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Alternative Exchange Systems in Contemporary Greece

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Abstract

This paper is a brief report of several schemes that exist today, September 2010, in Greece and permit their members to perform transactions without any official currency. The report covers parallel currency schemes, exchange networks and several related initiatives that could be characterised as alternative exchange or non-mainstream modes of economic activity.

Introduction

Parallel currencies are a recent phenomenon in Greece and are not the only non-monetary grassroots structure that has emerged in the country the last 5 years. This paper distinguishes various grassroots initiatives in a) parallel currencies, b) exchange/barter networks and c) free bazaars and free networks. To those categories, a *sui generis* scheme can be added, named “Money Back System”, also described below. One should bear in mind that particularly the parallel currency schemes are not supported by any authority. However some free bazaars or exchange networks have some support by local authorities, who provide municipal spaces or buildings to host fairs and meetings.

The Athens Timebank

The oldest parallel currency in Greece is a Time Bank run by the Greek branch of the European Network of Women,¹ which is a Non-Governmental Organisation focusing on assisting women who are victims of violence. However, the Time Bank is an activity totally

separated from the rest NGO activities, which means that anyone can participate and it is a rule that no-one will discuss whether any member has been connected to the other activities of the NGO (for the sake of confidentiality but also of the inclusiveness of the scheme).

The Time Bank was established in Athens, Greece, and started working in October 2006. The scheme follows the general structure of time banks, which is a “network” of individuals who are offering services to other members of the group. In reward, the member gains “time” so that he/she is able to ask for the other members’ services. The value of the services is accounted in time hours. The transactions and the time hours credited and debited for each participant are recorded in a computer with software created by a volunteer.

An important feature the scheme administrators have opted for is that of the time currency expiry date, e.g. the time hours gained expire six months after they have been gained by a member. The organisers expect that by setting an expiry date, the time currency will circulate efficiently within the scheme, instead of being accumulated by some members while

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other members will stay without any task to do for time hours.

At the same time, if one does not want or does not have any need to spend his/her time hours gained, one can give the time currency to somebody else, even if that other person is not a member of the scheme. In that case, the time-hours receiver will be able to spend but not to gain any time hours. The time currency might also be donated to a charity, an NGO or a non-profit organisation and the organisation will use the time hours as any other non-member. The major emphasis has been given so far to education services, related to languages and PC skills. At this point in time, tax authorities do not seem to care about Time Bank activities and they consider time banking as voluntary work, therefore non declarable and non-taxable.

At the current time (September 2010) the Time Bank is resuming its operation, despite the financial problems the parent NGO is facing and despite the fact that the Time Bank database needs personnel for its central management. They also organise educational workshops, where people from Athens and other Greek cities participate, in order to learn more about Time Banking.

The main idea of the Ovolos scheme is that the members can use the Ovolos currency (which is virtual, e.g. on the main computer system and on each member's digital smart card) instead of euro currency for their transactions with members.

The Ovolos Currency in the cities of Patras and Thessaloniki

The Ovolos project started its organising in January 2009 and it is based in Patras city (West-South coast of the country) but also run in Thessaloniki (second major city in the North of Greece), as well.² Its members were around 4800 in July 2010, but not all of them are particularly active, although the active membership is at least double the number initially announced on Complementary Currencies database.³

Moreover, Ovolos is used by several people who do not live or work in Patras and Thessaloniki, but they prefer to transact with parallel

currency. This has created a peculiar situation, where locality of transactions is not linked necessarily to the "base cities". The Ovolos organisers see this as an advantage, which will make Ovolos an online technology platform available to all people living in the country, enabling them to experiment using parallel currency while transacting locally no matter where they live.

The main idea of the Ovolos scheme is that the members can use the Ovolos currency (which is virtual, e.g. on the main computer system and on each member's digital smart card) instead of euro currency for their transactions with members. To avoid abuses of the system by companies, they have not permitted double pricing, e.g. the items or services sold are priced and paid in Ovolos only.

Each member has an equal say on the management of the scheme. To achieve this equality in practical terms and particularly in decision-making procedures, the main coordinators have delayed launching the currency in order to safeguard the checks-and-balances feature of the scheme by using Greek legislation. Therefore, a non-profit organisation (Σωματείο) has been created based in Patras city and named "Ovolos Research and Documentation Center for Social Currency" which is responsible for supervision of the scheme, provides the members with documentation and perform research activities. The members of the organisation have by law equal rights and obligations and the organisation is the "umbrella organisation" for the entire scheme.

The basic idea behind Ovolos is that the classical (e.g. state) currencies, especially after the interruption of equivalence with gold in 1971, create sur-values that are out of control by the economy and non-responding to real economy, e.g. real production. Contrary to that, the social currency will circulate and be consumed as it is produced.

A significant feature of the currency is the designation of it: the members of Ovolos call it "Social Currency". They wanted, first to show the social orientation of the entire project and second to avoid giving any false impressions of localist or secessionist ideas (if they called it "local currency") or of competing with euro currency (e.g. if they named it "Community Currency" it might be confused with the European Community currency). The title "social" is more than a word, because the plan

includes features of Local Exchange Trading Systems but also of Time Banks. The local and not regional character is important not only because of the model of the parallel currency they use, but also because the Ovolos founders and users believe that the currency will be easier managed and controlled by its members if it remains on a local basis.

The other “social” feature of Ovolos is that the scheme members use extensively the social networking internet applications to communicate, exchange ideas, discuss and notify each other about current news or about gatherings, etc. The use of Facebook as well as the use of blogs, email lists, etc is also found in many other initiatives – but it is amazing how the establishment of a parallel currency has been based on internet communication applications for publicising the project but also for permitting the members (and to some extent any other interested) to have direct information and participation in discussions and decisions about the project.

What is also very interesting about Ovolos is that it was started by a group of entrepreneurs, contrary to most parallel currency schemes in other countries, which have a hard time to attract even small neighbourhood businesses. The economic and financial crisis of October 2008 and its consequences, which have been severe for Patras city, have induced the entrepreneurs to search for money liquidity. At the same time, as household spending has decreased, individuals were very positive to the idea, if this was to offer them the opportunity to buy basic goods without needing euro currency for this.

The Local Alternative Unit of Volos city

The Local Alternative Unit (Τοπική Εναλλακτική Μονάδα – TEM) was formally planned to be launched on June 15th 2010 in the city of Volos, on the East Central coast of Greece. The Unit is digital only and will be used within the framework of the Exchange and Solidarity Network⁴ which covers the entire county of Magnesia. At the moment, the membership is rather low because they have not proceeded with extensive publicity yet, given that the scheme is on the process of resolving several practical issues.

The project is a very interesting one, not only because it is designed to remain local, but also because the managing team has opted so far to avoid the network taking any official legal form. However, they name their project as a “mainstream” one and an observer could say that this is true, given that the network tries to be as inclusive as it can be. They are also in close coordination with local municipal services, so that the network can have several trading points hosted in the city’s Social Centres, where people with no access to internet or uncomfortable with using PCs can ask for support in order to register and trade within the network. Local businesses are also welcome to participate and actually it is a local business that offers the server of the network.

On the other hand, the funding of the project is upon its members only. The rules adopted for the Local Alternative Unit use are rather strict: they give an amount of 100 LAU by registration, but debt for any member cannot get over 100 LAU either. Of course, the issue they are currently discussing is the total money volume trap, e.g. the money volume will be limited to 100LAU per person in average and the question they are currently facing is how the scheme can inject more currency into the system without imposing any “duty” or “tax” on transactions and without jeopardising the entire project by inflation or lack of trust in the system.

The ‘Money Back System’⁵: A Hybrid or *Sui Generis* scheme in Crete and Dodecanese

The Money Back System is a network combining exchange trade but also monetary elements. The network has been created by a private company, which also own the intellectual property rights of the system. Bus companies of Crete and Dodecanese cooperate as sponsors of the system while other local companies (super markets, pastries, clothe stores, cafés, furniture stores, cinemas, etc) are by contract commercial partners of the managing company.

The system has been so successful since summer 2009 when it was established, that after some months local ship and air companies started participating and the scheme was extended to the entire country: according to the project, the used tickets of mass transport means, no matter in which part of the country have been used, can be re-used at the their

nominal value to buy goods and services from the participating companies, but of course, they cannot be used again for public transport. Each enterprise announces in public which part of the price a customer pays can be paid in tickets (from 1/4 to 1/20 of the price)⁶. The only prerequisite is that the value of the ticket is written on the ticket and it does not matter when the tickets have been issued or used for transportation.

The scheme is distinguished first for its simplicity based on the used tickets circulating as money, second for its business-to-business-to-consumer (B2B2C) structure and third for its environmental and economic implications.

The Exchange Networks

Apart from parallel currencies, there also exist several exchange networks, either of general nature or specialised in one sector of activity.

The greatest and oldest network is Peliti⁷ which covers the entire country, both urban and rural areas. It was founded in 2002 and its structure consists of two separate but intertwined networks: the first, is a network for exchanging goods and services, while the second, is a specialised network which enables its members but also anyone interested, to exchange or just find for free traditional varieties of plants⁸ (either fruit or decorative trees, vegetables, flowers, etc) and to acquire (at the cost of breeding only) several traditional species of domestic animals.

The main idea is that for preserving the traditional plant and domestic animal varieties one should be able to find the species for free and offer them for free to whomever asks for them. The domestic animals, given that their cost of breeding might be high in some cases, can be purchased with official money, but only to cover the breeding costs and not the value of the rarity of the species (which means that if a member of the network overcharges, this member will be reported). Moreover, the transactions held in the general network do not permit the use of money by the participants – they advertise (some on the web, some other on the annual Peliti Magazine) their offers and what they ask in exchange.

Apart from Peliti, there are several (actually at least 6 active) schemes and initiatives for preservation and dissemination of traditional varieties throughout Greece. Most of them cooperate with Peliti but some have opted for acting locally only. Some of them are not even networks, but they just use local proximity of their members to create an unofficial group of people who are able to find traditional seeds whenever they need any. All of them provide the seeds for free and there is only a (loose) obligation of the receiver to cultivate the seeds,

and renew the variety for next year and provide with seeds any other person for free.

One recent development is the Logo-Timis⁹ network (Λόγω Τιμής – by word of honour, in Greek) which started its function on June 4th 2010, based in Athens. Due to its recent establishment, the website is in beta-phase and the offers on the webpage are very few, yet.

From the announcements of the network that are open to all internet users, we see a prevalence of services: dental care, business consulting, music lessons, architectural design, printing services, homeopathy and alternative therapy/diet consulting, hotel and restaurant services, etc. However, given that there is an option for a private profile on the network, it is not clear whether the announcements freely accessible on the web are the only ones.

The Free Exchange Bazaars and Free Networks

The term free-exchange bazaar (χαριστικό-ανταλλακτικό παζάρι) is the term used by bazaars where people can bring things (clothes, petty machines, shoes, toys, books, CDs, etc) to exchange them or just give them away and they can take anything they believe it is useful to them. To bring something is not obligatory, but we learn that there is an “unwritten” rule in one-day bazaars that to participate, you should bring at least something. This rule does not hold in permanent bazaars, because a person can bring something one day and take something else after several months. However, in no case is it necessary to equalise the value of what you offer and what you get, which means that, in principle, you are free to take as many or as valuable things as you can carry with you.

The first free-exchange bazaar in Greece had been organised by Sporos Cooperative in downtown Athens since 2003 but now, while still being part of the same cooperative, it has moved to its own place and is named Skoros¹⁰ (“moth” in Greek). There are four other permanent free bazaars in major cities of the country. However, most free-exchange bazaars are organised for an afternoon or a day, usually combined with other activities (like collective cooking points, handicraft fairs, etc). Free bazaars are regularly organised in several areas of Athens, but also in many other cities of Greece. Their dispersion, volume and regularity have greatly increased since 2009.

The free networks have a different pattern: they are online networks, the members of which can notify when they want to give something away for free or when they need anything that might be available but not yet announced online, or they get instantly notified when something is available by any network member. There are three only free networks in Greece, but both cover the entire country: one is Freecycle¹¹ in Greece, which

actually is member of the international Freecycle network that has started in USA several years ago; the other is Χάρισέ-το ¹² (pronounced Charise-To, Give-it-away) network, which is based in Thessaloniki and also organises free bazaars in cooperation with the city municipality.

The third free network is Give-and-Take (Δώσε-Πάρε)¹³, which is the most recently created (June 2010) and it is based in Athens and Thessaloniki, but they also have members in other Greek cities. The distinctive features of this network are a) a separate forum for exchange of services among the network members and b) a “library”, where members can lend and borrow books among them.

A special type of free bazaars is swishing parties (πάρτυ ανταλλαγής ρούχων) which emerged in Athens ¹⁴ since 2009 and Thessaloniki ¹⁵ in 2010. Swishing is a term created out of swapping and shopping to describe parties where people bring their clothes, shoes and accessories and can take other clothes, etc for free. It is a like a free bazaar, focusing on clothing.

Epilogue: Other Projects

There are several other parallel currency projects which, either are in preparation stage or have not effectively started working at all.

The two projects on the Complementary Currency World Map located in Ierapetra city, in Crete island, are still being designed. A previous project, some years ago, that intended to establish time banks in several Greek cities under the support of Greek state did not start at all, because financing proved to be quite difficult. However, there is still grassroots interest in Time Banks in several parts of the country.

One would say that given the contemporary financial crisis, as well as the particular situation of Greek economy, all existing schemes are of great interest because they emerge at the time of great challenges for Greek economy and society. This will also mean that they might offer examples or experience in non-monetary economic activity that will create new patterns of transactions. The research project, within the framework of which this report has been prepared, attempts to investigate those new economic trends and their link to the greater framework of financial conditions that people of Greece are experiencing at this time.

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This paper does not include any bibliography nor even the theoretical framework being used in the PhD research project, as we opted to prepare a more or less “technical” report. Of course, any deficiency of this paper is the author’s responsibility.

Endnotes

¹ www.enow.gr

² See the website www.ovolos.gr. There is also a group with the same name at Facebook, where the members discuss issues (in Greek only) about their currency.

³ This is what had been registered at CC World Map about Ovolos in January 2009: http://www.complementarycurrency.org/ccDatabase/maps/worldmap.php?action=list&s_le_countryId=64.

⁴ www.tem-magnisia.gr

⁵ More information (in Greek only) can be found on the website <http://www.moneybacksystem.gr/home.html>.

⁶ Details of the proportion of tickets accepted by each participating company can be found at <http://www.moneybacksystem.gr/Epixeiriseis%20September%202010.pdf>.

⁷ www.peliti.gr There is also a version of the website in English at http://www.peliti.gr/pages_eng/peliti_eng.htm.

⁸ Another term used for them is “landraces”.

⁹ www.logo-timis.gr

¹⁰ <http://skoros.espiv.net/>

¹¹ http://freecycle.wikispaces.com/freecycle_gr

¹² www.xarisetto.gr

¹³ <http://dwsepare.ning.com/>

¹⁴ www.swishing.gr

¹⁵ <http://swishing-thess.blogspot.com/>