keeps them low on the list of mobilizing degrowth proposals. *HOUR currencies* do not stand out with regard to any of the criteria considered, so there is little to recommend them as concrete proposals for advancing the degrowth project. This is not to belittle the usefulness of non-convertible paper currencies for coping with situations where the formal economy and the state withdraws from covering the consumption needs of the population. Coping with chaotic, involuntary degrowth, as non-convertible barter currencies helped millions of Argentineans do in 2001-02 (Dittmer, 2012, Gómez, 2009, North, 2007), is nevertheless different from advancing the project of voluntary degrowth, which is the subject of this article.

The case for advocating *convertible paper currencies* for degrowth is largely based on their potential to drive the localization of supply chains. Unfortunately, ten years after the creation of the Chiemgauer, there is still no research clarifying to what extent this, the only clear CLC success, has actually brought about import substitution rather than a mere currency switch. Positive results from eco-localization research are required if the degrowth movement is to advocate CLCs on a solid basis. Moreover, it would have to be ascertained whether CLC-driven localization makes ecological sense. The desirability of CLCs as innovations for degrowth is, however, only partly answered by their eco-localization capacity. Their advantage is that their creation lies within the agency of grassroots groups, and that their fiscal endorsement may lie within the agency of local governments. But this does not qualify them as first-best policy proposals for central governments. In fact, the CLC strategy of creating friction in monetary space (mainly by means of a redemption fee) is arguably a second-best option, since it imposes additional costs on all interregional exchanges, payments, and transfers, regardless of whether they involve interregional material flows or not. This goes against the ecological tax reform principle "Tax bads, not goods" (Daly and Farley, 2004: 385). To the extent that the degrowth movements aims to address central governments with policy proposals for eco-localization, the first-best option would be a tax on transport fuels, not CLCs.

7.2 Local currencies as two varieties of utopian socialism, and a less utopian alternative

As noted in Sec.3, local currency activism has been likened to the 19th century utopian socialism of Owen, Proudhon, and their followers (North, 2007, 2010a, Powell, 2002). Taking this further, local currencies can be categorized as two distinct utopian socialist approaches, which may be referred to as the *behind-society's-back* variety of most LETS and HOUR currencies, and the *appeal-to-elites* variety of most time banks and CLCs. The former are modern examples of the approach that, according to Marx and Engels, "renounces the revolutionizing of the old world by means of the latter's own great, combined resources, and seeks, rather, to achieve its salvation behind society's back, in private fashion, within its limited conditions of existence, and hence necessarily suffers shipwreck" (Marx, 1963 cit. in Levitas, 2011: 61). As North has argued (see Sec.3), the renunciation of society's combined resources is not necessarily a recipe for failure any longer, given the relatively large resources to which ordinary people in advanced capitalist countries have access today. Nevertheless, thinking of the bleak record of LETS and HOUR currencies in terms of the consequences of renouncing society's combined resources retains large explanatory power. For example, a frequent stumbling block of these autonomist currencies is volunteer burnout (Aldridge and Patterson, 2002, Collom, 2005, North, 2010c, Schussman, 2007: 108), a consequence of the divide between organizational resources available vs. required for their management. More importantly, if by "society's combined resources" we understand the state's power to impose tax liabilities on its citizens, it becomes apparent that ordinary people do not today, any more than in Marx's time, command on their own this powerful means of creating demand for a currency. The state's imposition of a tax liability, when burdensome enough to discharge, has been characterized as a sufficient (although not a necessary) condition for triggering general acceptance, as money, of the thing that the state announces that it will accept in payment of the tax (Wray, 1998: ix and passim). This taxes-drive-money argument, the long intellectual history of which is only recently being uncovered (Forstater, 2006), is supported by historical studies of the monetization of pre-capitalist and colonial societies (Forstater, 2005, Goodhart, 1998, Wray, 1998: 57-61, Wray, 2012).

Time banks and CLCs echo the appeal-to-elites utopian socialist approach that was also criticized by Marx and Engels:

"Socialists of this kind (…) want to improve the condition of every member of society, even that of the most favoured. Hence, they habitually appeal to society at large, without distinction of class; nay, by preference, to the ruling class. For how can people, when once they understand their system, fail to see in it the best possible plan of the best possible state of society? Hence, they reject all political, and especially all revolutionary, action; they wish to attain their ends by peaceful means, and endeavour, by small experiments, necessarily doomed to failure, and by the force of example, to pave the way for the new social Gospel" (Marx and Engels, 1976: 515).

Appealing to elites is not negative *per se*, but becomes problematic when it involves downplaying radical objectives – rejecting all political, especially revolutionary action – perhaps condemning a local currency to ecological irrelevance from the very beginning. The Bristol Pound has taken the mainstreaming represented by CLCs one step further by excluding any mentioning of eco-localization or even the Transition Network from its webpage (Seyfang and Longhurst, 2012), which may explain its success in obtaining fiscal endorsement from the Lib Dem city council. Future research would have to tell whether the Bristol Pound and similar local government-endorsed currencies retain any capacity to resist assimilation into conventional local growth agendas, and contribute instead to (zero-sum) import substitution. In the case of time banks, the further deradicalization of an already fairly mainstream innovation – exemplified by Spice – is indicative of the limitations associated with dependence on public funding. Furthermore, opportunistic exploitation of existing policy agendas can lead to catastrophic failure as funding is withdrawn subsequent to agenda changes or negative assessments of the currency system's capacity to deliver on policy expectations (North, 2003, Seyfang and Longhurst, 2012).

In so far as the existing monetary system is biased against social justice and ecological sustainability, the degrowth movement's advocacy of alternatives to money-as-usual is coherent with its objectives. However, the historical conditions for the establishment of strong local currency systems do not seem to materialize, and perhaps never will, given that "the historical generalization that the successful creation of stable monetary spaces has been the work of states is indisputable" (Ingham, 2006: 273). Even if local currency groups adopt a state's money of account (as CLCs and HOUR currencies have, but not time banks or libertarian LETS), they would still struggle to get their money-things accepted unless the state commits to accept them in payment of taxes. Moreover, if the local currency is not the exclusive means of discharging a tax liability, the additional transaction costs it represents vis-à-vis conventional currency would still minimize its acceptability unless the tax liability is sufficiently difficult to meet to make earning local currency worthwhile. Whereas such far-reaching fiscal endorsement, and consequently also strong and stable local currency systems, remain highly unlikely, the time may have come for local currencies as temporary, unstable coping mechanisms helping people to survive in times of involuntary, chaotic economic degrowth, but that is not the subject of this paper (see e.g. Dittmer, 2012, Sotiropoulou, 2011).

The emancipatory alternative to money-as-usual which does appear to have the historical conditions largely in place, is the reform of the official monetary system into a truly public resource. The financial crisis that began in 2007 has raised widespread popular outrage against the banking system, paving the way for an undoing of its money-creation privilege. Full-reserve banking (see Sec.2) deserves more attention as a potential element of the reconfiguration of power-relations between democratic states and financial capital. However, full-reserve banking is not a sufficient condition for steering money-creation in an ecological direction, as the recent high-profile advocacy of this measure within a growth-oriented framework cautions (Benes and Kumhof, 2012). It is nevertheless an important step towards a more democratically controlled monetary system, which is a prerequisite for public spending and taxation that favours communities, egalitarian values, ecologically rational supply-chains, and other principles that degrowth advocates cherish. In the present historical conjuncture, such reforms appear less utopian (in the sense of unrealistic), i.e. more likely to succeed in generating enduring advances towards socio-ecological transition, than withdrawals into autonomist local currency schemes or appeals for elite support of innovations that lack mass popular backing. This is not to say that the degrowth movement should become an enemy of diversity.[1] But as far as alternatives to money-as-usual are concerned, it would be better off dedicating its limited resources and opportunities for influencing public opinion to work for government-centred monetary reforms – pushing their orientation towards fairness and sustainability – than advocating local currencies.

8. Conclusion

According to the academic research reviewed in this article, there are no clear success stories of

[1] Consider, however, that full-reserve banking conflicts with the current operation of the Chiemgauer, with two-thirds of the money supply issued by participating banks (see Sec.6).

local currencies as drivers of degrowth. *LETS* can facilitate informal resale, repair, and sharing of commercially produced goods, but their burdensome management and confinement to small memberships, dictated by their reliance on informal social pressure, limit their usefulness in this regard. LETS have also been found to support alternative livelihoods, but under quite uncommon conditions. *Time banks* help people expand their social networks, and are better than LETS at reaching the socially excluded. However, they are confined to unskilled personal services, bureaucratic, and dependent on grant funding. *HOUR currencies* do not stand out with regard to any of the criteria considered in this article, but may have some potential to facilitate local purchasing; research is inconclusive on this point. The small scale of HOUR economies has arguably dissuaded from further research on this matter. *Convertible local currencies (CLCs)* are best at attracting local businesses, but no significant evidence of their said capacity to localize supply chains has surfaced as yet, and their business-friendly design works to the detriment of other criteria. The Wörgl experiment suggests that a council-tax-endorsed CLC aimed at eco-localization may require the local state to increased geographical discrimination in public procurement, shifting the actual locus of change from the local business-oriented currency system to the broader struggle for sustainable public procurement. In sum, local currencies do not appear to have more than a marginal role in driving purposive degrowth. Moreover, this paper has problematized some of the routes to intentional degrowth addressed by local currencies. In the context of fossil fuel scarcities, the pursuit of alternative livelihoods supported by part-time employment is a frail political strategy. Eco-localization by means of friction in monetary space is an inferior option to a tax on transport fuels. Local currencies have here been categorized as two utopian socialist approaches: the behind-society's-back variety of LETS and HOUR currencies, and the appeal-to-elites variety of time banks and CLCs. Marx and Engels's critiques of these approaches remain valid: successful monetary systems require resources that are not available behind society's back, notably the power to impose tax liabilities and decide by means of which currency they can be discharged. Local currencies that appeal to elites have shaken off most radical connotations, and expose themselves to the vagaries of policy agendas. Given the present historical conjuncture of popular outrage against finance, this paper has argued that the degrowth movement would improve its chances of contributing to enduring advances towards socio-ecological transition by working for government-centred reform of the monetary system instead of feeding the hype of local currencies against better knowledge. The degrowth movement should not cultivate its aversion to government policy-making, but engage further with the emerging fields of research and activism around government-centred monetary reform, enriching them with its growth critique and vision of a purposive socio-ecological transition.

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