



Written by [Alex Newman](#) on July 9, 2010

Alternative Currencies Flourishing in Germany

Since the introduction of the European single currency, 23 different regional currencies have started circulating in Germany as people aim to revitalize local economies, lessen dependence on the euro, and challenge the established global monetary system. At least 40 more are in development.

The individual currency systems vary, but they do share some common features. For example, retailers who accept them usually agree to bear a small loss — around three to five percent — in exchange for the increased business the currency is supposed to provide. Most of the currencies also lose value over time if they are not spent, supposedly an effort to encourage people to spend more. Some of the currencies also help fund charitable activities.



"We want to promote local charities and connect local businesses, that's our objective," explained Christian Gelleri, the managing director of a regional currency called Chiemgauer and one of the minds behind an umbrella organization for regional currencies known as [Regiogeld](#). He also told *The New American* in a telephone interview that he would like the world to have a serious discussion about money — what it is, what it should be, and where the system could be improved. "We want people to think about this more ... participants of the alternative currencies want to change the money system," he said.

The Chiemgauer, used throughout the Southern German region of Chiemgau, is one of the most successful regional currencies in the nation right now. According to Gelleri, there is over \$600,000 worth of the money in circulation already.

The currency can be used to buy everything from cars to groceries. Gelleri has even invested some of his — he bought shares in a solar-power company and other local businesses and is earning nice returns, he told *The New American*.

"If a crash comes or if there is an economic depression, it would be a great help to us to have our own money and to be more independent from the system," said Helen Schutz, a Chiemgauer merchant who provides therapy services. "I want us to be more independent from the euro," she told the U.K. [Telegraph](#).

Complaints about the euro are a fairly common theme among alternative regional currency backers. Another local money enthusiast, Joerg Dahlke, told the [BBC](#) that: "We are disillusioned with the euro, as it doesn't bring many benefits to the local community." But of course, the euro is not the only reason for using alternative currencies, and many who use the local currencies don't mind it.



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Another heavyweight in Germany's regional currency movement also pointed out other advantages of using the alternative money systems in an interview with the BBC.

"We are supporting our regional economy and culture, which will benefit future generations.... We are fostering links with businesses in the whole region and through the contacts that we develop, we are supporting the domestic German market," explained lawyer Frank Jansky, founder of a regional currency called Urstromtaler and also the director of the alternative currency umbrella organization Regiogeld, which has member groups in Germany, Switzerland, and Austria.

Jansky told the BBC in the 2007 interview that even though the currency was in a "legal grey area" and authorities were monitoring the situation, it could be compared to similar schemes like airlines' reward programs. But everything is done properly, he noted.

"All the businesses have signed contracts, and it's official," he said. "We have our own banknotes and we have an issuing office in the city centre."

Other regional currency buffs quoted in media reports offered similar reasons for supporting the alternative systems. But despite their growing popularity, the German central bank (part of the European currency system) has taken an interest in the developments.

The Bundesbank — the most powerful central bank in the European System of Central Banks — [estimated](#) in a 2006 report that there were around \$250,000 worth of private currencies circulating in at least 16 regions of Germany. But that was many years ago. The systems have expanded immensely in the time since then.

But even in 2006, monetary authorities were keeping an eye on the regional currencies, even if they didn't necessarily perceive them as a threat to the establishment. "The regional currencies are not really a threat to the Bundesbank, although technically they are illegal and could pose a problem," Professor Gerhard Roesl, the author of the Bundesbank report, told the BBC. But the bank was willing to "tolerate" the local currencies, he added. Jansky, meanwhile, was lobbying to have the laws changed.

Of course, Germany is not the only place experimenting with local currencies. As reported by *The New American* recently in "[Alternative Currencies](#)," it's going on in the United States as well. And while frustration with fiat debt — money spewed forth by central banks — is certainly understandable, there are several problems with most of these alternative currency schemes that critics have seized on. For one, they are all still linked — even if indirectly — to the continental European debt-money.

Most of the currencies were inspired, at least in part, by a German merchant and monetary theorist called [Silvio Gesell](#). And while some of his ideas would be distasteful to proponents of gold and silver as money, his "interest-free" currency would certainly represent a welcome improvement over the present system. The way the monetary order works today, interest charged on money printed out of thin air can never be repaid because it was never created, hence the critics' attack on the current system as a "debt trap."

But Gesell also promoted the idea of depreciating currencies, aimed at forcing people to spend their money rather than letting it sit in banks earning interest. Gelleri, the managing director of the Chiemgauer, said it would help decrease useless and harmful speculation while encouraging investment in productive enterprise. Of course, the merits of different monetary systems could be debated endlessly. But the important point is that the current debt trap is unsustainable and must end.

Ideally, the market would establish what should be used as money. This would likely end up being some



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combination of precious metals and other easily divisible and transportable commodities that retain their value over time. But according to supporters of the proliferation of alternative currencies in Germany and throughout the world, even if it only succeeds in sparking a discussion on necessary monetary reforms, these regional currency systems should be viewed as a positive development. With the dollar coming under [increasing attack internationally](#) as the [Federal Reserve manipulates the economy and prints up trillions for the bankers](#), the time for this debate in the United States is now.



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