

Local Complementary Currencies & Local Authorities

Faced with economic and ecological challenges, a local response has emerged over the past twenty years: local currencies, tools for territorial resilience and economic relocalization. Although they are still underdeveloped today, despite their recognition by the 2014 Social and Solidarity Economy (SSE) law, they can be valuable partners for local authorities.

The past health crisis (and the prospect of new financial shocks) has highlighted the importance of local currencies, which prove to be tools that local authorities can use to support local economic actors and/or people in precarious situations.

How can a local authority rely on local currencies to contribute to the development of its territory? Through numerous examples, this Points de RepèreESS aims to clarify what local currencies are, their benefits for territories, and the means available to local authorities to support and develop them.

1. What is a Local Complementary Currency?

Emerging in Europe in the early 2000s, local complementary currencies (LCCs) appeared in France in 2010, in the Lot-et-Garonne department. The law on the Social and Solidarity Economy of July 2014 allowed LCCs to be included in the Monetary and Financial Code (Article L311-5 & Article L311-6) and established their affiliation with the Social and Solidarity Economy (SSE). Local complementary currency titles are recognized as legal means of payment, provided they are issued and managed by SSE enterprises.

82 local complementary currencies used by nearly 40,000 people among nearly 10,000 professionals *Source: Study by Mouvement Sol - "Local Currencies: Currencies of General Interest - Study on the Social Utility of Local Complementary Currencies," April 2021*

A local complementary currency is a currency used in a limited territory, in addition to the national currency, to promote the local and solidarity economy. It is not intended to replace the euro but to circulate in parallel within a network of shops, businesses, and sometimes associations or local authorities that agree to use it. They have different names, often linked to the territory (Gonette in Lyon, Eusko in the Basque Country, La Bulle in Angoulême, etc.), and are generally managed by citizen associations, sometimes in partnership with local authorities.

An LCC is backed by the euro (1 LCC = 1 euro). When users exchange euros for LCCs, these euros are then placed in a guarantee fund, generally in an ethical or cooperative bank (such as La Nef or Crédit Coopératif), to ensure the conversion and stability of the LCC. The guarantee funds also enable ethical banks to finance local activities. For example, La Nef commits to financing ecological, social, and/or cultural structures, which are often members of the local currency, with loans up to twice the amount of their outstanding balances. In Lyon, La Nef has thus granted 3 million euros in loans to 17 Gonette member structures since the partnership was established in 2021.

The LCC can be converted by professionals (although sometimes a small fee is applied to discourage reconversion into euros), and payments can be made in cash or digitally.

2. Why Support and Work with Local Currencies?

Promoting Local Trade and Short Supply Chains

Local currencies can only be spent within a network of local businesses or companies, which stimulates local production and consumption. They encourage direct purchases from local producers or artisans, reducing intermediaries and transportation. By offering greater visibility to professionals committed to the ecological transition through the listing of their professional members, local currencies enable a reorientation of spending towards ecologically responsible consumption.

"Local complementary currencies are essential economic tools that not only allow citizens to reclaim control over their money but also promote the relocalization of economic activity and territorial resilience."

Mahel Coppey, Vice-President Delegate for SSE and Circular Economy, Nantes Métropole, President of RTES

Developing Local Economic Loops and Combating Tax Evasion and Speculation

When a resident pays in local currency, this money stays within the local economic fabric. It can enable businesses to pay other local suppliers or services in the same currency, also located nearby. This creates a virtuous cycle where the generated value benefits the territory multiple times before leaving the circuit, strengthening economic resilience, consolidating local sectors and jobs, and promoting solidarity among actors in the same region.

An economic study evaluated the multiplier effect of an LCC: the introduction of 100 euros of a local currency generates 171 euros in revenue for the local economy in just two transactions.

Strengthening Citizen Empowerment and Social Bonds

Citizens become actors in their economy: they decide where and how their money circulates, in line with their values (ethics, local, sustainable). This contributes to the democratization of economic and financial knowledge, allowing everyone to gain a better understanding of the economy and finance.

Additionally, local currencies are often driven by citizen associations open to all, where everyone can participate in governance, animation, or promotion of the project. Local currency fosters a sense of belonging and collective power.

Guiding Consumption and the Economy Towards More Ethical, Responsible, and Sustainable Practices

Businesses that accept local currency often must adhere to a charter of values. Only economic actors committed to an approach that respects the environment, working conditions, and the common good can join the network. By promoting short supply chains, local production, fair trade, and organic farming, local currency becomes a tool for ecological and social transition. It encourages businesses to adopt more responsible practices to be part of the network, thus creating a virtuous dynamic in the territory.

3. How Can Local Authorities Support Local Currencies?

Local authorities play a key role in the development and legitimacy of local complementary currencies, and local currencies can be important partners in SSE policies, as well as ecological transition and social action. Local authorities have multiple ways to support them:

Providing Political and Institutional Support

- Clearly display public support for the local currency in the territory.
- Host meetings of local currencies in the premises of the local authority.
- Join the association and mobilize elected officials from various delegations to participate (SSE, tourism, food, etc.).

The City of Lyon promotes and highlights structures that are members of the Gonette, the Lyon local currency, to obtain the "Engagé à Lyon" label. Created in 2010, this label lists businesses, shops, artisans, and associations that meet the challenges of ecological and social transition, through an offer of responsible products and services. Although it is not a mandatory criterion for obtaining the label, it constitutes an additional commitment to the local and solidarity economy.

- Organize information and training sessions for elected officials and local authority staff to identify possible joint actions with the local currency.

Supporting the Managing Organizations

- Grant operating or start-up subsidies to the association or cooperative managing the local currency.

Within the framework of their economic development competence, regions have a role to play in the development of local currencies. In this capacity, for several years, the Nouvelle-Aquitaine Region has identified, supported, and promoted the emergence and development of the 12 LCCs in its territory. Specifically, the Region supports currencies in developing a digital solution, provides financial assistance for purchasing equipment or recruiting associative jobs, and facilitates experiments in innovation, particularly social innovation.

- Support communication, animation, or awareness-raising actions aimed at residents and merchants.
- Provide premises, equipment, or logistical support (printing of banknotes, website hosting, etc.).
- Offer administrative or technical support through the services of the local authority.

Allowing Payment for Public Services in LCC

- Accept payment in LCC for public services (transport, swimming pool, museum, etc.) and make it known.
- Train financial department staff.

In the Basque Country, it is possible to buy a swimming pool ticket in Eusko; in Nantes, to obtain a transport pass in Moneko; in Montpellier, to pay in Graine for a seat at a municipal

theater performance; or in Chambéry, to visit the museum and the arts center using only the Elef currency.

Paying Part of Expenses in LCC

- Pay part of consumption aid or elected officials' allowances in local currency, as is the case, for example, for elected officials in Gironde, Lyon, Montpellier, Strasbourg, Bordeaux, Villeurbanne, Franche-Comté, Nantes, etc.
- Pay part of subsidies to associations or consumption aid in LCC.

As part of the national Territoires à VivreS program, the City and Metropolis of Montpellier and 25 local organizations have joined forces to design an experiment aimed at combating food insecurity. The Caisse Alimentaire Commune is a research and experimentation project for food democracy through the establishment of a common fund that allows participants to receive 100 euros each month in digital local currency, the MonA, to spend on food purchases from stores approved by a Citizen Food Committee. The 100 MonA are received after paying a contribution, which is a freely determined amount.

Following an agreement with the Préfecture des Pyrénées-Atlantiques, the City of Bayonne can use the Eusko for certain expenses via the Euskal Moneta association. Thus, each local authority that is a member of the Eusko (a total of 38 local authorities) can use the local currency either for revenue collections in its local public services (swimming pool, leisure center, canteen, parking, market fees, etc.) or for paying its liabilities (allowances for elected officials, company invoices, subsidies to associations, etc.).

Supporting Dissemination and Mobilization

- Promote the local currency in communication materials (municipal bulletins, social networks, websites, etc.).
- Associate the LCC with events organized by the local authority.
- Offer payment in LCC during events organized or supported by the local authority.
- Mobilize local economic actors through consular chambers or business networks.

The Charentaise local complementary currency, La Bulle, works closely with local authorities and consular chambers. Voted in 2021 as part of the Déclif16 initiative, the City of Angoulême and Grand Angoulême committed to covering the membership fees to La Bulle for 300 new professionals and to inject 250,000 Bulles into the accounts of 5,800 new members, a collective action carried out with the Chamber of Trades and Crafts, the Chamber of Commerce and Industry, and the Chamber of Agriculture. Additionally, the CCI pays part of salary increases and bonuses to its employees in Bulles.

Attend or Participate in "Local Currencies & Local Authorities" Meetings!

Regularly organized by Mouvement Sol and RTES, in conjunction with the host local authority and the local currency of the territory, these meetings are an important space for sharing experiences

and developing collective advocacy. After Strasbourg, Lyon, Angoulême, and Montpellier in 2024, the 2025 meetings will take place in Bordeaux during the GSEF.

For Further Informations:

- Study by Mouvement Sol - "Local Currencies: Currencies of General Interest - Study on the Social Utility of Local Complementary Currencies," April 2021
- RTES Kit for Communes and Intercommunalities & SSE: "Solidarity Finance & Local Complementary Currencies," 2025 edition (upcoming)
- Review of the 8th "Local Complementary Currencies and Local Authorities" meetings organized in Montpellier in November 2024

RTES :

The Network of Territorial Authorities for a Social and Solidarity Economy (RTES) brings together more than 180 French local authorities (regions, departments, intercommunalities, communes, etc.) committed to developing the social and solidarity economy (SSE) in their territories and who have expressed the need for a space for exchange and national coordination. For 20 years, RTES has been working to promote territorial initiatives, highlight the richness of actions taken to institutions, encourage the transfer of good practices, and seek conditions to improve implemented policies. www.rtes.fr

Mouvement Sol :

Mouvement Sol is a laboratory for monetary experiments, primarily focused on Local Complementary Currencies (LCCs). It unites, represents, and supports LCC associations and assists them in their development to serve territories and those who bring them to life: local authorities, businesses, associations, and residents. sol-monnaies-locales.org