



IJCCR

# Complementary Currencies in Germany: The Regiogeld System

**Christian Thiel**

University of Augsburg, Germany  
christian.thiel@phil.uni-augsburg.de

## Abstract

In several places in Germany colourful slips of paper replace the Euro as a medium of exchange. These unofficial tenders German Regiogeld, a phenomenon which occurred around 2001 and spread rapidly all over Germany. It appears not only with different names but also in various forms. The article introduces this special complementary currency. It describes briefly – and from a sociological point of view – what it is, how it has originated, the actual status quo and possible future developments. It is based on my 4 year ethnographic research which was done in the context of a sociological dissertation. For this article one of my results is particular important: Regiogeld is a phenomenon which originated in the fusing of different movements, a money-reform-oriented, an esoteric and several regionalization-oriented.

## Introduction

In several places in Germany colourful slips of paper replace the Euro as a medium of exchange. These unofficial tenders are called Ammerlehtaler, Bürgerblüte, Dreyecker, Elbtaler, Gwinner, Havelblüte, KannWas, Landmark, Nahgold, Pälzer, Roland, Sterntaler, TauberFranken or Zschopautaler. We are talking about German Regiogeld, a phenomenon which occurred around 2001 and spread rapidly all over Germany. It appears not only with different names but also in various forms.

The article introduces this special complementary currency. It describes briefly – and from a sociological point of view – what it is, how it has originated, the actual status quo and possible future developments. It is based on my 4 year ethnographic research which was done in the context of a sociological dissertation. For this article one of my results is particular important: Regiogeld is a phenomenon which originated in the fusing of different movements, a money-reform-oriented, an esoteric and several regionalization-oriented. These movements form Regiogeld regarding its constructions and

its objectives, its organizational, financial and personnel resources.

## What is Regiogeld?

Regiogeld (the German short form for regional money) is a special form of a community currency. It can be defined as a private monetary system with a regional validity and a non-profit-agenda which is accepted by multiple participants. It usually occurs as voucher and is provided with a demurrage (negative interest). This constant loss in value (5-12 % per year) is either realized via certain tokens which have to be purchased and glued on the vouchers every 3 months or via the chargeable replacement of the vouchers every (3 up to 12) months. The regional currencies have multiple purposes: they want to bind the regional purchasing power, strengthen the local economy, create more cooperation, increase sponsorship for non-profit-organizations, encourage the regional identity, help solidify social ties, reduce transport, enforce a sustainable and responsible consumers' behaviour and so on.

International  
Journal of  
Community  
Currency  
Research

[www.ijccr.net](http://www.ijccr.net)

**There are big differences in the construction of the almost 30 active regional currencies in Germany. One of the most important (and among the makers most controversial) concerns the question of value: some Regiogelder are backed by Euros, other are backed by goods and services.**

Apart from these fundamental similarities, there are big differences in the construction of the almost 30 active regional currencies in Germany. One of the most important (and among the makers most controversial) concerns the question of value: some Regiogelder are backed by Euros, other are backed by goods and services.

In the Euro-based system a consumer “buys” the regional money with his Euros. Then he can purchase goods in one of the businesses associated with the system. The payee can either use it for his/her shopping or give it to the Regiogeld organization and receive the value in Euro currency in return. For this re-exchange most Regiogeld organizations demand a fee of 5 to 10 %. Part of this covers their expenses and the rest is donated to community charities. The advantages of this system are: it is easy to understand, with low-risk for the businesses (they can re-exchange the earned regional money to Euros) and – above all – it is charitable.

In the goods-and-services-based system the participating businesses assure by contract to accept the regional money at the same parity as Euros (or at least for a certain part of the purchase price). In this case the businesses give out the regional currency; the Regiogeld organization only provides the administration (implementation, controlling et cetera) and charges some fees for this service. Accordingly, the businesses can increase their financial solvency, because they more or less get the vouchers for free. However, this is difficult to convey. The businesses fear not to get rid of their Regiogeld revenues as there is no re-exchange in Euro. The consumers don't really have a profound reason to make an effort for Regiogeld as there are no charitable aspects connected with it.

Beside these fundamental elements of construction, there are several more differences concerning e.g. the rate of exchange, the scope of circulation, the design and denomination of the vouchers or the duration of validity. Many Regiogeld systems try to make something new and special like coins for collectors, inclusion of LET-systems, combination of Euro- and performance based systems, cashless payment procedures, electronic money, cooperatives, own shops et cetera. This great variety regarding the schemes construction, its organizational design, institutional embedding and ideological objectives leads to the question:

### **How did Regiogeld originate?**

Regiogeld is based on the ideas of the German-Argentine economist Silvio Gesell (1862-1930). He proposed demurrage as a method of increasing both the velocity of money and overall economic activity. His Freigeld (free money) should rust and rot like all the goods and thereby be better and more efficient money (Gesell 1949: 13). Gesell and his followers pursued (without success) a political money reform and also implemented small scale local money experiments (Niederegger 1997).

The most famous took place in the Austrian town of Wörgl between 1932 and 1934. In the middle of the world economic crisis the mayor paid the salaries and wages of the public employees with local money. Due to the negative interest on it, it was immediately used to pay local taxes and fees. Shortly after, it was also accepted in local shops. Soon a circulation with a high velocity came into being. This allowed the municipality to finance several job-creating measures. The unemployment rate diminished drastically and Wörgl started to be a model for other crisis-ridden towns. But then the Austrian central bank, fearing for its monopoly for money creation, stopped the experiment (Fisher 1933; Onken 1997; Werner 1989: 88).

The Freigeld Movement was then prohibited during Third Reich and formed up again 1950 as a (marginal) political party. With their dogmatic and partly nationalistic argumentation they scared away the populace. This changed in the 1960s when the Freigeld movement mixed with anthroposophy and the

emerging new social movements (Bartsch 1994: 33).

Especially Anthroposophy as one of the most important and socially firmly rooted esoteric organizations in Germany had a deep impact. This resulted from the fact that anthroposophy has a similar concept for a money reform. The founder of anthroposophy, the Austrian Rudolf Steiner, called for “aging money” (Steiner 1919; 1922). Issued within an economic cooperation it should gain certain qualities (depending on its age) like buying money, lending money and – in the end – donating money (Steiner 1922: 137). The conjoint thought of decaying money helped combining both concepts in the idea of Regiogeld in which we e.g. find the Freigeld way of demurrage together with the anthroposophical assumption of democratic and charitable money.

More over the New Social Movements since the 1960s had profound effects on Freigeld. As the idea of rusting money diffused in ecology, peace, feminist, anti-capitalism and as a part of this regionalization movements, it absorbed their objectives. From now on Freigeld should be a medium for a self-determined, egalitarian, collaborative and sustainable life (Bartsch 1994: 278; Brand 1998: 34).

In the 1990s this “new” Freigeld was popularized mainly by the books of Helmut Creutz (1993) and Margrit Kennedy (1991). In these days the reports about different complementary currencies from all over the world (Lietaer 2002) enthused the Freigeld movement. The focus of many supporters turned away from a national money reform to small scale money experiments, especially LETS (Local Exchange Trading Systems).

Around the turn of the millennium after the emergence of a strong globalization critique (and interestingly together with the implementation of the European currency) the first Regiogeld schemes appeared – 1998 the “Phö” in Arnstadt (near Erfurt) and 2001 the “Roland” in Bremen. The real breakthrough however was in the year 2003 when Waldorf school teacher Christian Gelleri together with 6 schoolgirls started the “Chiemgauer” in the small Bavarian village Prien (Gelleri 2009: 65). Strongly supported by the parents the Chiemgauer was very successful. In consequence of the huge attention by the mass media many people from all over Germany

were enthused and wanted to create their own local money. Hence a congress was held and attended by 150 people. Due to the great interest accompanying the foundation of dozens of Regiogeld initiatives in Germany the “Regiogeld-Netzwerk” was established in 2003 to organize and initiate the exchange of knowledge. This network, 2006 institutionalized as registered umbrella association (Regiogeld e.V.), organizes meetings twice a year, provides manuals for beginners, cares for public relation et cetera – altogether it defines, devises and disseminates the idea of Regiogeld.

### What is the status quo? <sup>1</sup>

According to the author’s research there are at the moment about 73 Regiogeld projects in Germany. Only 15 of them are not in the umbrella association and most of these are heavily marketing-oriented projects. 32 are in preparation, while 26 are active. Among these active projects 20 use the Euro-based-system, 4 use the goods-and-service-based system and the remaining 2 are hybrid systems. Altogether they emit an estimated amount of 700,000 to 800,000 Euros. However, 64 % of this belongs to the Chiemgauer whereas the average Regiogeld project has only around 10,000 Euros in circulation. <sup>2</sup>

Also the number of participating businesses is strongly varying. Some projects have only a handful, others have hundreds. However, mostly fewer than 100 businesses participate in the average Regiogeld project. <sup>3</sup> This is in fact a problem, because – as a research project has found out – a Regiogeld project needs at least 200 vendors to provide a sufficient range of goods and services (Volkman 2008: 82). And not only the quantity, but also the quality of the businesses is important. In the goods-and-services-based systems mainly semi-professional businesses like alternative, esoteric and artistic services or quite specialised shops are found. So far only the Chiemgauer provides a sufficient range of products and at the same time an adequate spatial density of shops to really work out in daily life (Bickelmann 2009: 69).

But why is the Chiemgauer so successful? This question needs empirical investigation. So far only assumptions can be made. Firstly, the initiator is a man with entrepreneurial skills and a high commitment – for several years

now he works full-time for his project. Secondly, there is an efficient and manifold network of supporters in the region: the parents from the (anthroposophic) school where the Chiemgauer started, several local politicians, a bunch of social and cultural projects or clubs. Thirdly, the cooperation of the local bank gives the Chiemgauer money symbolic credibility and – even more important – offers structures (accounts, electronic payment) for the electronic Chiemgauer. The importance of this is illustrated by the fact, that already 70 % of the circulating Chiemgauer money is electronic. Fourthly, maybe the characteristics of the Chiemgauer region like the good economy, plenty of touristic attractions, the prevalent traditional social networks and the strong regional identity have their effect on the success of the Chiemgauer Regiogeld. But even despite its certain level of economic significance, the Chiemgauer still attracts more interest globally than regionally (Schroeder 2009).

**It seems that despite extensive marketing, it is very hard for Regiogeld to achieve acceptance and therefore a significant penetration of the regional markets**

Let's now take a short look on the overall structures of the average Regiogeld. The core of each system is mostly a small group of volunteers mostly from the educated middle class. They often meet at events

in the context of Freigeld, anthroposophy or regionalization movements. After gathering together they start working on their regional money system. Due to the complexity of this task the process from the first ideas to the actual money takes a long time, often one or two years. Because there is no ready-made system the makers have to create their own conclusive and also judicial elaborated concept. In this process of defining the currency's details a lot of conflicts can appear: Are 'bad' businesses, like discount shops, allowed to join the Regiogeld or should it be restricted to local producers? Should Regiogeld be a demonstration of a better monetary system or rather a medium to seal off and strengthen the "own" regional economy? Should it focus on increasing the businesses economic options or rather be a fundraising for charitable projects? The next steps are the creation of the

organization structure (mostly a registered association) and the vouchers (which has to be unforgeable). Then the Regiogeld has to be introduced to businessmen and consumers. For all this, a lot of time and money are required. But the number of institutional supporters is small: for political and financial actors Regiogeld is too "alternative", for many social volunteers it's too economical. Sometimes some support (also financial) comes from Local Agenda 21 programs. As a consequence the regional money systems remain on a rather small level. So far they attract mainly idealistic consumers and businessmen but don't reach the populace.

### **What does the future bring?**

From 2003 to 2008, there was a kind of formation boom. Everywhere in Germany Regiogeld projects appeared. Since 2008 we have observed a certain slowdown and even the collapse of several initiatives. It seems that despite extensive marketing, it is very hard for Regiogeld to achieve acceptance and therefore a significant penetration of the regional markets. Especially in bigger cities and economically underdeveloped regions there's only little business volume with Regiogeld. Maybe Regiogeld needs existing (economic and social) networks while it hardly creates them. Hence, and also because it is very labour and money intensive, a sole Regiogeld will probably remain on a rather small scale level. But, some initiatives start developing structures in which Regiogeld is one of several instruments within an alternative and self producing regional cooperative. The Bavarian "Sterntaler" for example is (since 2009) organized as a cooperative which includes a small shop, a food producing permaculture garden, a private LETS, a commercial barter system and as the overall medium of exchange, a Regiogeld. The Chiemgauer has started in 2010 with a microcredit-approval-process. These approaches seem to have potential. And, even if the economic significance of Regiogeld remains rather small, one thing should not be forgotten: its existence makes alternative money thinkable and graspable.

## Endnotes

<sup>1</sup> Due to low professional and organizational level it is difficult to get actual and reliable data. The numbers presented here come from the Regiogeld umbrella association (Regiogeld e.V. 2010) and were updated with the latest available information from the various projects homepages.

<sup>2</sup> The following exact numbers are based on the ascertainable projects (N = 18): total amount of Regiogeld in circulation from all projects equates 788,506 Euros; arithmetic mean is 43,806 Euros and median is between 11,000 and 12,000 Euros. It's not easy to estimate how much turnover is created because it is supposed that Regiogeld circulates with a higher velocity than the Euro (Gelleri 2009: 64). The Chiemgauer reports to create a yearly turnover of 4 Million Euros with its 500,000 Euros in circulation (Chiemgauer 2010).

<sup>3</sup> Exact numbers (N = 26) are: participating businesses range from 16 to 584; arithmetic mean is 100 and median is 62. 20 projects have less than 100 participating businesses, only 4 have more than 200.

## References

- Bartsch, Günter (1994) Die NWO-Bewegung Silvio Gesells. Geschichtlicher Grundriß 1891 - 1992/93, (Gauke, Lütjenburg)
- Bickelmann, Annette (2009) Kleingeld. Monetäre Regionalisierung durch Regiogeld als Werkzeug im Regionalmanagement. Unpublished diploma thesis, University of Trier, Department of geography
- Brand, Karl-Werner (1998) 'Humanistischer Mittelklasse-Radikalismus'. In Hellmann, Kai-Uwe and Ruud Koopmans (Ed.) Paradigmen der Bewegungsforschung. Westdeutscher Verlag: Opladen; pp. 33-50
- Chiemgauer (2010), viewed August 17 2010, [http://www.chiemgauer.info/uploads/media/Chiemgauer-Statistik\\_01.pdf](http://www.chiemgauer.info/uploads/media/Chiemgauer-Statistik_01.pdf)
- Creutz, Helmut (1993) Das Geld-Syndrom. Wege zu einer krisenfreien Marktwirtschaft, (Verlag Mainz, Aachen)
- Fisher, Irving (1933): Stamp Scrip, (Adelphi Company, New York)
- Gelleri, Christian (2009) 'Chiemgauer Regiomoney: Theory and Practice of a Local Currency'. International Journal of Community Currency Research. Vol 13, pp.61-75
- Gesell, Silvio (1949 [1916]) Die natürliche Wirtschaftsordnung durch Freiland und Freigeld, (Rudolf Zitzmann Verlag, Lauf bei Nürnberg)
- Kennedy, Margrit (1991) Geld ohne Zinsen und Inflation, (Goldmann, München)
- Lietaer, Bernard (2002) Das Geld der Zukunft: Über die zerstörerische Wirkung des existierenden Geldsystems und Alternativen hierzu, (Riemann Verlag, München)
- Niederegger, Gerhard (1997) Das Freigeld-Syndrom: Für und Wider ein alternatives Geldsystem, (Verlag für Ethik und Gesellschaft, Wien)
- Onken, Werner (1997) Modellversuche mit sozialpflichtigem Boden und Geld, (Varel, Oldenburg)
- Regiogeld e.V. (2010), viewed August 17 2010, <http://www.regiogeld.de>
- Schroeder, Rolf (2006) 'Community Exchange and Trading Systems in Germany'. International Journal of Community Currency Research. Vol 10, pp. 24-42
- Steiner, Rudolf (1919) Die Kernpunkte der sozialen Frage in den Lebensnotwendigkeiten der Gegenwart und Zukunft, (Rudolf Steiner Verlag, Dornach)
- Steiner, Rudolf (1922) Nationalökonomischer Kurs, (<http://www.dreigliederung.de/download/340.pdf> [06.04.2009])
- Volkman, Krister (2008) Regional - und trotzdem global. Solidarische Ökonomie im Spannungsfeld zwischen Regionalität und Globalität. Eine explorative Studie zu Regionalwährungen, (Lit Verlag, Münster)
- Werner, Hans-Joachim (1989) Geschichte der Freiwirtschaftsbewegung, (Waxmann, New York)