

2006 Annual Report of the Worldwide Database of Complementary Currency Systems

http://www.complementarycurrency.org/ccDatabase/les_public.html

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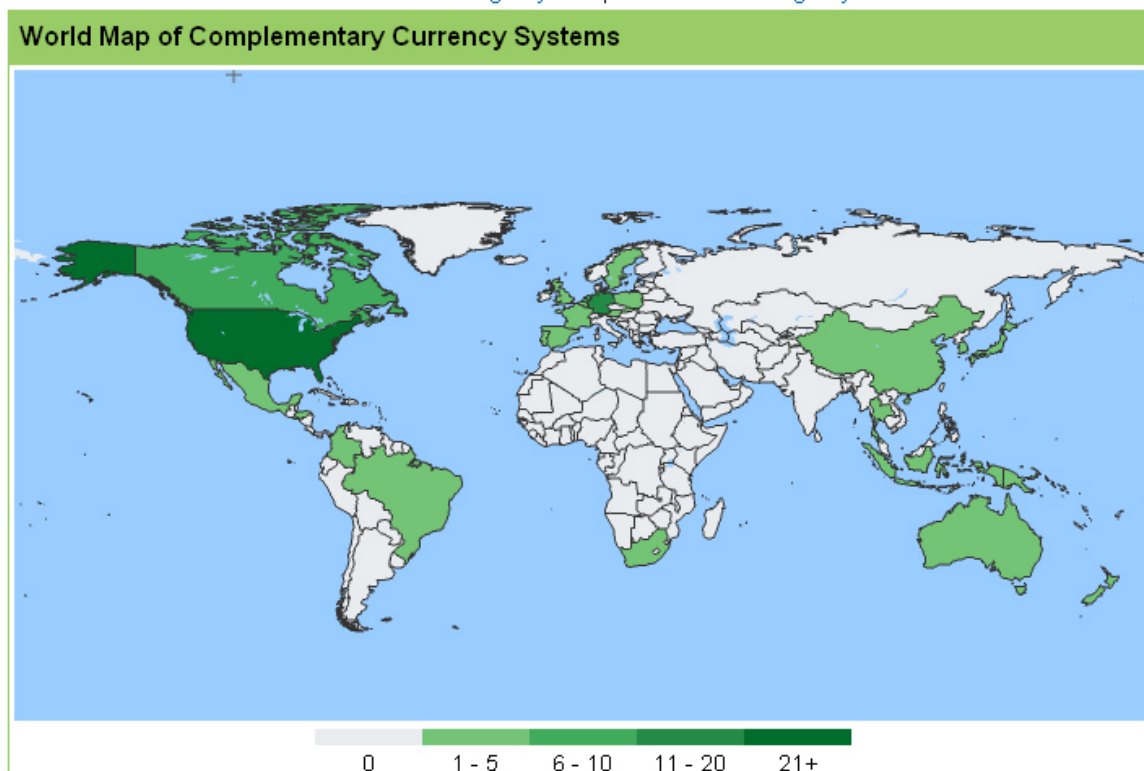
Background

The Worldwide Database of Complementary Currency Systems is one of the services of the Complementary Currency Resource Center, located on the internet at http://www.complementarycurrency.org/ccDatabase/les_public.html.

It was designed and launched in 2004 to collect statistics on a broad variety of indicators related to the design and function of all types of complementary currency systems in use in the world today. The reason for collecting this information is to provide an accurate statistical snapshot of different types of systems and identify a set of performance indicators from which to make comparisons. The information is presented in a wide variety of ways: according to the region, country and the indicators listed, in table and graph forms, using both bar and pie charts. This level of simplicity and flexibility creates a complexity that is sufficient to allow researchers to drill for information from the international level all the way down to the community level.

The ccDatabase is the result of a great deal of programming work by Albert Fløde from Finland, who went far beyond the author's designs to produce a practical, robust and fast-running database which is constantly being revised and improved. Then, to make it available to speakers of different languages, a team of volunteers was formed to translate the database to 9 languages which was also a very large task to undertake and update as new indicators are added to the ccDatabase over time. The entire project is maintained on a purely volunteer basis by all participants, who are recognized for their contributions on the website at <http://www.complementarycurrency.org/colleagues.html>

This is the World Map of Complementary Currency Systems, based on the registrations in the ccDatabase up to 15 December 2006, available at <http://www.complementarycurrency.org/ccDatabase/maps/worldmap.php>. Sadly, the biggest problem with this map is the fact that zero systems from Argentina have registered, despite the ccDatabase being available in the Spanish language.



The Results of the ccDatabase for 2006

The ccDatabase collects statistical data from forms filled out by groups that submit their system information to the ccDatabase. A team of volunteer translators made it available in 9 languages and we actively promote the database to researchers and encourage the administrators of all types of systems to record their information in the ccDatabase.

As with the 2005 Annual Report, until such time that all significant complementary currency systems are recorded in the ccDatabase we must state at the outset that these results do not reflect the state of the complementary currency movement as a whole. However, this database does provide a growing scale of analysis which demonstrates the usefulness of making systematic analysis of the different types of systems and therefore the importance of having a more complete overview of the complementary currency movement. We hope that this report will encourage all significant systems to register themselves in the ccDatabase.

This report will present the broad results from the Regional and Country level reports, using bar and pie charts for a quick visual overview. Those who wish to dig deeper into the data can spend some time studying the individual system reports and tables. All charts and tables presented here are publicly available from the reports section of the database. By the time we published the 2005 Annual Report, 40 systems in 19 countries were registered in the ccDatabase, growing to 150 systems in 27 countries by the end of 2006. As reported in Table 1, the total size of membership and population of the area served by the system grew from 93,304 to 5,600,000 members, and the population of the area served by the system growing to nearly 1 billion people.

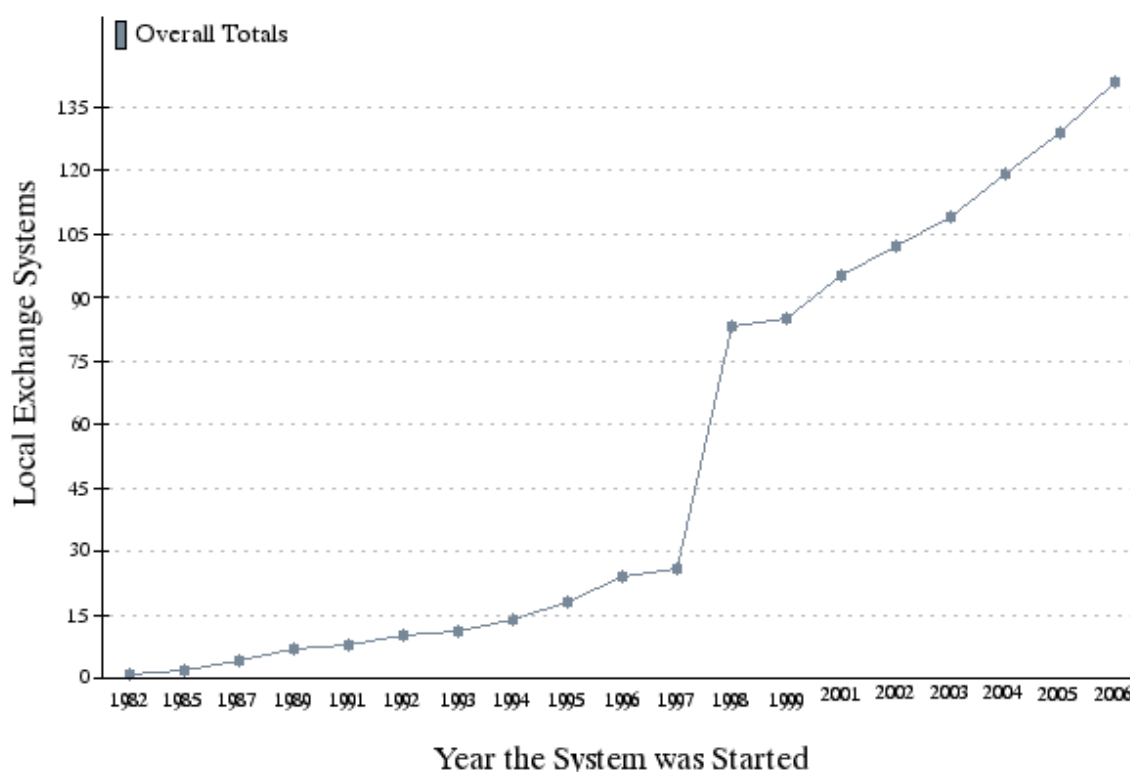
Table 1: Overall Results

| Year | Local Exchange Systems | Number of Countries | Size of Membership | Population of Area Served by System |
|------|------------------------|---------------------|--------------------|-------------------------------------|
| 2005 | 40 | 19 | 93,304 | 96,655,760 |
| 2006 | 150 | 27 | 5,631,675 | 927,522,879 |

The 110 new registrations over the past year, mostly from the Liberty Dollar network in America have shifted the regional distribution of complementary currency systems from Asia which had the most systems and the most members in the 2005 report to North America, which has 83 systems registered, followed by Europe with 36, Asia-Pacific with 21, South America with 6, Central America with 3 and Africa with 1. In terms of country rankings, America listed the most systems with 73, followed by Germany with 15, Canada with 8, Holland with 7, Brazil and New Zealand with 5.

Although there are many historical examples of complementary currency systems, the present movement is considered to have begun in 1980 with the Local Exchange Trading System (LETS) in Canada. We start with this date in our drop-down box and if more systems that started before this date register themselves, we may expand this list to include the years previous to 1980. Graph 2 shows the Annual Growth in the number of systems since 1980. 1998 saw the biggest jump in the number of systems, where the increase in the number of systems continued at a steady pace.

Graph 2
Annual Growth in Local Exchange Systems since 1980

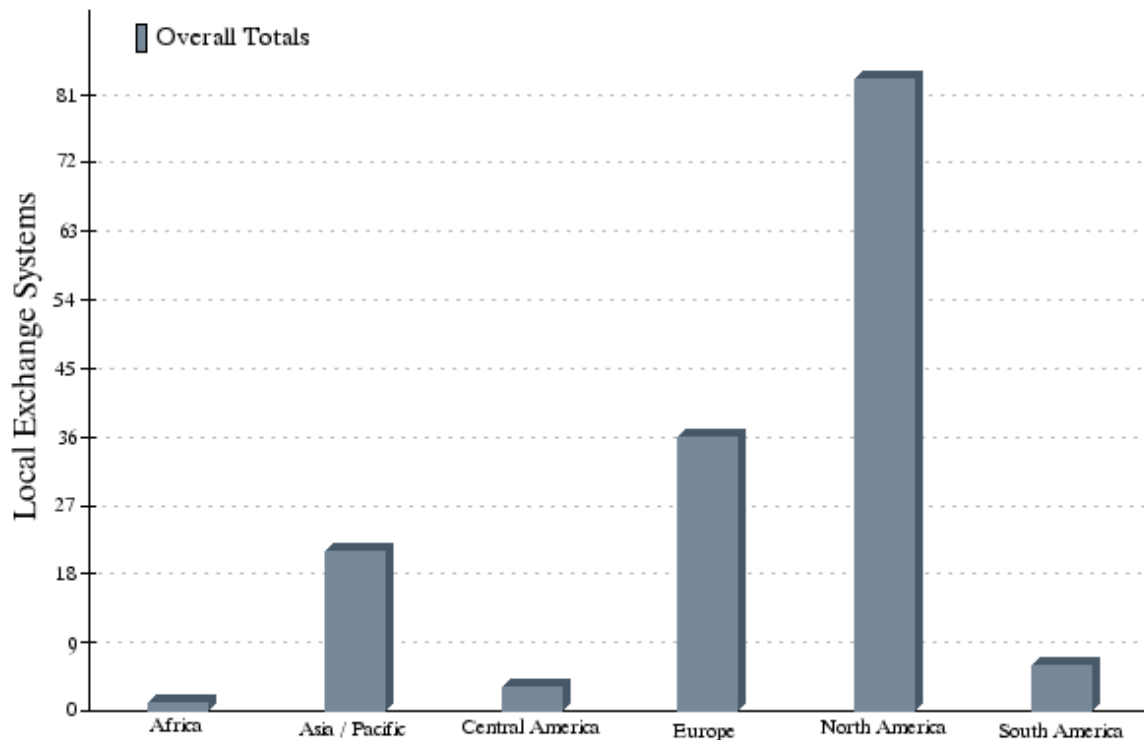


In terms of Start Dates by Region, the first system registered was started in North America in 1982, in Europe in 1985, Asia in 1987, South America in 1994, Central America in 2001 and in Africa in 2003.

Regional Distribution

A large number of registrations from North America in 2006 has proven that this region has the most systems in the world, followed by Europe, Asia, South America, Central America and Africa.

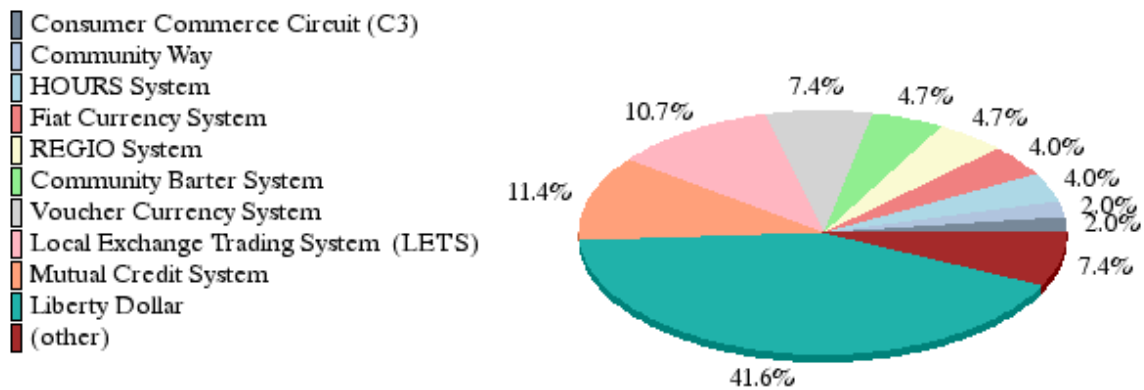
Graph 3
Regional Distribution



Types of System

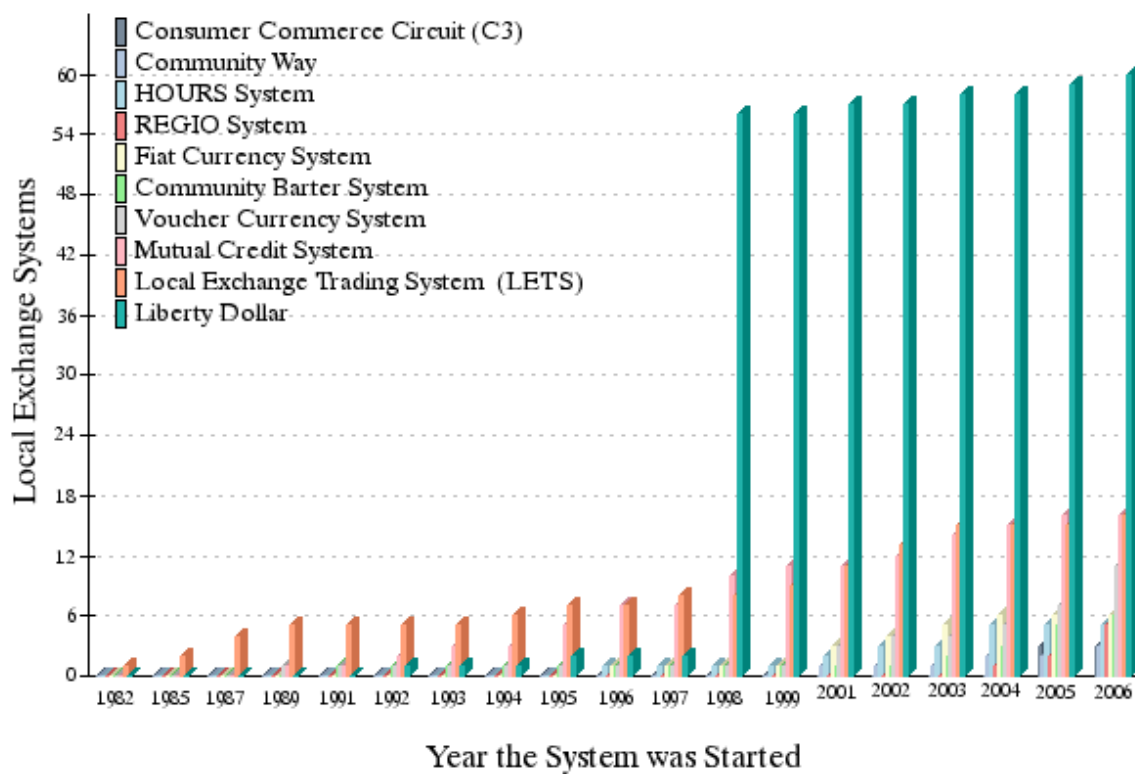
The most common type of complementary currency system at present is the Liberty Dollar with 62 systems registered, followed by the Mutual Credit System with 17, Local Exchange Trading System (LETS) with 16 registrations, Voucher Currency System 11, Barter System and REGIO System with 7 registrations each. However, LETS system had the most members with 102,940, followed by Time Banks with 20,000 members and Mutual Credit Systems with 17,530 members.

Graph 4
Types of Systems



If we look at Annual Growth for the various Types of System, we see an interesting progression over time in Graph 5.

Graph 5
Type of Exchange System – Annual Growth



We see that the Local Exchange Trading System has grown slowly but steadily over the years, whereas the Liberty Dollar launched into the scene on a large scale after a few years with only a few systems. In between, the Mutual Credit and Voucher Currency and Regio Systems have shown rather steep growth.

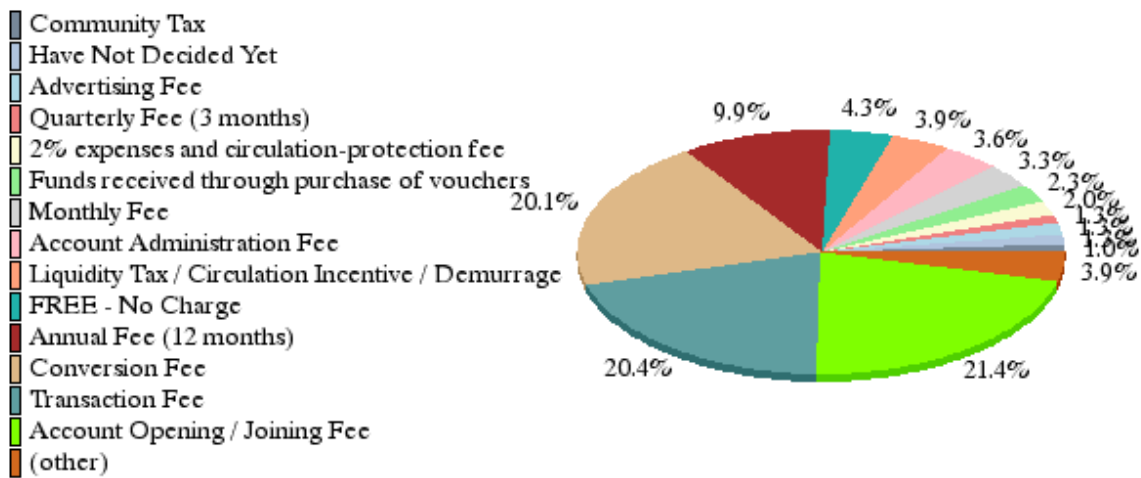
Cost Recovery Mechanism

In terms of Cost Recovery, the Account Opening Fee is the most common, followed by Transaction Fees, Conversion Fees, Annual Fees and Demurrage. In 2005, the Account

Administration Fee was listed as the most common method, but has now fallen to the position of being the 7th most common method.

Related to the Type of Organization, Registered Non-Government Organizations were the most creative in their Cost-Recovery Mechanisms, listing 18 different types of fees, Unregistered Community Based Organizations listed 14 different types of fees, Registered Cooperatives and Private Enterprises listed 10 different ways of generating income to cover operational expenses.

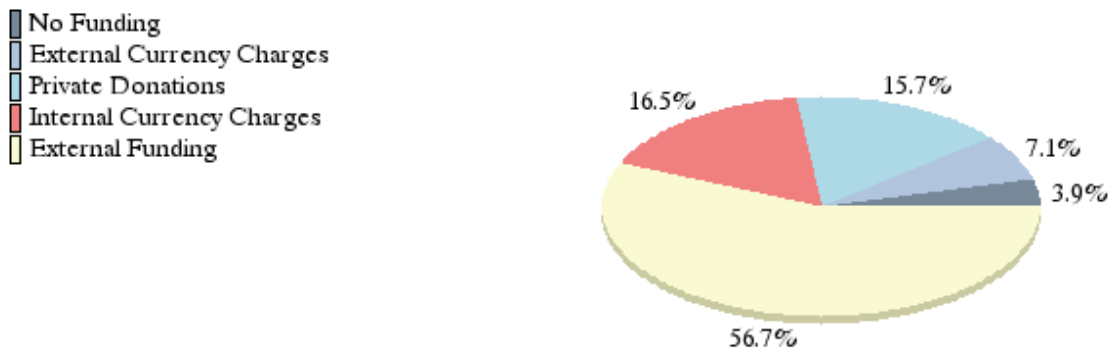
**Graph 6
Cost Recovery Mechanism**



Source of Funding

Closely related to the Cost-Recovery Mechanism is the Source of Funding. As many systems are new, external sources of startup funding were needed to launch the system and carry it to the level where Cost Recovery Mechanisms would finance the ongoing operations of the systems.

**Graph 7
Source of Funding**

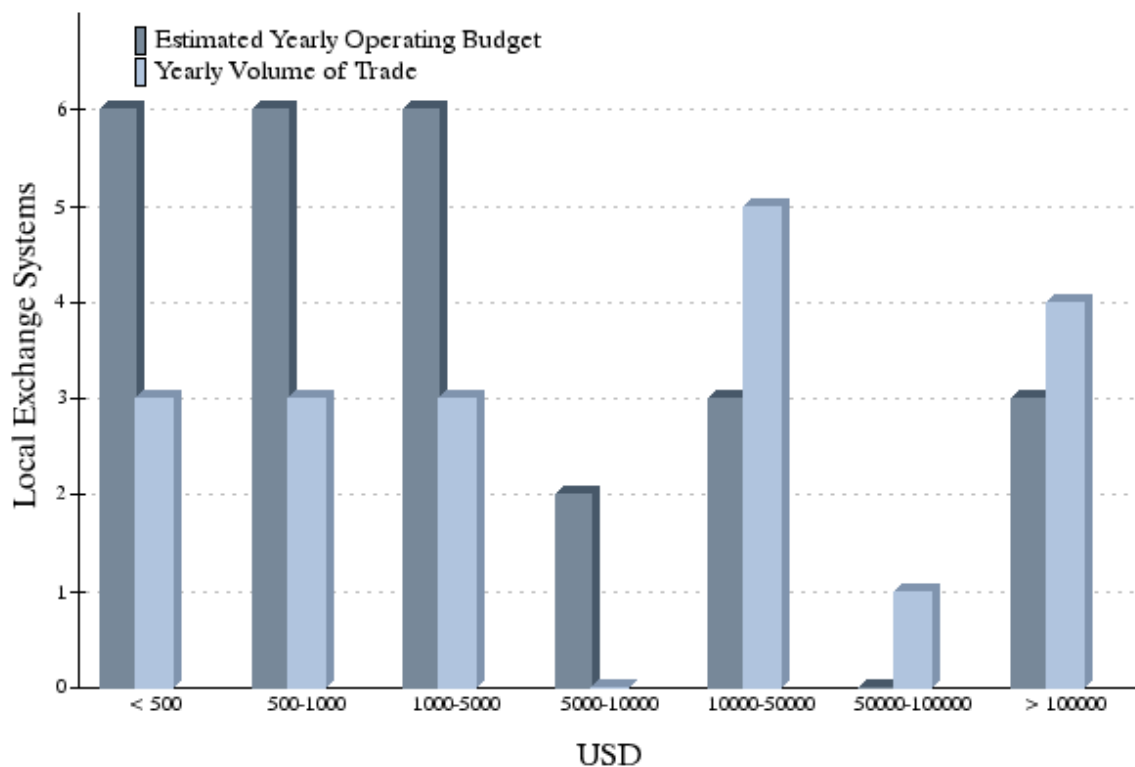


If we compare the Source of Funding related to the type of organization, we see that Unregistered Organizations generally access startup funding from private donations, or started their systems with no financing and relied on the Cost Recovery Mechanism.

Registered Non-Government Organizations (NGOs) and Cooperatives sought start-up funding from both public and private sources, and Enterprises start with either bank loans or funds from private sources.

Looking at the Cost Recovery Mechanism and Source of Funding through the lense of the Yearly Operating Budget with the Volume of Trade, we see proof for the claim that if the Yearly Operating Budget is small, then the Volume of Trade will also be small, and that a large number of systems operate on yearly budgets of less than 5,000 USD per year.

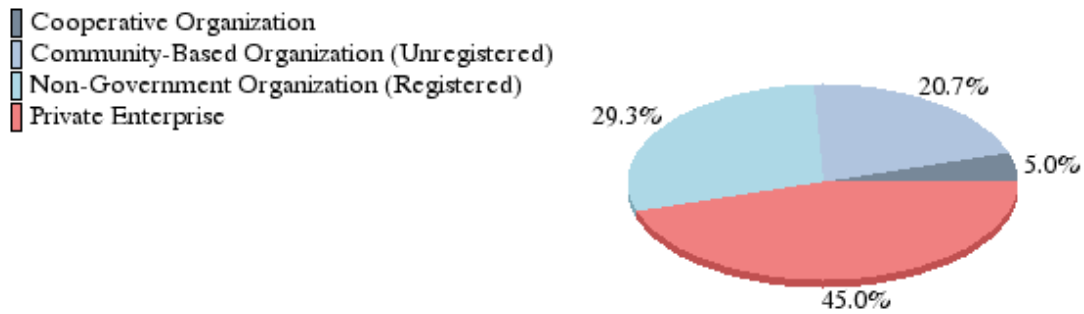
Graph 8
Yearly Operating Budget – Volume of Trade



Type of Organization

Although some types of organizations prefer to be non-formal and non-registered, the vast majority of complementary currency systems are formally registered as a private enterprise or non-government organization, with only 28 out of 150 organizations not formally registered.

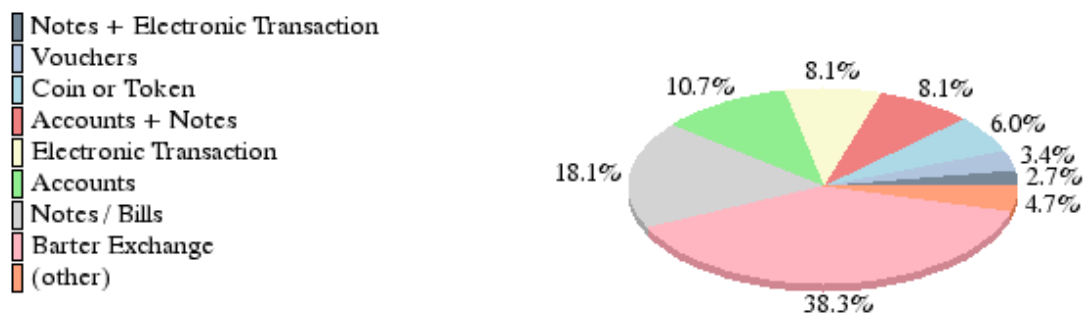
Graph 9
Type of Organization



Medium of Exchange

Regarding the Medium of Exchange used, Direct Barter is listed as the most common, followed Paper Notes, Accounts and Electronic Transactions.

**Graph 10
Medium of Exchange**

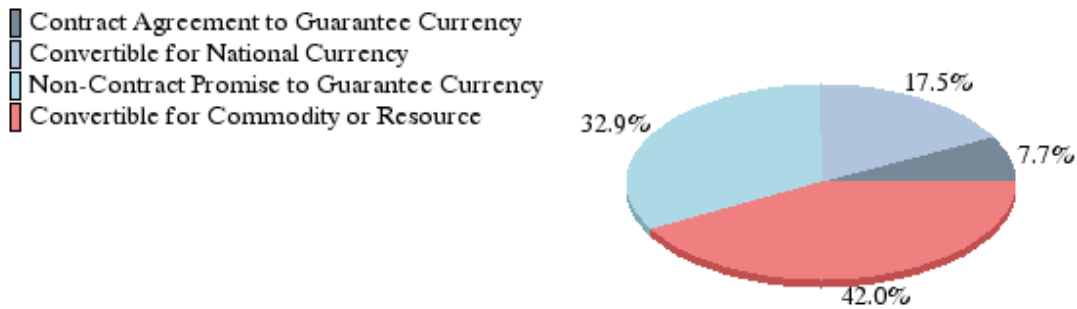


Valuation or Backing of the Currency

Although the most common term in English is “backing”, this caused difficulties in translation between languages and thus the term was changed to the more exact term, Valuation. Although the majority of currencies are listed as “Convertible for Commodity or Resource”, by this we mean that they can be converted *at any time* and as a last resort with the issuing organization, and not only in the course of making a purchase. Therefore we believe that a number of organizations that listed their currency as being convertible in this way are in fact mistaken about the meaning of the term.

The second most common way of backing a currency is to make an informal, non-contractual promise to guarantee the currency by being willing to accept it as payment for goods or services in the system, followed by being Convertible for National Currency and being backed by a contractual obligation to accept the currency.

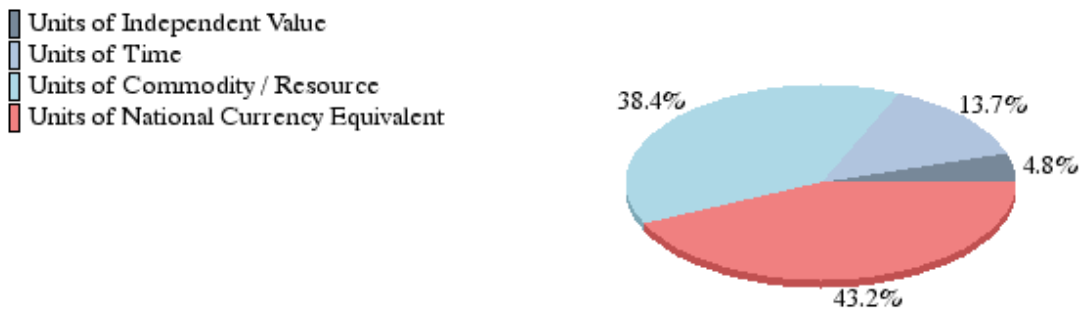
**Graph 11
Valuation**



Unit of Value

By Unit of Value, we mean the denomination of the currency. Currencies can be denominated in units of resources (commodities, electricity, resources, etc), time or national currency, or be related to a unique, independent measure. While the majority of systems value their currency in units of national currency equivalent, The Liberty Dollar network chose to identify the denomination of their currency in Units of Commodity or Resource, although we believe that Units of Independent Value may be more exact.

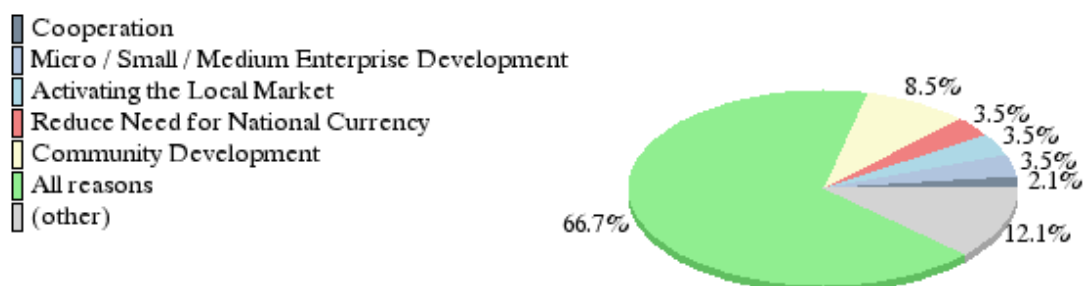
Graph 12
Unit of Value



The Purpose for Implementing a Complementary Currency System

While the vast majority of systems, 94 out of 150 to be exact, said that All Reasons provided for starting a complementary currency system were good reasons, those who gave specific answers said that Community Development, Micro and Small Enterprise Development, Activating the Local Marketplace and Social Integration were the most important specific reasons.

Graph 13
Purpose for Implementing a Complementary Currency System



Conclusion

We are very pleased with the growing number of registrations in the ccDatabase which will improve the accuracy of the statistics presented here. We hope that those who are already registered will update their registrations to be more exact in their choices which will also help to improve the accuracy of the statistics. We would also like to encourage the completion of registrations, specially in terms of yearly budget and yearly trade.

Many significant upgrades were made to the system, although the general design of the typology of money used remained the same. Constructive comments and suggestions by email to the author are always welcome. We also look forward to increased public discussion about the ccDatabase and its contribution to the understanding, communication and strengthening of the complementary currency effort.

The main trend that appears in the statistics that we identified in its infancy last year is the movement towards national currency and formally backed complementary currency systems, away from the dominance of informal currencies issued by unregistered organizations. With this in mind, as I said last year I think it is very important to forge a closer relationship between theory and practice, between academics, researchers, fieldworkers and promoters of these systems, between actual practices and best practices, and between what people say and what the reality is.

Secondly, whereas previous research suggested that social inclusion, community development and other social and community goals were the main reasons for implementing systems, the rapid development of systems outside of the G8 countries is shifting the purpose for starting systems towards socio-economic development, promoting micro, small and medium enterprise development and activating the local marketplace. This suggests a trend towards either formalized or private institutions playing a greater role in implementing these systems. I hope that the 2006 Report will assist in defining these and other trends more clearly, as more systems are registered in the coming year.

Appendix

2006: Report by Country

| Year the System was Started | Local Exchange Systems | Size of Membership | Population of Area Served by System | Estimated Yearly Operating Budget | Yearly Volume of Trade |
|-----------------------------|------------------------|--------------------|-------------------------------------|-----------------------------------|------------------------|
| Australia | | | | | |
| 1987 | 1 | 350 | 2000 | 1,000 AUD | 0 AUD |
| 2003 | 1 | 80 | 0 | 0 AUD | 0 AUD |
| Austria | | | | | |
| 2006 | 1 | 0 | 0 | 0 EUR | 0 EUR |
| Belgium | | | | | |
| 1996 | 1 | 4500 | 10000000 | 0 EUR | 1,500,000 EUR |
| Brazil | | | | | |
| 2001 | 1 | 60 | 450 | 2 BRL | 24 BRL |
| 2004 | 1 | 0 | 2000000 | 0 BRL | 0 BRL |
| 2005 | 3 | 0 | 21045000 | 0 BRL | 0 BRL |
| Canada | | | | | |
| 1982 | 1 | 100 | 0 | 1,000 CAD | 0 CAD |
| 1989 | 1 | 0 | 0 | 0 CAD | 0 CAD |
| 1996 | 1 | 700 | 1000000 | 130,000 CAD | 200 CAD |
| 1998 | 1 | 0 | 0 | 0 CAD | 0 CAD |
| 2001 | 1 | 4000 | 10000 | 0 CAD | 0 CAD |
| 2004 | 3 | 195 | 55500 | 3,000 CAD | 0 CAD |
| China | | | | | |
| 2001 | 1 | 700 | 7 | 0 CNY | 0 CNY |
| 2002 | 1 | 1600 | 80000 | 0 CNY | 0 CNY |
| Colombia | | | | | |
| 1994 | 1 | 0 | 0 | 0 COP | 0 COP |
| El Salvador | | | | | |
| 2001 | 1 | 50 | 5000 | 0 SVC | 0 SVC |
| 2002 | 1 | 200 | 1500000 | 0 SVC | 0 SVC |
| France | | | | | |
| 1996 | 1 | 200 | 2000 | 0 EUR | 0 EUR |
| Germany | | | | | |
| -- | 3 | 25 | 1470000 | 0 EUR | 0 EUR |
| 1995 | 1 | 270 | 500000 | 0 EUR | 21,000 EUR |
| 2002 | 1 | 1000 | 400000 | 0 EUR | 0 EUR |
| 2004 | 2 | 150 | 115000 | 0 EUR | 0 EUR |
| 2005 | 3 | 239 | 700000 | 0 EUR | 0 EUR |
| 2006 | 5 | 70 | 685000 | 0 EUR | 0 EUR |
| Honduras | | | | | |
| 2004 | 1 | 0 | 80000 | 0 HNL | 0 HNL |

Indonesia

| | | | | | |
|------|---|----|-----|----------------|-------|
| 2006 | 1 | 55 | 500 | 20,000,000 IDR | 0 IDR |
|------|---|----|-----|----------------|-------|

Japan

| | | | | | |
|------|---|------|----------|-------------|-------------|
| -- | 1 | 0 | 0 | 0 JPY | 0 JPY |
| 2001 | 1 | 1300 | 13000000 | 0 JPY | 0 JPY |
| 2002 | 1 | 700 | 100000 | 100,000 JPY | 300,000 JPY |
| 2005 | 1 | 22 | 100000 | 0 JPY | 0 JPY |

Mexico

| | | | | | |
|------|---|----|----------|------------|-------------|
| 1996 | 1 | 50 | 20000000 | 0 MXN | 0 MXN |
| 2004 | 1 | 80 | 750000 | 15,000 MXN | 150,000 MXN |

Netherlands

| | | | | | |
|------|---|-----|--------|------------|-----------|
| 1985 | 1 | 275 | 120 | 0 EUR | 0 EUR |
| 1987 | 1 | 65 | 76000 | 0 EUR | 0 EUR |
| 1993 | 1 | 750 | 800000 | 15,000 EUR | 0 EUR |
| 1994 | 1 | 40 | 150000 | 300 EUR | 0 EUR |
| 1995 | 1 | 135 | 0 | 0 EUR | 0 EUR |
| 1999 | 1 | 55 | 44000 | 450 EUR | 450 EUR |
| 2001 | 1 | 35 | 40000 | 1,000 EUR | 1,000 EUR |

New Zealand

| | | | | | |
|------|---|------|--------|-----------|------------|
| 1989 | 2 | 300 | 304500 | 3,200 NZD | 50,000 NZD |
| 1991 | 1 | 30 | 50000 | 0 NZD | 0 NZD |
| 1992 | 1 | 100 | 8000 | 0 NZD | 0 NZD |
| 2004 | 1 | 2500 | 3000 | 0 NZD | 0 NZD |

Papua New Guinea

| | | | | | |
|----|---|-------|--------|-------|-------|
| -- | 1 | 75000 | 100000 | 0 PGK | 0 PGK |
|----|---|-------|--------|-------|-------|

Poland

| | | | | | |
|------|---|-----|----------|-------|---------------|
| 2002 | 1 | 400 | 38000000 | 0 PLN | 1,200,000 PLN |
|------|---|-----|----------|-------|---------------|

Portugal

| | | | | | |
|------|---|---|---|-------|-------|
| 2006 | 1 | 0 | 0 | 0 EUR | 0 EUR |
|------|---|---|---|-------|-------|

Slovakia

| | | | | | |
|------|---|----|--------|-------|-------|
| 2001 | 1 | 40 | 430000 | 0 SKK | 0 SKK |
| 2003 | 1 | 0 | 0 | 0 SKK | 0 SKK |

South Africa

| | | | | | |
|------|---|------|----------|-------|---------------|
| 2003 | 1 | 6668 | 45000000 | 0 ZAR | 1,500,000 ZAR |
|------|---|------|----------|-------|---------------|

South Korea

| | | | | | |
|------|---|-----|---------|----------------|---------------|
| 1998 | 1 | 300 | 5000000 | 5,000,000 KRW | 3,000,000 KRW |
| 1999 | 1 | 600 | 1500000 | 41,045,495 KRW | 4,919 KRW |

Spain

| | | | | | |
|------|---|----|---|-------|-------|
| 2003 | 1 | 45 | 0 | 0 EUR | 0 EUR |
|------|---|----|---|-------|-------|

Sweden

| | | | | | |
|------|---|----|---|-----------|-------|
| 2002 | 1 | 60 | 1 | 2,000 SEK | 0 SEK |
| 2005 | 1 | 25 | 0 | 0 SEK | 0 SEK |

Thailand

| | | | | | |
|-----------------------|-----|--------|-----------|-------------|---------------|
| 1998 | 1 | 20 | 500 | 0 THB | 24,000 THB |
| 2003 | 1 | 20 | 300 | 0 THB | 0 THB |
| 2005 | 1 | 60 | 500 | 0 THB | 30,000 THB |
| 2006 | 1 | 30 | 500 | 0 THB | 0 THB |
| United Kingdom | | | | | |
| 1994 | 1 | 90 | 0 | 0 GBP | 0 GBP |
| 1995 | 1 | 95 | 80000 | 120 GBP | 0 GBP |
| 1997 | 1 | 400 | 10000 | 300 GBP | 0 GBP |
| 2003 | 1 | 90 | 200000 | 300 GBP | 0 GBP |
| United States | | | | | |
| -- | 4 | 0 | 0 | 0 USD | 0 USD |
| 1992 | 1 | 0 | 0 | 0 USD | 0 USD |
| 1995 | 1 | 0 | 700000 | 0 USD | 0 USD |
| | | | | | 100,000 |
| 1996 | 2 | 20125 | 250000 | 408,000 USD | USD |
| 1997 | 1 | 55 | 100000 | 0 USD | 0 USD |
| 1998 | 54 | 4000 | 4075000 | 0 USD | 50,000 USD |
| 2001 | 3 | 931 | 3500001 | 0 USD | 0 USD |
| 2002 | 1 | 90 | 0 | 0 USD | 0 USD |
| 2003 | 1 | 120 | 600000 | 0 USD | 0 USD |
| 2004 | 1 | 150 | 100000 | 350 USD | 0 USD |
| | | | | | 150,000 |
| 2005 | 1 | 1000 | 2000000 | 4,000 USD | USD |
| 2006 | 3 | 100280 | 450800000 | 170,000 USD | 50,000 USD |
| Overall Totals | | | | | |
| -- / 2006 | 150 | 231675 | 627522879 | 775,894 USD | 2,987,412 USD |