



# Co-production of Public Services & Complementary Currencies

## E-learning course material

### MedRiSSE project

**Replicable Innovations of SSE** in the **provision of services**  
& creation of **decent jobs** in the **post covid-19** crisis **recovery**



Asamblea de  
Cooperación  
por la Paz



OXFAM



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## 0. Introduction

Co-production of public policies and services has been growing in recent years as a solution **to extend the capacity of the public administration** to meet human needs, with multi-agent cooperation mechanisms based on stewardship agreements for the welfare and care of the common goods.

On the other hand, complementary currencies are emerging as an **alternative or complement to conventional money** to dynamise and strengthen the local economy, with thousands of practical experiences around the world.

This course explores the models, levels, opportunities and challenges of co-production, as well as how to initiate a co-production process focusing on the **co-production of complementary currencies** to promote a transition towards a social and solidarity economy.

## 1. Towards the co-production of public services

### 1.1. What is “co-production”?

The term "co-production" finds its academic origins in the public sector, in the work of Nobel Prize winner Elinor Ostrom<sup>1</sup> and other economists in the 1970s who studied **collaboration between government departments and citizens**, showing that it was encouraged effective service delivery through collaboration between **professional providers and service users**, rather than central planning. In recent decades, governments have rediscovered the citizen as an important actor in the design, implementation and monitoring of public policies and services.

**Read** [Co-production Catalogue for Wales](#), pages 14-16

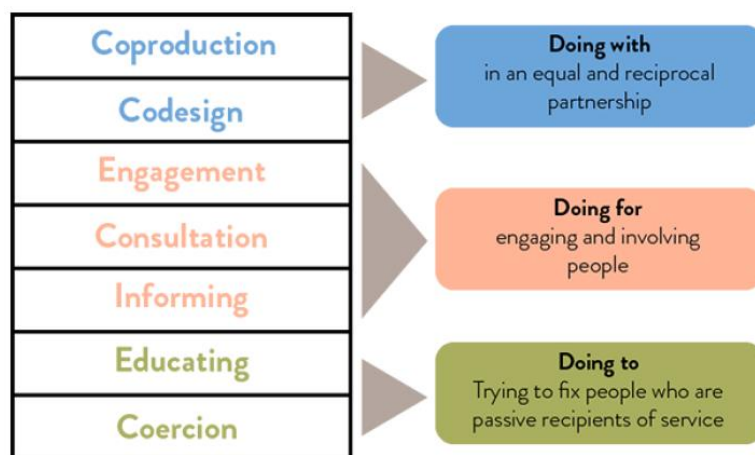
Co-production is an **approach to decision making and service design** rather than a specific method. It rejects the traditional understanding of service users as dependent on public services and instead redefines the **service/user relationship** as one of **co-dependency and collaboration**. In practice, it means that those affected by a service are not only consulted, but they are also part of the conception, design, direction and management of the services.

For that reason, co-production goes far beyond the idea of "citizen participation" or "participation of service users" to promote the principle of equal partnership. It offers



to **transform the dynamic** between the public and public service workers, putting an end to "them" and "us." Co-production turns service users **from passive recipients into active shapers of public services** because it means involving all stakeholders, including the people who use a service, in the process of determining what services are provided and how they operate<sup>ii</sup>.



Co-production means delivering public services in an **equal and reciprocal** relationship between professionals, people using services, their families and their neighbours. Where activities are co-produced in this way, both services and neighbourhoods become far more effective agents of change<sup>iii</sup>. To reach this stage there must be reallocation of power and control through user-led planning, delivery, management, empowerment and governance and collaboration must be entrenched. It often requires organisational change.



### 1.2. Models of co-production

We can classify co-production models into two main models, which are as follows:

#### Substitutive and additive co-production

THE CUTS SCENARIO which uses substitutive co-production	THE TRANSFORMATION SCENARIO which focuses on additive co-production
Here the primary intention is to save money and/or reduce staff: the public sector hands responsibility for services over to service users and/or communities. 	Here, public sector resources are combined with individual and community resources, providing new opportunities for participation and co-operation. 



## Individual and collective co-production

So overall, it is easy to spot the difference between individual co-production and collective co-production:

- **Individual co-production** describes those situations where a client or a customer, individually or in a group, participates in the production or part-production of the services they use, receiving benefits that are largely personal.
- **Collective co-production** builds on the idea that co-production is not confined to users, but involves other types of people, such as citizens, volunteers or non-governmental partners. This type of co-production is designed to produce benefits for the entire community.

**Read** [Enhancing the role of citizens in governance and service delivery](#), pages 4-7

### 1.3. The three levels of co-production

Although there are a huge variety of co-production initiatives, they can be organised at three levels<sup>iv</sup>:

- **Compliance (descriptive)**: Co-production takes place at the stage of service delivery, as carers and people who use services collaborate to achieve results. People using services make contributions at each stage of service provision, but they are **not** involved in its implementation. Despite the awareness that care services cannot be produced without input from the people who use services, the compliance tier offers **little opportunity for real change** by or for the people who use services because it is about complying with an existing regime.
- **Support (intermediate)**: The intermediate level of co-production recognises and values the many people who come together to co-produce care services. It acknowledges the input and value of service users, utilises existing support networks and improves channels for people to be **involved in the shaping of services**. It may include new or more involved roles for users in the recruitment and training of professionals and managers. Also, it may see responsibilities being shared with the people who use services.



- **Transformation:** The most effective methods of co-production can transform services and create new relationships between the people who use them and the staff. This transformative level of co-production takes "a whole life focus", incorporating quality of life issues as well as simply clinical or service issues.

		Responsibility for design of services		
		Professionals as sole service planner	Professionals and service users/ community as co-planners	No professional input into service planning
Responsibility for delivery of services	Professionals as sole service deliverers	Traditional professional service provision	Professional service provision but users/communities involved in planning and design	Professionals as sole service deliverers
	Professionals and users/communities as co-deliverers	User co-delivery of professionally designed services	Full co-production	User/community delivery of services with little formal/ professional
	Users/communities as sole deliverers	User/community delivery of professionally planned services	User/community delivery of co-planned or co-designed services	Self-organised community provision

Source: Adapted from Carnegie Trust (2006), 'Commission for Rural Community Development – Beyond Engagement and participation, user and community co-production of services.' By Tony Bovaird, Carnegie Trust.

At this stage, **the service user becomes an expert**. Professionals and people who use services and their carers come together to identify and manage risks. There must be **trust and respect** on both sides. To reach this stage there must be **reallocation of power and control** through user-led planning, delivery, management, empowerment and governance and collaboration must be entrenched. It often requires organisational change.



The Ladder of Co-production - Subtitled

Watch [The ladder of co-production](#) (5 mins)

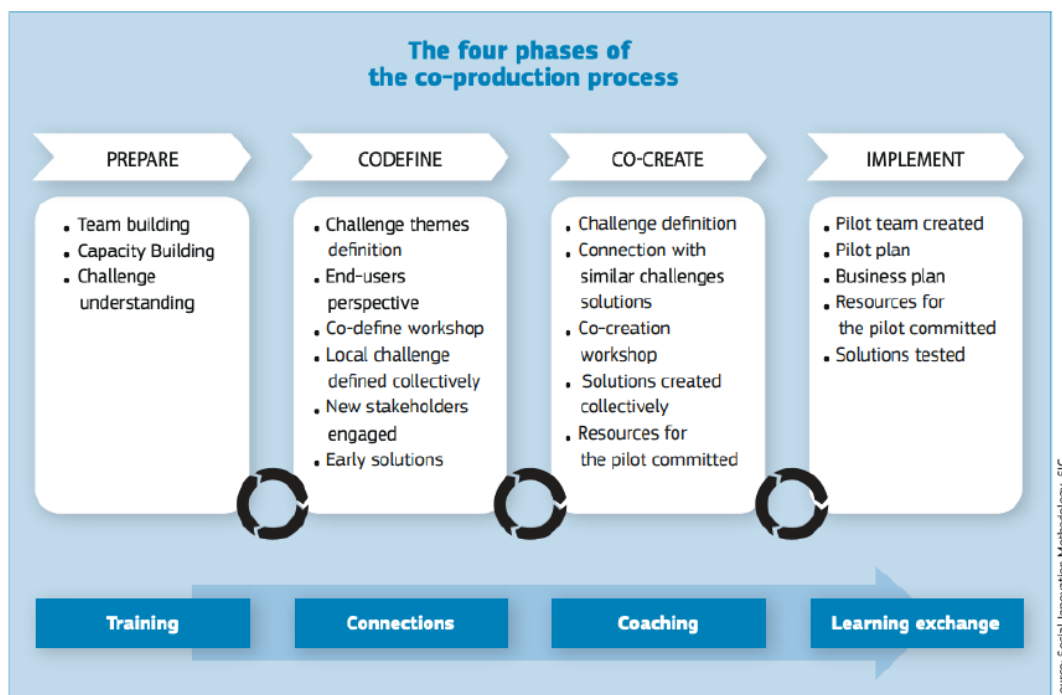


## 1.4. Starting a co-production process

To implement co-production, we need a 'whole systems approach' because:

- Organisations must change at every level—from senior management to frontline staff—if they want to achieve meaningful participation
- Participation should become part of daily practice—and not be a one-off activity
- Participation operates at different levels as there are many ways to involve people who use services in different types of decisions

Making co-production happen in practice is about all those who are involved in the process—who may have different perspectives—working together to achieve agreed aims. This means **building relationships**. This is reflected in the concept of the '**relational state**', which means that public services and governments need to be based on a social relationship approach, with the devolution of power at all levels, so that people have power as well as responsibility. An important part of this concept is the idea that governments and service providers need to trust citizens and people who use services.



<https://www.siceurope.eu/learning-portal/experimental-hubs/how-set-process-social-innovation>





## THE 4 PHASES

Let's look at a practical example of how a co-production process can be started:

### 1. Preparation of the process

The host institutions explore the challenge and possible solutions with a core team of engaged stakeholders with different perspectives of the challenge and potential funders of the solution. Core team stakeholders are trained by the host institution in the application of social innovation principles, tools and methods. They conduct careful research into the challenge and prepare a challenge question for the “co-define workshop”.

### 2. Co-defining the local challenge

Stakeholder interviews assist the core team to define the challenge themes or questions for the co-define workshop with a wider group of stakeholders, including end users. In order to better frame the challenge and ensure that the solution achieve a wide impact, the co-define workshop seeks to share diverse perspectives, raises initial solution ideas, and, through shared understanding, develops a concise description of the challenge.

### 3. Co-creating solutions

The core team improves its understanding of the challenge and emerging ideas for solutions by leveraging outputs from the co-define workshops through engagement with new stakeholders, insights and contributions. After refining the local challenge, they design and deliver a co-creation workshop that can last several days with local actors from the public, private and third sectors to co-produce social innovation solutions to address the challenge. Other social innovators can be invited to inspire participants and showcase examples of how they had addressed similar challenges.

### 4. Implementing the solutions locally

The host institutions support actors who create a solution idea to actively develop pilots by reflecting on new findings around the challenge: developing a business plan, connecting them to key actors, potential funders and doers, finding funding resources, enabling new alliances and partnerships, and exploring similar successful solutions.





### 1.5. Opportunities and challenges

Opportunities	Challenges
<ul style="list-style-type: none"> <li>• <b>Added value:</b> Co-production can access assets that were previously under-used and can also deliver greater satisfaction for people who use services.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Management: Difficult to manage well when dealing with larger groups.</b></li> <li>• <b>Risk of exclusion:</b> Can appear exclusive and unrepresentative to those users/residents who are not invited to take part.</li> </ul>
<ul style="list-style-type: none"> <li>• <b>Using the expertise of service users:</b> Service users value approaches in which the professional assists them in achieving aims they have determined themselves. Co-productive approaches can also contribute to the development of mutual support systems which address issues before they become acute.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>High involvement:</b> Requires a considerable time commitment on the part of both professionals and participants.</li> <li>• <b>Building social capital:</b> It is possible that co-production schemes can side-line already marginalised groups, as there are limits to the extent that some people can co-produce without support. Issues of social exclusion, equality and diversity need to be considered. There is also an awareness that co-production should not be a method for governments to dump its problems on the community and service users.</li> </ul>
<ul style="list-style-type: none"> <li>• <b>Practical skills:</b> Some co-productive models, such as time banks where participants share skills and companionship, can provide practical advantages such as formal and informal skills and learning.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Challenges to existing frameworks:</b> Statutory authorities' tendency to risk aversion, as well as tax and benefit regulations, can create problems for co-productive initiatives. Also, accountability can be threatened as private and public, formal and informal, budgets that were previously separate become entwined.</li> </ul>
<ul style="list-style-type: none"> <li>• <b>Health benefits and prevention:</b> Co-production has been found to have a positive impact on health with a link found between time banks and reduced levels of hospitalisation. Some co-production schemes could contribute to the wellbeing and prevention agenda in health and social care.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Security and independence:</b> There can be concerns about the long-term sustainability of projects as many co-production initiatives want to be independent, relying on funding that is often short-term and unstable.</li> </ul>
<ul style="list-style-type: none"> <li>• <b>Social capital:</b> Schemes that build supportive relationships and increase the confidence and activity of participants have positive benefits for social capital. In addition to the benefits felt by the users of services, service providers and the wider community can benefit from these approaches.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Staff support:</b> For co-production to work effectively staff and service users must be empowered.</li> </ul>



## 1.6. Case studies



### MADRID: co-production of SSE and Migration policies 2015-2018<sup>v</sup>

- ✓ **Policies:** the three policies included in this case were Migration, Employment and SSE and included both soft and hard type policies. It succeeded in implementing some actions in the area of emergency help (temporary shelters) but not with other relevant needs such as “not the social or psychological support that refugees and asylum seekers very frequently need” or employment and other economic and social support initiatives. It also failed in introduction a higher degree of coordination/integration between these three policies. As stated by (Franco Alonso and Ballesteros Pena 2019) “This has been a great missed opportunity to make SSE organizations an effective and efficient tool to the social insertion and the labour activation of disadvantaged groups, among them a certain fraction of the most vulnerable international immigrants”.
- ✓ **SSE dimension:** Madrid city council developed a series of relevant policy initiatives to support SSE at local level. Thus, a "Social and Solidarity Economy Strategy of the city of Madrid 2018-2025" was approved and published by Madrid City Council public in 2018. This strategy benefited from the collaboration with key actors of SSE including the local Network (REAS Madrid). Besides, this, a pilot project addressing employment and social economy: MARES project with funds by the EU. On the migration side, there were a series of institutional policies such as the declaration “Madrid city, land of asylum”, or the raising of a flag with the message “Refugees Welcome” in the middle of the refugee crisis of 2015. The city council also designed the “Strategic Plan for Human Rights of the Madrid City Council (2017-2018)” with measures to guarantee comprehensive social care and specifically, measures for labour insertion, housing and legal advice through the appropriate management formula”. It also joined the International Cities of Refuge Network created by the Barcelona city on 28 August 2015 and the Spanish Network of Municipalities for the Reception of Refugees (2015). In these policies there were a series of measures and funding for big NGOs (4 million Euros to co-finance projects aimed at improving the lives of refugees).
- ✓ **Social Innovation:** the most innovative were the MARES project<sup>vi</sup> which aimed at an urban transformation through social and solidarity economy initiatives, the



creation of local and quality employment and the promotion of another city model. It was implemented in four districts of the city of Madrid and “developed around urban and economic resilience, that is, the capacity of people together with technologies and ecosystems to adapt to unforeseen situations. Translated in the city of Madrid, this capacity refers to the numerous experiences that citizens have developed to face the crisis: self-employment initiatives, recovery of spaces in disuse or networks of economy or mutual support” (Franco Alonso and Ballesteros Pena, 2019).

- ✓ **Co-production:** SSE actors were included in the design of the strategy and were key partners in the implementation of it. We do not know if they were also engaged in the co-evaluation. Meanwhile key NGOs also consulted in the strategy for refugees.



### **ANTANANARIVO: Participatory management of solid waste pre-collection in Antananarivo (Madagascar)<sup>vii</sup>**

The city of Antananarivo is administratively divided into six districts and 192 Fokontany (neighborhoods), each with a municipal office. The upper city, located on the hills, includes the city center and the more affluent neighborhoods, while the lower city, a flood zone located on former rice fields and swamps, includes most of the poor neighborhoods. In this area the collection of household waste was hindered by the narrow streets and the flooded areas. As a result, many citizen dumped their waste directly on to the street and flooded areas.

- ✓ **Policies:** health, sanitation, and waste management. An international NGO, ENDA OCEAN INDIEN, designed and launched a project aimed a pre-collecting waste starting on 1996. The aim was to set up pre-collection systems for household waste. Such precollection was to be implemented by local citizens which would Pre-collection consists of collecting waste from households and depositing it in SAMVA's large refuse bins.

Such project included a systemic participatory dimension with the local community involved in the different stages:

- 1. Participatory decision:** if the citizens accepted to pay the fee for the new service of waste collection



2. **Participatory management:** setting up a management committee
3. **“Participatory implementation”:** selection of staff and co-decision of the location of collecting bags (BACS).
4. **Cultural events to foster sensibilization and awareness raising**
5. **Training and support for committees:** financial management included to foster sustainability

The project includes three levels of management/implementation: ENDA (NGO) /FONKONTANY (NEIGHBORHOOD)/LOCAL COMMITTEES.

The project included four stages:

1. **Sensibilization**
2. **Pilot project of pre-collection for home waste**
3. **Upgrade and development through the setting up of a composting site**
4. **Transfer of the pilot project to an independent SME**

- ✓ **SSE dimension:** in this case there are two dimensions regarding the involvement of SSE, the first one is the informal “SSE” embodied in the local committees and the fact that the sustainability of the social innovation was foreseen to be through a small enterprise where local workers and local committee members would organize themselves. This “exit” strategy of the initiative does not mention any SSE organisation as the potential final economic unit that would reinforce the sustainability of the intervention. In the absence of further information, we could also imagine that this “failure” may have been addressed with a specific strategy to facilitate a so-called “exit to community” strategy. Such strategy could have been designed with a SSE approach that may have aimed at the “formalisation” of the informal SSE “undertaking of the local workers.
- ✓ **Social Innovation:** besides the above-mentioned participatory dimension it also included a certain degree of SSE development through half-way formalisation of a local organisation of the workers with a horizontal and democratic governance thanks to the local committees.
- ✓ **Co-production:** the co-production dimension was guarantee through the involvement of both the local agency for waste collection and the local administrative units (Fonkontanys) on one side, and the citizens and local committees on the other.





## NAPLES: local public policies in the area of the commons<sup>viii</sup>

- ✓ **Policies:** Sanitation, urban management, culture policies and participation policies. In 2007, the work of the Rodotà Commission on Public Goods introduced, at least at the theoretical level, the legal category of common good alongside that of public property. This initiative preceded the national referendum of June 2011 on the privatization of the integrated water service where 27 million Italian citizens voted in favour of considering water as a common good. In this context Naples City Council approves on 26 October 2011 the transformation of ARIN into an EPIC under the name "Acqua Bene Comune Napoli".

At the same time, the City Council modified the Statute of the Municipality by recognizing the common goods "in order to protect future generations".

In April 2012, a municipal resolution created the "Naples Laboratory for a Constituent of the Commons". This laboratory carries out a mapped inventory of the municipality's assets that have been abandoned and are currently unused, in collaboration with the Heritage Department of the City Council and citizens' associations.

- ✓ **SSE dimension:** as mentioned-above citizens' associations has been involved in the policies and also were the co-implementer of it. For example, as early as May 2012, an abandoned building occupied by a group of animation and culture professionals, the "Ex Asilo Filangieri" (San Gregorio Armeno complex), was recognised by the City Council of Naples as a common good managed by an open community and considered as a place of experimentation for participatory democracy in the field of culture. Furthermore, on July 2016, the city of Naples "granted the status of common property to seven emblematic places that were public property but were subject to prolonged occupations by communities after having been left abandoned". As a result, these informal SSE organizations which occupied these places were recognised as "co-managers with the municipality".
- ✓ **Social Innovation:** this strong and radical innovation resulted on a new service as well as a new approach to the management of unused patrimony of the city. It included a relevant degree of regulation at local level, with the institutionalisation laws and the creation of the lab/observatory. It also



reinforced the recognition and legitimacy of SSE and group of actors as actors in the co-production of social services.

- ✓ **Co-production:** the concept of shared administration is included in the Italian Constitution and there are several instances of collaboration between SSE and public authorities in all phases of the policy process (design, implementation, evaluation, etc.). In this case co-production occurred since the agenda-setting process with the involvement of social movements, citizens, SSE and research actors in raising the awareness around the issue of the commons. However, it was also relevant in the design and implementation process.

## 2. Complementary currencies

### 2.1. Money and complementary currencies

*"It is good that people do not know the monetary and banking system, otherwise there would be a revolution tomorrow morning."*

*Henry Ford*

Did you know that the amount of banknotes and coins in our economy does not exceed 3%? 97% of money is fictitious, that is, it has been created out of nothing, which leads us to an **oversizing of the financial economy** compared to the productive economy.

We see more and more clearly that private banks and multinationals hold economic power.

*Have we stopped to think about what repercussions this has?*

*What is the role of the state as guarantor of the welfare of the citizenry?*

*How does it affect our daily economy?*

And a couple more questions:

*How can we reappropriate our generation of wealth?*

*Is it possible to generate our own money?*

Under this new perspective, we understand the necessary **Economic Empowerment**, which is based on:





- Rethinking our needs and how we satisfy them → Consumption Models
- Trust, Cooperation and Mutual Support → Relationship Framework
- Proximity, Replicability, and Interconnection → Scale Factors
- Multiplicity of local Economies → New Tools

As per Ecological Economy, the economy is embedded in nature, there are limits to material growth and critical environmental problems, the scale of the economy has been able to outstrip its sustainable size, affecting the resilience of the economy. We need a transition to an economic model that adjusts to planetary limits, and complementary currencies can play a key role in this transition.

## 2.2. An approach to complementary currencies

According to classical definitions<sup>ix</sup>, a currency is **a medium of exchange with a unique denomination**, that relates to a unique standard of value, but which might take several forms as a means of payment (notes, coins, etc.). For instance, the euro, the dollar and the Bristol pound are all examples of currencies: even if they may take various forms as means of payment, they have a unique denomination and the value of one unit of these currencies is the same for any unit at a given moment in time.



Bristol Pound - More than Money

Watch [Bristol Pound](#) (3,25 min)

Classic money has three functions: **medium of exchange**, **unit of account** and **store of value**. Social currencies, in contrast, only fulfil the two first options. Unlike conventional money, they are **created through real activity** of already realized work –whether production of a good or a service–and not through credit (that is, debt). It **does not generate any interest**. Therefore, it does not make any sense to save. Its objective, then, is that money comes with production, not with speculation<sup>x</sup>.





The current monetary system has an inherent tendency to instability, as bank money tends to be too abundant in times of booms and too scarce in times of crisis<sup>xi</sup>. Similarly to natural ecosystems, a more diverse monetary system would be more resilient to economic and financial shocks, and, therefore, more stable.

Often devised in response to the shortcomings of the monetary system—for example, the lack of credit available for small businesses, or funding cuts to public services—community currency projects set out in different ways to **link up the spare capacity of some of their members with the unmet needs of others**. Such currencies are broadly united by the aim of improving how money addresses the complex needs of societies.

The following four areas broadly cover the **social, economic and environmental objectives** that inform the range of community currency projects operating across the world today<sup>xii</sup>:

- Democratising services and organisations
- Supporting the SME economy
- Countering inequality and social exclusion
- Addressing environmental impacts

Particularly since 2008, many states in Europe and around the world have taken political decisions to significantly shrink local government budgets. The **needs** of the communities that these budgets formerly served have not, however, disappeared. Cutting budgets with no provisions in place to keep social initiatives and key public services afloat has had a negative impact on community building. As local authorities are pressured into finding new ways to deliver services, growing numbers of currency designers are teaming up with forward-thinking public bodies to meet the latter's complex demands.

Currency initiatives are **practical responses** to a range of policy areas that don't aim to replace or roll back public services, but rather to transform them into being **more useful and better value** for money. Though requiring significant upfront investment for lasting success, both in terms of economic viability and input from practitioners and end-users, community currencies can offer the **long-term reward of a cost-effective tool** that brings people actively into the process of solving the needs of their community.



## Community currencies offer a lever for realising the potential of co-production.

They allow local authorities, professional organisations or businesses to explicitly value, and thereby incentivise, the contribution of the general public to their services. If well designed and implemented, a community currency can bring new ideas and inputs into public service delivery in a cost-effective way, strengthen independent community-based initiatives, recognise talents and activities not valued by the mainstream market economy and create their own dynamics of interaction and exchange.

It is important to clarify that community currencies cannot single-handedly overcome the deep social, economic and political inequalities that exist within societies. These are structural issues requiring structural change. Nonetheless, well designed currencies offer a **unique tool for addressing some of the drivers and effects of social exclusion.**

### 2.3. What complementary currencies looks like

#### 1. Community and complementary currencies

Although often used interchangeably, “community currency” and “complementary currency” strictly refer to subtly different phenomena.

**Complementary currencies** are designed to sit alongside mainstream money to address objectives that the conventional money system can't.

**Community currencies** are a subset of complementary currencies that are tied to a specific, demarcated, and limited community. This community could be, for example, geographical (local currencies); business- based (mutual credit systems); or even online (digital currencies). As such, a community currency is designed to meet the needs of this defined community, typically on a not-for-profit basis.



Brixton pound  
(UK)



Bristol pound (UK)



Elio (Lebrija)



Grama (Santa  
Coloma de  
Gramanet)



Ekhilur  
(Basque  
country)



REC  
(Barcelona)



## 2. Time-based currencies

The community currencies most widely used to recognise the value of activities neglected by the mainstream economy are **time banks**. The principle behind such currencies is simple: **one hour's work equals a unit of time**. Exchanges between members are mediated by a broker, who matches the requests of one member with the skills offered by others. This offers an incentive for people to help other members of their community and can give isolated or economically excluded individuals –such as the elderly –the opportunity to 'buy' services they would otherwise be unable to afford and to feel that their own skills are valued and needed by others.

A second model useful for increasing social inclusion, which is a derivative of traditional time banking, is that of time-based currencies often referred to as **time-credit systems**. Although working on the same principle of one hour one credit, this model overcomes certain limitations of time banks: most significantly, exchanges are not limited to being between individuals or by the mediation of a central broker. Instead, the currency itself –whether physical or electronic – mediates exchanges, circulating freely between any individual or organisation willing to issue or accept it.

## 3. LETS (Local Exchange Trading Systems)

LETS today are essentially mutual-credit systems for individuals, rather than businesses. Members of a LETS advertise their skills and services and exchange these with other members in return for credits. LETS are intended to mobilise the latent capacity of a community by providing both a **forum and medium of exchange** outside the conventional market economy. The networks are co-operatively managed and self-regulating and are commonly associated with the ideals of empowerment, localisation and community building. Unlike timebanks, they have **no central broker** and members negotiate prices for services, with credits normally valued on a one-to-one basis with national currency, rather than in time.

### Transaction media



Typically, complementary currencies will use one or a combination of the following transaction media:

- smart cards with various functionalities
- zz swipe cards (with magnetic strip/chip carrying account info)
- zz QR-codes
- SMS (short message service)
- RFID (radio frequency identification) chips embedded in cards or other devices
- show cards (cards that must be presented at the point of sale)
- tokens
- coins
- paper notes
- vouchers
- cheques
- barcodes
- Smart device apps

### 3. Co-producing complementary currencies in practice: case studies

#### 3.1. Principles for co-producing a currency

The co-production method can be used in the currency design process itself to overcome some of the issues cited above. However, because needs, assets and objectives are unique to each individual and community, there is no definitive co-production blueprint. Rather, certain guiding principles should be considered.

For example, within a **currency project**, co-production should involve:

1. Developing people's existing capabilities: Identify strengths and assets they bring to the table. Actively support people to utilise these at all stages of the currency project.
2. Mutuality and reciprocity: Offer stakeholders a range of incentives that enable them to work in reciprocal relationships with professionals and with each other, with shared and managed expectations.
3. Peer support networks: Engaging peer and personal networks alongside currency experts is the best way to transfer knowledge.
4. Blurring distinctions: Reduce barriers between professionals and recipients, and between producers and consumers by recognising that people are indeed experts in their own habits and needs and, as such, in how a currency could align with these.
5. Facilitating rather than delivering: View the currency as a catalyst and facilitator of change rather than the central agent of change itself.



6. Recognising people as assets: See people as equal partners in the design and delivery of the currency, rather than passive recipients and burdens on the project.

### 3.2. Case studies

To get an idea of how complementary currencies work and how useful they are in a local environment, we propose an approach to the following complementary currencies:



Watch [Banco de tiempo de Sevilla](#) (5,35 min)



Watch [Varamedí](#) (2,19 min)







The Brixton Pound - 'Money that sticks to Brixton'

Watch [Brixton pound](#) (2,12 min)



Moneda Ossetana

Watch [Ossetana](#) (2,51 min)



Complementary currencies around the world (Source: Community Exchange System CES)

Let's study in more detail some cases of complementary currencies.





### Case study: MARICÁ, mumbuca digital currency<sup>xiii</sup>

Mumbuca Bank is a municipal community bank, different from other community banks which are not community owned. Gama explains that<sup>xiv</sup> the “Mumbuca Bank issues the mumbuca, which has a one-to-one equivalence with Brazil’s official currency, the real (plural reais). Most of the issuing of mumbucas comes from the payment of welfare benefits. Between 2018 and 2020, the Citizens’ Basic Income program (RBC, Renda Básica de Cidadania in Portuguese) and the Worker Support Program (PAT, Programa de Amparo ao Trabalhador in Portuguese) were the two main cash transfer programs paid in mumbuca. The Mayor’s Office deposits the amount of the benefit in the Mumbuca Bank and provides the bank with the list of beneficiaries, and the bank transfers each payment”.

In 2018, the mumbuca joined the E-dinheiro platform<sup>xv</sup> of the Brazilian Network of Community Banks. Many of those banks are not public and the leading ones is Banco Palmas which is a well-known SSE initiative. This allowed any resident of Maricá was able to open an account at the Mumbuca Bank and effect transactions in mumbucas. This also facilitated that a growing number of companies adopt this system and promoted the use of the currency since it reduced the time for the companies to receive the money in their accounts. Also small individual entrepreneurs - formal and informal can use it. In addition, a few companies and institutions, such as the Mumbuca Bank itself, have adopted the mumbuca to pay monthly salaries.

The sustainability of the bank is also reinforced through the charging of minor fees to both businesses and account holders.

- ✓ **Policies:** The main policies involved in this case are SSE and Social Policies (mainly cash-transfer in welfare benefits) but also finance and tax policies, since Marica obtains sizable funds from OIL (through the collection of royalties and taxes) but, contrary to other governments, they have used them to foster social policies and among them they created a sovereign wealth fund (achieved over 55 million dollars). The Program seeks to stimulate the city's development through local production and tackle poverty and inequality through income cash transfers. The same law created the Mumbuca Bank and the mumbuca, a local and digital currency which can be used only within the city.





Figure 2: Registration by Businesses and Beneficiaries.

Source: Gama, Andrea & Costa, Roberta. (2021)

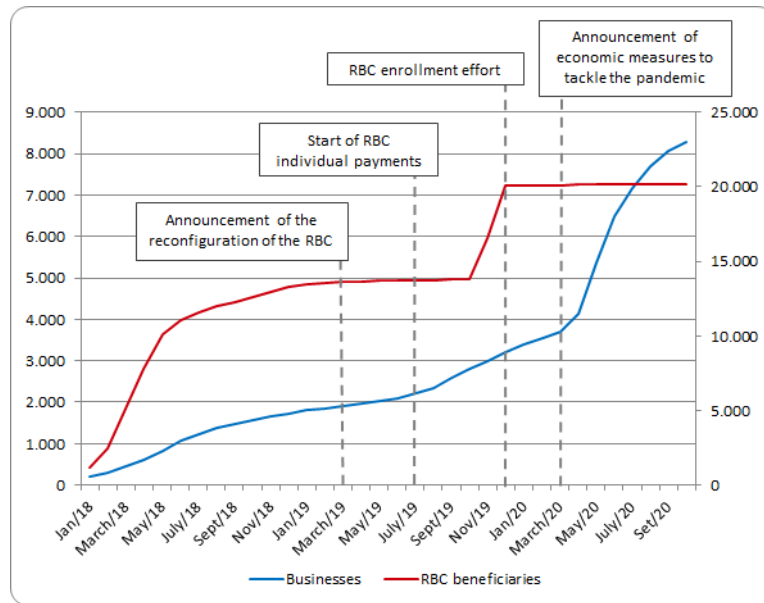
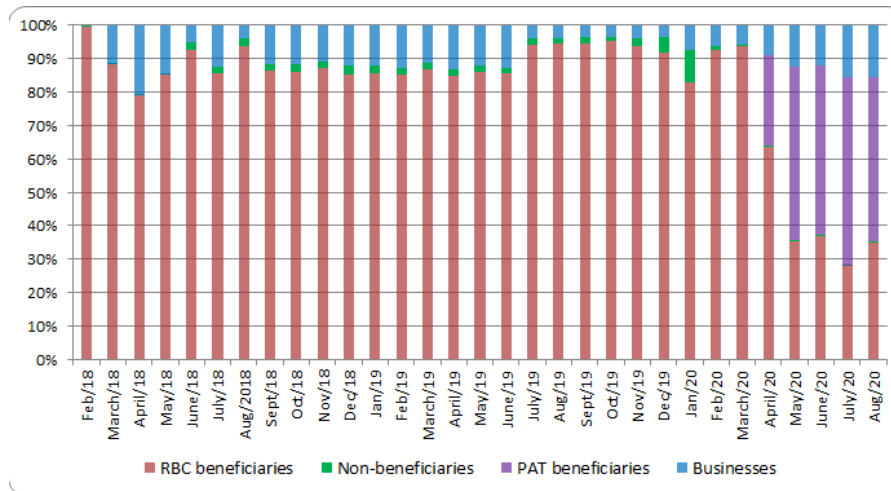


Figure 3: Transaction volume by account type.

Source: Gama, Andrea & Costa, Roberta. (2021)



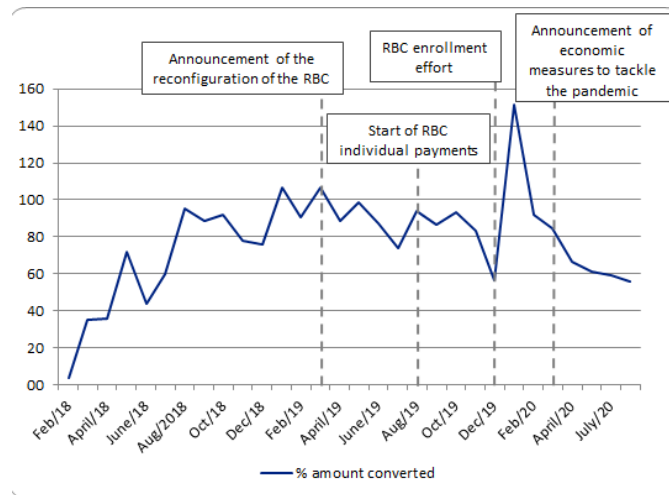
Businesses have two inducements for registering at the Mumbuca Bank. First, the adoption of the E-dinheiro platform in 2018 simplified the registration process at the bank. Second, with the creation of the RBC, the benefit becomes individual, increasing the amount of mumbucas in circulation.

The COVID-19 measures not only increased the amount of RBC benefits, but also introduced 20,627 PAT beneficiaries into the Maricá economy, which increased the volume of mumbucas in circulation and, consequently, consumption in mumbucas.



Figure 4: Businesses - proportion of revenue and conversion from mumbucas to reais.

Source: Gama, Andrea & Costa, Roberta. (2021)



As of 2018, the currency acquired a greater capacity to circulate in the city's economy. Small businesses can use the revenue they receive in mumbuca to consume and buy input and materials in other Maricá establishments, expanding the currency cycle. As more individuals have access to mumbucas and more businesses accept it, there is a higher circulation level of the local currency within Maricá.

**SSE dimension:** despite the Bank being a municipal (public) institution, its model is based on SSE models and principles. Besides, it also supports SSE economic units, including informal ones. Finally, the E-dinheiro platform, which is key in the development of this policy belongs to the Network of SSE banks of Brazil and it was bought by Banco Palmas on behalf of this network.

**Co-production:** both the policy and the community bank (as well as the currency) were co-designed with and advocated by local citizens and SSE initiatives.



**Case study: La Grama (Santa Coloma de Gramenet)**



Santa Coloma de Gramenet has issued a social currency it calls the Grama, with the object of incentivising local trade and strengthening residents' commitment to their town.



Some years ago, the Santa Coloma Town Council realised that many local businesses were putting up the shutters, customers were leaving to shop in department stores in the neighbouring cities and there was a high risk that Santa Coloma would become a dormitory town. The wealth being generated in the town was leaking away and there was a liquidity crisis. According to one study, 90% of the money paid out by the local authority had left within three days.

For a town without much industry or tourism, trade is the motor of wealth.<sup>xvi</sup>

The Grama is the **first municipal local currency in Catalunya**, and it began circulating in January 2017, with a parity of **1 Grama = 1 Euro**.



The main objectives are:

1. Increase the impact of public spending (subsidies, salaries, purchases from suppliers) in local businesses and increase the circulation of money between businesses in Santa Coloma.
2. Behind the initiative was the wish to incentivise local business and strengthen residents' commitment to their town. *'I'm from Santa Coloma. I shop in Santa Coloma'* is the campaign included in this overall objective.

The Local Currency is a Digital Payment System (by Internet and mainly with the mobile phone). They are transfers of balance from one user's account to another user's account (such as credit card payments). One Grama can be changed for one euro after 45 days, but if it's changed before that, a penalisation of 5% is incurred.

This is one of the few local currencies that have been co-produced with an active participation of a local administration. In the case of la Grama, the City Council of Santa Coloma de Gramenet was the leader of the project, with the active participation of organizations who were part of the Social Trade Circuit.



The system functions as follows ([City Council Website](#)):

1. The City Council gives part of the subsidies, grants and wages in Gramas (through the digital payments system)
2. NGOs (receiving grants), workers (receiving salaries) and businesses (public projects) will use the local currency in registered shops and businesses
3. Registered shops and businesses will use the local currency at other registered shops, both as businesses and as individuals
4. This way, the money circulates more times and for longer within the city, creating wealth



### **Example:**

The City Council pays € 20,000,000 a year in net wages to workers.

If 2% of this expense is paid in Gramas, that would mean a total of € 400,000 in income for local commerce (if the % were larger...).

If the Gramas circulate 2 times more than the Euro, that's € 800,000 for local commerce... There are projects where the Local Currency circulates up to 6 times more than the Euro.

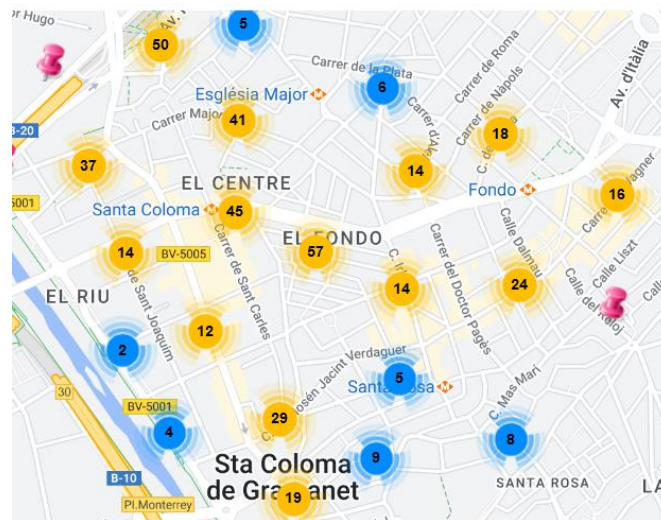
For the awarding of subsidies, the City Council has defined the following criteria:

- The sale of ecological, local, fair trade products and services.
- The purchase in Santa Coloma de Gramenet of products and services for the development of the activity of the company or entity.
- Cooperativism and the provision of products or services of cooperatives and/or entities of the social and solidarity economy.
- Be associated with local or social entities and financial support to local or social entities.
- The supply of green (renewable) energy, low consumption, recycling, reuse and actions to reduce the impact on the environment in general.

Currently, the city has a social commerce network of 800 members, of which 400 are businesses, cooperatives and companies, 150 are associations and entities, and 250 are



individuals. In the last semester of 2019, the number of members of businesses, cooperatives and companies grew by more than 25%.



*Map of businesses accepting Gramas*



### Case study: Brixton Pound (United Kingdom)



## Brixton Pound

The Brixton Pound is a community currency operating in South London, UK. Although primarily designed to support local SMEs, the Brixton Pound also seeks to increase the sense of community cohesion and draw on the area's history of social activism. Valued one-to-one against pound sterling, the Brixton Pound can only be spent with local SMEs and thereby aims to retain wealth within the community. Many participating businesses offer discounts to those paying in Brixton Pounds—in effect offering a loyalty scheme that both demonstrates their commitment to the local economy and increases custom. In the long term, increased links between Brixton-based SMEs themselves localise as far as possible supply and production chains to create a more sustainable and resilient economy for the area.





*BE10 features David Bowie, English musician, actor, record producer and arranger who was born in Brixton.*

The Brixton Pound has demonstrated commitment to supporting independent businesses through vocal opposition to plans that would see many well-known local establishments evicted from one of Brixton's famous high streets: Atlantic Road. The high profile of the Brixton Pound helped the campaign gain media attention and draw 13,000 signatures on a petition protesting the evictions (the campaign was ongoing at the time of writing). This demonstrates how currency initiatives can situate themselves within wider communal, social and political life and the benefits they can bring to an area beyond monetary value.

#### 4. Further readings and videos

- MedTOWN Phoenix journey course [LINK](#)
- [Video] Co-production (4 mins) [LINK](#)
- [Text & Video] What is Co-production. Involve.org. [LINK](#)
- [Text] Co-production: a manifesto for growing the core economy, New Economics Foundation [LINK](#)
- [Video] Realizing Care Policies' Transformative Potential, UNRISD 2017 (4 mins) [LINK](#) (full report in further reading)
- [Video series in Arabic with subtitles in English] Public Policies, UNESCO 2016
  - Episode 1 Background [LINK](#)
  - Episode 2 Definition [LINK](#)
  - Episode 3 The making-of [LINK](#)
  - Episode 4 Actors [LINK](#)
  - Episode 5 Civil Society [LINK](#)
  - Episode 6 Analysis [LINK](#)
  - Episode 7 Targeting Youth [LINK](#)
  - Episode 8 Dynamics [LINK](#)
- [VIDEO] [Public Policy and Analysis](#) (9 mins)
- [Video] Re-thinking the Policy Making Process for today's needs by Betty Tushabe, TEDxRugando (12 mins) [LINK](#)
- [Text] Chapter-Care Policies: Realizing their Transformative Potential UNRISD [LINK](#)





- [Text] Activating Citizens to Participate in Collective Co-Production of Public Services (2014) Bovard Ryzin, Loeffler and Parrado LIN [Text] The Challenges of Co-production. How equal partnerships between professionals and the public are crucial to improving public services (2009) New Economics Foundation, 2009 [LINK](#)
- [Text] Understanding co-production as a new public governance tool, Policy and Society. (2018) Maddalena Sorrentino, Mariafrancesca Sicilia & Michael Howlett [LINK](#)
- [Text] Coproduction during and after the COVID-19 Pandemic: Will It Last? (2020) Steen and Brandsen [LINK](#)
- [Text] Bekkers, V. & Edelenbos, Jurian & Nederhand, José & Steijn, Bram & Tummers, Lars & Voorberg, William. (2014). The Social Innovation Perspective in the Public Sector: Co-Creation, Self-Organization and Meta- Governance. [LINK](#)
- [Text] Sánchez-Cruzado, J (2018) Social innovation for the activation and governance of green infrastructure. Climate-KIC, Grow Green Project, Wroclaw. [LINK](#)
- [Text] Voorberg, William & Bekkers, V. & Tummers, Lars. (2014). A Systematic Review of Co-Creation and Co- Production: Embarking on the Social Innovation Journey. Public Management Review. [LINK](#)
- [Text] GUIDE TO SOCIAL INNOVATION, EUROPEAN COMMISSION <https://www.ess-europe.eu/en/publication/guide-social-innovation>

## 5. Sources

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<sup>i</sup> Ostrom, E. (1996) Crossing the Great Divide: Coproduction, Synergy, and Development. *World Development* 24(6): 1073-87

<sup>ii</sup> (Realpe, A., Wallace, L. (2010) *What is co-production?* London: The Health Foundation

<sup>iii</sup> Boyle and Harris (2009) The Challenge of Co-Production, NEF [http://www.assetbasedconsulting.co.uk/uploads/publications/The\\_Challenge\\_of\\_Co-production.pdf](http://www.assetbasedconsulting.co.uk/uploads/publications/The_Challenge_of_Co-production.pdf)

<sup>iv</sup> Community Care (2009) Proven practice: Co-production and adult social care, retrieved from <https://www.communitycare.co.uk/2009/04/14/proven-practice-co-production-and-adult-social-care/>

<sup>v</sup> Information collected from the case study available here: <https://knowledgehub.unsse.org/es/knowledge-hub/the-crucial-role-of-social-and->





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[solidarity-economy-sse-in-partnership-with-local-governments-in-hosting-refugees-and-in-achieving-sdgs/](#)

<sup>vi</sup> Available from: <https://maresmadrid.es/>

<sup>vii</sup> Information collected at [https://www.socioeco.org/bdf\\_fiche-document-1776\\_fr.html](https://www.socioeco.org/bdf_fiche-document-1776_fr.html)

<sup>viii</sup> Most information for this case is collected from the fiche La politique de la mairie de Naples en matière de Communs available at [https://www.rtes.fr/sites/default/files/IMG/pdf/Fiche\\_Napoli.pdf](https://www.rtes.fr/sites/default/files/IMG/pdf/Fiche_Napoli.pdf) and the information available at the Naples City Council: <https://www.comune.napoli.it/beni-comuni>

<sup>ix</sup> Tobin, J. (2008) Money, in S.F. Durlauf, L.E. Blume (Eds.) New Palgrave Dictionary of Economics, Palgrave MacMillan, Basingstoke

<sup>x</sup> Corrons, A. (2017) Monedes socials i compleetàries, retrieved from <https://www.uoc.edu/portal/ca/news/entrevistes/2017/017-august-corrns.html>

<sup>xi</sup> Douthwaite, R. (1999) *The Ecology of Money*, Green Books, Bristol

<sup>xii</sup> Community Currencies in Action (CCIA) (2015) People Powered Money, retrieved from <https://neweconomics.org/2015/05/people-powered-money>

<sup>xiii</sup> Most information for this case is collected from Gama, Andrea & Costa, Roberta. (2021). The increasing circulation of the Mumbuca social currency in Maricá, 2018 2020. DOI: 10.13140/RG.2.2.24088.11525.

<sup>xiv</sup> Gama, Andrea, Universidade Federal Fluminense, Roberta Costa, and Universidade Federal Fluminense. 2021. "Gama, Andrea & Costa, Roberta. (2021). The Increasing Circulation of the Mumbuca Social Currency in Maricá, 2018 2020."

<sup>xv</sup> <https://edinheiro.org/>

<sup>xvi</sup> BOPB (2016) Reglamento del Circuito de Comercio Social de Santa Coloma de Gramenet, [https://www.gramenet.cat/fileadmin/Files/Ajuntament/comercio/moneda\\_local/docscast/REGLAMENTO\\_DEL\\_CIRCUITO\\_DE\\_COMERCIO\\_SOCIAL\\_DE\\_SANTA\\_COLOMA\\_DE\\_GRAMENET.pdf](https://www.gramenet.cat/fileadmin/Files/Ajuntament/comercio/moneda_local/docscast/REGLAMENTO_DEL_CIRCUITO_DE_COMERCIO_SOCIAL_DE_SANTA_COLOMA_DE_GRAMENET.pdf)





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