



Written by [Alex Newman](#) on March 21, 2012

Greeks Adopt Alternative Currencies as Economy Implodes

Over a dozen non-euro trading networks are already believed to be operating in communities throughout the embattled nation, with more on the way. But one effort in particular — called Local Alternative Units, or “TEMs” in Greek — has attracted a great deal of international attention.

In the port town of Volos — where unemployment is above 20 percent, the economy is struggling, and tax rates are rising — a group of locals decided it was time to take action. The population still had the same skills and resources as before the crisis, just not the euros needed for commerce.



So, a handful of people got together and formed the alternative currency known as the TEM. It quickly took off. And major newspapers and media outlets around the world — from the United States to the United Kingdom — have taken notice as it continues to expand.

“Ever since the crisis there’s been a boom in such networks all over Greece,” University of Crete vice chancellor and political economy professor George Stathakis [told](#) the *New York Times*, adding that despite an enormous government sector, Greek “social services” were being overwhelmed. “There are so many huge gaps that have to be filled by new kinds of networks.”

The TEM system works by allowing people in the community to set up an account on an online network, connecting them with others in the area with various needs and a wide array of services to offer. Users also receive a sort of booklet allowing them to essentially write “checks” to pay for goods and services.

A real market where people can meet to trade in TEMs is also a key component of the emerging network. And efforts are currently underway to establish a daily market in an unused building for locals to engage in commerce using their system.

Babysitters, farmers, teachers, electricians, barbers, bakers, computer technicians, opticians, veterinarians, and more are all represented. Most traders accept both euros and TEMs, or some combination of the two.

Member accounts start with zero TEMs, although users are allowed to borrow up to 300 units if they agree to repay it over a certain time period. And to prevent “hoarding,” the system’s managers explained, no user is allowed to have over 1,200 units of the currency.

“It’s an easier, more direct way of exchanging goods and services,” German-born homeopathist and acupuncturist Bernhardt Koppold, an active member of the Volos network, [told](#) the UK *Guardian*. “It’s also a way of showing practical solidarity — of building relationships.”

Dozens of other users expressed similar sentiments about their budding system. Co-founders of the TEMs network also explained that if the crisis were to spiral further into the realm of cataclysm, the alternative-currency system could help take up the slack — ensuring that a functioning economy would



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allow people to continue trading for survival.

Even local officials are encouraging citizens to get involved. Volos Mayor Panos Skotiniotis, for example, [told](#) NPR that such initiatives are especially valuable during the economic crisis as the government struggles to pay its bills.

"This is a substitution for the welfare state, and that is why this municipality is encouraging it and wants it to grow," he said. The local government has even printed leaflets explaining the system and helped promote panel discussions about it.

At the national level, politicians seem to support the idea, too. Late last year, the Greek Parliament even passed a law urging citizens to build non-traditional forms of "entrepreneurship and local development." The legislation also granted the informal networks official non-profit status, helping to ease the tax burden on struggling Greeks saddled with massive debts imposed by national and international officials.

And around the world, the system has attracted praise from a broad array of commentators. "With so many fictional stories about how people will turn on one another in the event of a collapse, it's great to see a real-life example of folks who band together to make things work during tough times," [wrote](#) Lauren Davis with the online service io9.com.

But in the face of increasingly vicious attacks on Greeks by international institutions — the European Union, the World Bank, the International Monetary Fund, and others — it remains unclear how long such alternative networks may survive. Consider: When Former Greek Prime Minister George Papandreou suggested allowing citizens to vote on international demands before imposing the unpopular measures on the populace, he was promptly [replaced by an unelected central banker in what observers called a "coup."](#)

"The real question is not whether these types of systems work during times of economic crisis, but how they can persist once organizations like the World Bank step in to 'restore order,'" [noted](#) blogger Klint Finley, calling the TEMs network "yet another example of alternative currency thriving in a collapsed economy."

The Greek police union has [threatened to arrest international officials](#) for attempting to foist even more misery on the nation. But that has not deterred the EU or the predatory IMF and World Bank from pursuing the same trajectory — saddling citizens and their unborn children with unpayable debts in perpetuity rather than allowing a default and an exit from the disastrous single currency.

Still, despite hostility from the "establishment," [alternative currencies](#) are flourishing all over the world. In [Germany](#), for example, some two dozen regional non-official monetary systems have emerged since the birth of the euro.

"We want people to think about this more ... participants of the alternative currencies want to change the money system," Christian Gelleri, the managing director of a regional German currency called Chiemgauer, [told](#) *The New American* in a 2010 telephone interview. "We want to promote local charities and connect local businesses — that's our objective."

In the United States, despite the [high-profile prosecution of Liberty Dollar founder](#) Bernard Von NotHaus, more than a few [alternative currencies](#) are already in circulation as well. Examples include Detroit "Cheers," "BerkShares" in Massachusetts, and "Ithaca Hours" in New York. So-called digital gold currencies are also attracting more and more users. And an online currency system known as



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"BitCoin" has gained a tremendous following in a relatively short period of time.

And at the [state level](#), even governments are taking action. Utah, for example, officially made [gold and silver into legal tender](#) last year. And several states are considering similar legislation as the Federal Reserve and the U.S. dollar come under increasing pressure.

Even as alternatives to the global debt-based fiat monetary regime continue to expand, however, there is a concerted effort underway by top officials worldwide to foist a [world currency](#) managed by an [international central bank](#) on the planet. And with the American dollar quickly losing its appeal as the "reserve currency" and the euro under more and more scrutiny, a significant change in the monetary system is almost certainly imminent.

The real question, then, is whether the world will eventually return to honest money [established by the market](#), or allow increasing centralization of the [clearly corrupt monetary system](#) in the hands of a small group of elites. The answer to that crucial question will [determine the future](#) of the planet in ways that are virtually impossible to overstate.

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