



Why integrate into capitalism?

AN ALTERNATIVE DEVELOPMENT WITH ALTERNATIVE CURRENCIES



- ▶ Microfinance
- ▶ FinTech / access to payment systems and bank accounts
 - ▣ Financial integration into global capitalism

Main Question: Do we strengthen local economy by integrating it into global capitalism?

Question our measurement methods!

▶ Useless bungler?



▶ Creators of wealth?



Capitalism isn't sustainable

“Anyone who believes exponential growth can go on forever in a finite world is either a madman or an economist.”

Kenneth Ewart Boulding (1910-1993),
american economist



Financial Integration: Isn't it ironic?

- ▶ Developing countries carry the heaviest burden of global capitalism
 - ▶ Climate crisis
 - ▶ Landgrabbing
 - ▶ Resource-grabbing
 - ▶ ...
- ▶ Integrate developing countries into global capitalism: The best possible result: They dominate other countries. Power shift, creating no more overall positive result
- ▶ “We cannot solve our problems with the same thinking we used to create them” (said to be an Albert Einstein quote)

Integration into global markets: Learn from past mistakes

- ▶ Neoliberal development approach by world bank/IMF: credits granted for export orientated monocultural production.
 - ▶ Idea: get foreign capital. Have positive foreign trade balance
 - ▶ Problem: mass production made prices fall. General Problem: it is simply impossible for all the countries to have a positive foreign trade balance at the same time.
- ▶ Debt and Interests

Outflow of money

- ▶ Nigerian president Olusegun Obasanjo to proclaim in August 2000:
“All that we had borrowed up to 1985 or 1986 was around \$5 billion and we have paid about \$16 billion yet we are still being told that we owe about \$28 billion. That \$28 billion came about because of the injustice in the foreign creditors’ interest rates. If you ask me what is the worst thing in the world, I will say it is compound interest.”



“Financial Inclusion” side effects

- ▶ Ghana introduction of « national currency » and housing tax
- ▶ Destruction of local economic structures
- ▶ New dependencies (of banks / of national/global economy) instead of autonomous development



- ▶ Vertical integration driven by companies like Amazon, Alibaba, Google, Facebook etc. increases pressure on local businesses. Payment systems play an essential role.

- 1 Privatpersoun keeft mam Beki an.
- 2 D'Beki dréinen tëscht de Betriber an der Regioun, an sou gëtt di ursprünnglech Akafszomm multiplizéiert.
- 3 Beim Récktausch léisst de Betrib 5 Prozent fir d'Regioun leien.
2 Fënneftel si fir d'Asbl. de Kär
3 Fënneftel ginn un en anere gudden Zweck gepend.



Demurrage



2 **CHIEMGAUER**
VEREINSINTERNER REGIO-GUTSCHEIN

CHIEMGAUER 

Laufzeit vom 01.01.2012 - 31.12.2013

Verlängern ab 1. Januar 2013	Verlängern ab 1. April 2013	Verlängern ab 1. Juli 2013	Verlängern ab 1. Oktober 2013
2012	0,04 €	0,04 €	0,04 €

The image shows a 'Chiemgauer 2' internal regional voucher. It features a large '2' and the text 'CHIEMGAUER VEREINSINTERNER REGIO-GUTSCHEIN'. The validity period is from 01.01.2012 to 31.12.2013. Below this, there are four columns representing different extension periods: 1. Januar 2013, 1. April 2013, 1. Juli 2013, and 1. Oktober 2013. At the bottom, there are four boxes: the first contains '2012', and the other three contain '0,04 €'. The background has a repeating pattern of the word 'CHIEMGAUER'.

Regional currencies...

- ▶ keep money within a region
- ▶ circulate between regional businesses
- ▶ circulate faster
- ▶ are not being hoarded
- ▶ do not increase inequality
- ▶ combine financial with ecologic and social benefit
- ▶ Creates reciprocal links
- ▶ strengthen social cohesion and promote social engagement



<https://www.youtube.com/watch?v=KZd8E2c7BS8>



- ▶ Traditional financial inclusion: Create links to global economy
- ▶ dependencies
- ▶ Alternative currencies (regional currencies P2P IUO's, etc...): Create and strengthen links between local businesses
- ▶ autonomous development

Thank you!