

## Report on Joost Barendrecht's workshop 'Local currencies as a stimulus to the local circular economy'

In his workshop, Joost Barendrecht addressed the concept of local currencies. The initiatives of a number of cities or regions in introducing local currencies have arisen from a dissatisfaction with the current financial system, which focuses primarily on ensuring that the big financial institutions gain capital at the expense of small enterprises and citizens. The following points played a major role in his argument:

- Of the money currently in circulation, only 3% is issued by the European Central Bank, so 97% is created by banks. This 97% is based on debt, as it is a result of lending by banks of money that doesn't actually exist, according to Barendrecht.
- The interest paid on these loans imposes compulsive growth on citizens and businesses. According to Barendrecht, the interest liabilities can only be met if companies are able to continually increase their revenues and profits.
- In the current system, money leaks away from local economies. This can be prevented by spending money locally. Barendrecht presented the examples of Bristol, where the Bristol Pound was introduced, Sardinia (Sardex) and the WIR in Switzerland. Such local currencies are called complementary currencies as they exist alongside the official currencies. Local currencies guarantee that if a company provides a service and receives payment in Bristol Pounds, for instance, that money can only be spent by the company within the local economy (Bristol in this case). In this way the money stays within the local economy and does not leak away to London, for instance. The local currencies can also be exchanged for official currency.
- In Breda, an initiative has been implemented to create a local currency, the 'Parel' (pearl). Besides Breda, the Parel can be spent in other local circuits.
- A start has also been made on the establishment of a digital currency to support the local economy: the 'digipay4growth' initiative.

Various questions arose in the discussion that followed the presentation, including "Are these local initiatives at the expense of other cities and regions?" and "What is the benefit for citizens to keep such local currencies if these can easily be exchanged for official currency?".