

Rolf F. H. Schröder Community Currencies in Germany



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Lessons from the Past

Schwanenkirchen and other WÄRA initiatives (1929 – 1931)

Hans Timm and Helmut Rödiger founded the WÄRA exchange society in October 1929. They had been inspired by the ideas of Silvio Gesell. The organization issued scrip currency against payment of Reichsmark or other securities. After two years, more than thousand shops in many parts of the country participated in the scheme. The participant, which received most of the public attention, was the mine of Schwanenkirchen. With financial support from WÄRA Max Hebecker managed to reopen the mine. At the initial stage the 45 employees received between 60 and 75% of their wage in WÄRA money. First, local business people hesitated, but the support Hebecker received from suppliers who were also part of the WÄRA network made them change their mind and they accepted this alternative kind of money. In contrast to the rest of the WÄRA network with scattered participants here and there, a regional cluster had developed in Schwanenkirchen and its neighbouring villages. The successful experiment had to be abandoned at the end of 1931 after the German Government had declared all kinds of "emergency money" to be illegal. The example of Schwanenkirchen, however, provided a model for experiments in other parts of the world.



Employment Initiatives in the early Thirties

In the years 1931 and 1932 relief was provided to the unemployed with another facility. In workshops they did not earn any money, but became entitled to receive goods and services produced in these alternative plants in return for the time credits they had received for their work.

Barter-Centres, Tauschzentralen and "Tauschringe" after World War II

In the summer of 1945 the administration controlled by the occupying forces began to establish so-called "Barter-Centres" and "Tauschringe" as a legal alternative to the black market. Clients could bring their goods, these were appraised in terms of Reichsmarks at the value of 1938. Although the Reichsmark had lost its value, it served as a measure to

Lessons from the Past

goods. If the good was accepted, the client received a credit note and could make his choice from the pool of goods available in the pool. The Barter-Centre charged a fee for the service. These institutions existed in many parts of Germany. Different variations of the system developed. In some cases the Barter-Centre (sometimes also called Tauschzentrale) did not act as multi-lateral exchange systems but as buyer or seller or they took the goods on a commission basis. The efficiency was enhanced by the formation of so-called "Tauschringe", associations of Barter Centres. A customer could take his or her credit slip and go shopping in a number of Barter Centres in the region. These institutions were the most important community currencies ever to exist in Germany.

Germany until 1989 – roots for present-day systems

+++ „Small is beautiful“ +++ Food-Coops +++ No experts, please!
 +++ Netzwerk Selbsthilfe – Network for mutual aid +++ Dual
 Economy +++ Yin & Yang +++ Prosumer +++

In the late seventies and early eighties people rediscovered the informal economy. Homework and do-it-yourself, also moonlighting and the new generation of self-employed working in newly established co-operatives. Many of the ideas discussed at that time provided the ground for the development of exchange systems.



KUVOG (Buy and Sell without Money), an initiative in Hannover, 1987, which did not take off the ground.



S. Flor's scenario of the dual economy of the year 2029.

The Bethel-Euro

This system was founded in 1908 and it still exists today. Bethel is a psychiatric institution with a focus on the treatment of epilepsy. It is a large organization with many thousand patients. The Protestant Church founded Bethel in 1867. Labour was an important element of this concept: it helped to secure the economic basis of the institution and was an integral part of a meaningful life for the inmates. In order to save resources and encourage consumption of Bethel products, vouchers, the so-called "Bethel-Geld" (Bethel money) were introduced in 1908.

Because of its close link to the Reichsmark the Bethel money was exposed to the turbulences of the major economy. In November 1923 vouchers with a value of 50, 100 and even 500 Billion Marks were issued. A few years later, during the depression, a large part of wages and salaries were paid in Bethel money. The voucher currency was suspended after the currency reform of 1948, but was reintroduced in 1955 in order to make employment in Bethel more attractive by an extra payment in Bethel-Marks. In 2002 the parity was adapted to the Euro currency. Nowadays, the "Bethel-Euro" no longer plays a central role for Bethel's economy.



The Private Neighbourhood

Senioren-genossenschaften

In 1990 the first "Senioren-genossenschaften" (Senior Citizen Cooperatives) were founded in Baden-Württemberg, a state in the Southwest of Germany. The American Time Dollar model was adapted to the specific needs of social work with elderly people. Senioren-genossenschaften are not a grassroots movement, the initiative came from "from above". The state provided financial means to launch the projects. As trade and exchange systems the Senioren-genossenschaften are of minor importance today. Some of them abandoned the recording of time points completely, others focus on voluntary work, where participants have the option to receive a small remuneration either in Euro currency or in time credits.



The „Tauschwelle“ is a monthly radioprogramme for the Hannover area.

Tauschringe



In 1993 a "Zeit-Tausch-Börse" was founded in Bergisch-Gladbach. The Local Exchange and Trading System as developed by Michael Linton became the blueprint for the development of the Tauschringe. Already in 1992 a fiduciary (fiat) money project, "döMak", was launched in Halle by one of the adherents of Gesell. Whereas the original LETS did not make a reference to "time" almost all Tauschringe adopted it as a

The Private Neighbourhood



measure of value. However, there have been many disputes about how rigidly the principle of equal evaluation of Tauschring work is to be applied. It has to be added that Tauschringe generally facilitate the exchange of material goods too - an evaluation in terms of Euro currency can hardly be ruled out here. The Tauschringe are far from being a homogenous group. In some exceptional cases paid professionals run the organization, but usually this work is done on a voluntary basis. The Tauschring Freiburg tried to become more performance oriented by integrating local businesses on a broad basis. But the attempt to use a Tauschring as a nucleus to create a local economy did not lead very far.

Tauschring members come from a variety of age groups and with different socioeconomic backgrounds. Why do people participate in these organizations? Not predominantly material but social aspects motivate people to become and remain Tauschring members. Probably, the German tradition of setting up social clubs ("Vereine") is of some importance for the Tauschringe. Although these organizations distinguish themselves from traditional German clubs customary patterns of social behaviour might explain why, for instance, people are prepared to do organizational work.

Today it can be estimated that there are about 400 Tauschringe. The number of members range from around 20 to more than 300. Many of the challenges the exchange-rings face today had not been expected in the early years. The management of bad debts is often inadequate due to an insufficient understanding of the accounting principles that underlie the Tauschring model.

There is no federal Tauschring association. Nevertheless, over the years it has been possible to set up an infrastructure on the national level. Since



The Private Neighbourhood

1996 annual federal meetings are being organized. The exchange of information is also facilitated by a quarterly magazine (the "Tauschmagazin"), E-mail lists, regional conferences etc. The "Ressourcentauschring (RTR)" is a clearing-house, which makes it possible to trade with members of about 100 other exchange-rings in the country.



„To move houses we need as well people who cannot carry the heavy stuff, practical people who take the floor lamp to the van.“ In the end, the Lady who had ordered Cordula and her team was happy with the job too.



Special Cases

Other Approaches

The success of the Tauschringe has led to a number of developments at the fringe of this movement. Examples:

- There are more discussions about the basic meaning of barter and exchange. Heide Marie Schwermer, a former Tauschring organizer describes her life without money. She lives the vision of social life beyond any formal exchange system.
- The issue "barter" is becoming subject of school projects. A very different example is a special school for maladjusted children in a difficult neighbourhood in Munich. An important element of this project run by Susanne Korbmacher is the "Lichttaler": The "ghettokids" get a remuneration in form of "Light Dollars" for instance for courses they offer in Break-Dance, a kind of a currency they might spend to acquire a driving license.
- The Weleda company founded a support network. Retired ex-employees can earn points in this Tauschring for instance by providing a baby-sitting service to their former colleagues.
- "Buchticket.de" is one of the few online projects, which proved to be successful. In contrast to other virtual platforms it is restricted to one product. A registered user can buy a book against a virtual currency, which can be earned by the sale of books. Access to the system is free.

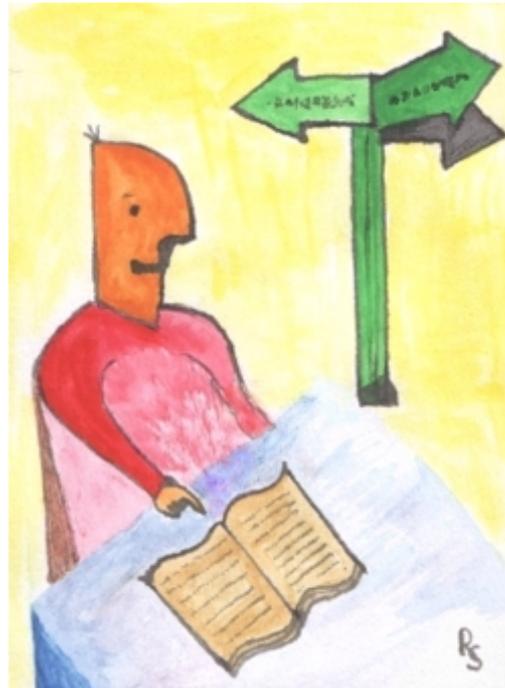
A New Economy?

Regiogelder

When it became clear that the Tauschringe would not move far beyond the narrow boundaries of private trade, a fresh start was launched towards the establishment of an alternative economy. The initiative to found the Regiogelder comes from enthusiasts who have their roots in the "Freiwirtschaftslehre". At the beginning of 2006 thirteen of these systems exist, others are supposed to follow. In particular, the "Chiemgauer" has received a lot of media attention. It is the only Regiogeld, which has managed to achieve a certain level of economic significance. The Chiemgauer is a printed note or, more precisely, a voucher. It entitles the bearer to buy goods in one of the businesses associated with the system at the same parity as customers who pay in Euro currency. The payee can either use the voucher to do his or her shopping or return it to the Chiemgauer organization and receive 95% of the value in Euro currency in return. Two percentage points cover the expenses, three percentage points will be donated to community charities. Basically, this is a bonus system where the benefit takes the form of social sponsoring.

A mere bonus system is not really a community currency; i. e., an alternative cycle between supply and demand. The Chiemgauer, however, attempts to create new circuits between production and consumption by encouraging businesses not to return vouchers immediately. Here, however, the Regiogelder will face two problems: First, the voucher would be transformed into money. The issue of money is reserved to the Central Bank. Secondly, the transaction costs – in order to satisfy the requirements of customers and businesses it is necessary to develop a professional service. Very few of the enthusiastic pioneers have the know-how to operate such systems. How can this be financed?

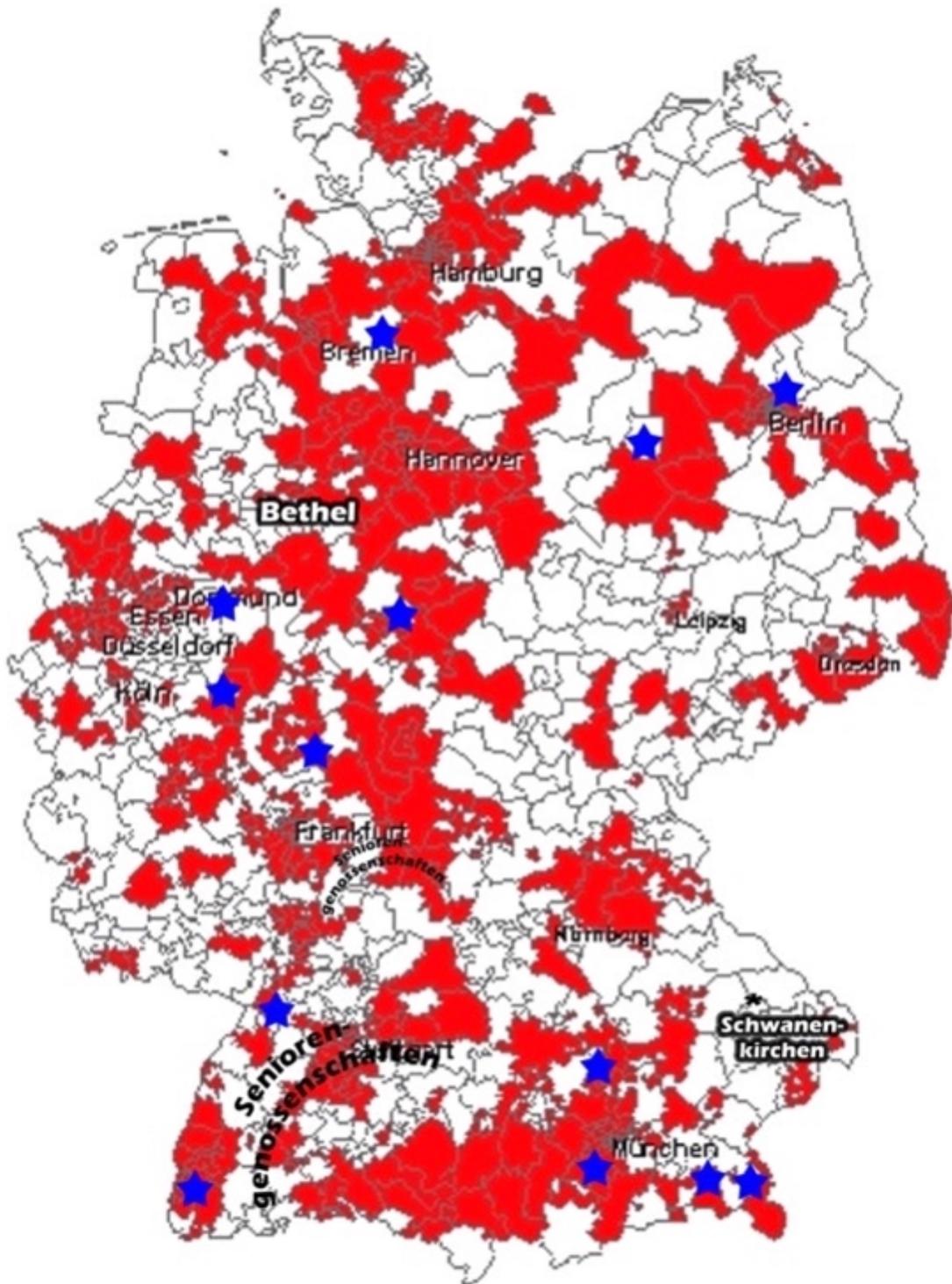




Theory – Pleading for variety

As already indicated in this brochure, the adherents of Silvio Gesell have had an important influence on the development of trade and exchange systems in Germany. However, German literature comprises a variety of studies, which analyse exchange systems from different angles. In particular, the Tauschringe have been investigated by social scientists from different academic disciplines and with different political or ideological backgrounds. A major problem, however, is the lack of a pluralist infrastructure with conferences and specific journals, a structure that facilitates international contacts and bridges the gap between theory and practice.

Map



 Tauschringe

 Regiogelder

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Links and Reading

Online-Articles by R. F. H. Schroeder

- Schroeder, Rolf F. H.: Community Exchange and Trading Systems in Germany, International Journal of Community Currency Research, 10, 2006, <http://www.le.ac.uk/ulmc/ijccr/vol7-10/ijccr%2010no4.pdf>.
- Schroeder, Rolf F. H.: Talente Tauschring Hannover (TTH): Experiences of a German LETS and the relevance of theoretical reflections, International Journal of Community Currency Research, 4, 2002, <http://www.le.ac.uk/ulmc/ijccr/vol4-6/6no2.htm>.
- Schroeder, Rolf: Towards An Understanding Of The Global Market System. A New Perspective For Economics, Theory & Science, 1, 2000, <http://theoryandscience.icaap.org/content/vol001.001/03rolf.html>.
- Schröder, R. F. H. "Non-Profit" Tauschsysteme: Ein Literaturüberblick, unpublished working paper, 2005, <http://129.3.20.41/eps/meet/papers/0311/0311001.pdf> (a community currency bibliography interesting also for people who cannot read German).

Books by other authors in English

- Plenty of information about Germany can be found in Greco, Thomas H. Jr.: Money: understanding and creating alternatives to legal tender, Vermont 2001.
- A classic source is Offe, C. and Heinze, R. G.: Beyond Employment: Time, Work, and the Informal Economy (Labour & Social Change) Polity Press: Cambridge 2001.

Selected Links (in German)

- <http://www.tauschring-archiv.de> (a non-official sideabout the Tauschringe with a good section about press-news and an address-list (under <http://www.tauschring-portal.de>).
- <http://www.tauschringe.info>.
- <http://www.tauschringadressen.de>.
- <http://www.tauschmagazin.de> (a quartely magazine for Tauschring activists).
- <http://www.tausch-welle.de> (a regional radio programme).
- <http://www.regiogeld.de> (about the Regiogelder with many links to other websites).
- <http://www.geldreform.de> (Free Economics / Freiwirtschaftslehre).