

Social money

how social capital affects community currencies



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Abstract

Shifts in modern society have caused some people to be financially excluded. Financial exclusion implies a complex set of barriers to accessing and using financial services (Mylonidis et al., 2017). Community currencies are a possible solution for financial exclusion. Because community currencies promote sustainable and local consumption (Iosifidis et al., 2018). There are different positive effects to promoting the local economy. Some of these effects include the creation of jobs, stimulating consumption and positive network building (Nakazato and Hiramoto, 2012). Although the social value created by community currencies exceeds the economic value of each transaction (Jacob et al., 2004). This is caused by the creation of social capital, which is generated through participation (Putnam, 1995).

There is little knowledge of how to foster and grow social capital, especially within community currencies. So this study aims to find the role of social capital within CC's. The main question of this research is as follows: *"How does social capital contribute to the success of community currencies?"* To answer this question, first, a definition of social capital has been determined. This is the definition given by Putnam: "features of social life – networks, norms and trust – that enable participants to act together more effectively to pursue shared objectives" (1995: 664-65). From the literature it is clear social capital is made up of trust and cooperation. In total, six different social mechanisms are found that generated trust and cooperation within community currencies.

To answer the main question a total of eight cases have been studied. The data shows that all social mechanisms generate social capital. However, it does not show how much trust or cooperation each individual social mechanism generates. When more social mechanisms are triggered, the community currency seems to be more successful. This is most apparent in the cases regarding Sardex and Zinne. The two cases in the Netherlands mostly focus on sustaining existing social capital and could invest more into creating additional social capital. These opportunities lie mostly in the building of organizational reputation and the generation of personal utility. Lastly, the research found that community currencies could actively generate social capital. To actively generate social capital, however, community currencies must have a lot of resources at their disposal.

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1. Introduction

1.1 Background

Nowadays there are fewer ways for small businesses to get loans through the formal banking sector. One reason for this is that financial shocks often cause profound social and economic consequences. These shocks usually cause a flight to quality. Meaning that financial services look for safer markets, which tend to be the more powerful social groups. This discriminates against poor and disadvantaged groups (Leyshon & Thrift, 1995). This clearly can be seen during the European sovereign debt crisis which started in 2008. After this crisis, the share of government debt held by banking sectors doubled. According to Becker & Ivashina (2018) this leads to a crowding out of corporate loan supply, meaning there were fewer funds available for small businesses.

Moreover, globalisation has also had its effect on corporate loans provided by the formal banking sector. This can be derived back to the asymmetric-information approach (Stiglitz & Weiss, 1981). This states that in a lender-borrower relationship the borrower always has an informational advantage over the lender. One, the borrower knows their probability of success and two, the borrower knows their efforts to pay back the lender. In a localised setting the nationally specific character of private information gives the lender enough information to make a well-informed choice. However, in a more global setting standardised criteria do not give the same security (Dymski, 2005). Thus globalization processes have led to the homogenisation of financial practices. Getting rid of the idiosyncratic national financial services.

Not being able to access the same financial services as other groups is part of financial exclusion. Although there is no generally accepted definition for financial exclusion it is recognised to be a multi-dimensional concept which implies a complex set of barriers to accessing and using financial services (Mylonidis et al., 2017). Financial exclusion is generally considered as an aspect of social exclusion (Kempson & Whyley, 1999). This phenomenon can be classified into two broad categories. The first is voluntary and the second is involuntary exclusion (Claessens, 2006). Voluntary exclusion can be characterized by the lack of demand for these services. However, involuntary exclusion has several factors. These may include discriminatory policies, information frameworks and geography also plays a crucial role regarding access (Beck et al., 2009).

Community currencies, or CC's for short, are a possible solution for small businesses experiencing financial exclusion. Although it's not yet clear what the salient economic and structural features are, we do know that they promote sustainable and local consumption (Iosifidis et al., 2018). By limiting the range of currency circulation, there are many positive effects on the local economy. These effects include the creation of jobs, stimulating consumption and positive network building (Nakazato and Hiramoto, 2012).

Community currencies have a positive effect on participants in both economic and social sense. But the social value of each transaction far exceeds the economic value of one transaction (Jacob et al., 2004). This happens because of the emergence of social capital, which is generated through participation (Putnam, 1995). When comparing different levels of success in community currencies, the most successful community currency, Sardex has to be named. Sardex is a community currency in Italy with over 4000 companies participating. In the Netherlands, these community currencies have found less success (Kimmel, 2020). Most of the community currencies in the Netherlands have stayed at around 500 participants, struggling to find further growth.

1.2 The core concepts

This study uses four main concepts in the research, these are community currency, social capital, cooperation and trust. Firstly, community currency is a form of currency that complements the national currency. These community currencies are usually set up and backed by local interest groups, foundations or private companies. Community currencies are used as a means to encourage trade in a

community by preventing money to circulate out of a certain geographic area. This type of currency is therefore only used in a specific geographic area (Moneyland, n.d.)

Social capital are: “features of social life – networks, norms and trust – that enable participants to act together more effectively to pursue shared objectives” (Putnam, 1995: 664-65). Social capital grows with use and is created through cooperation and trust.

Cooperation is seen as the capacity and willingness of individuals to coordinate their behaviours to achieve a shared goal (Bowles and Gintis, 2011). Cooperation in community currencies can be seen as doing business together within the community.

Trust is the ability and willingness to form a relationship with each other where one party puts itself in a position of vulnerability. By putting themselves in a vulnerable position, one hopes this will result in benefits (Cook and Gerbasi, 2009)

1.3 Research questions and goals

These uncertainties have led to the following question:

How does social capital contribute to the success of community currencies?

In order to answer the main question, the following questions will be answered:

- What makes up the social capital in community currencies?
- How has social capital affected the waxing and waning of community currencies in different regions?
- How does social capital affect the waxing and waning of community currencies in the Netherlands?

Community currencies have the potential to deliver sustainable development benefits. However, there are still many questions surrounding these credit systems. This research aims to provide more insight into how social capital works in community currencies. This will help explain why certain community currencies are successful, while others struggle to grow. The following goals have been set up:

- Gain insight into the role of social capital within the community currencies
- Gain insight into the way community currencies are set up in other countries
- Gain insight into the way community currencies are set up in the Netherlands
- Gain insight into the way social capital affects the success of community currencies

1.4 Societal relevance

The results of this research can be used to further explain how community currencies help reach economic and social goals. This can help a region reach sustainable development goals. Reaching sustainable development goals in itself will result in less financial exclusion and a lessening of the inequality gap.

Moreover, this study can give insights into the role of social capital in community currencies. This helps to determine how sustainable the regular models of community currencies are. As Seyfang and Longhurst (2013) state, the oldest community currencies are most likely to already be in decline. When community currencies can't last, they cannot keep giving positive effects on the local economy and social capital. This calls for a need to understand social capital in community currencies, to maintain these community currencies.

Additionally, there is little knowledge about how social mechanisms affect community currencies. Most notably how they help community currencies grow or decline. The waxing and waning of community currencies is tied to social concepts, yet more social research is needed to help build successful community currencies (Schroeder, Miyazaki & Flare, 2011)

1.5 Scientific relevance

Mutual credit systems or community currencies as a concept can be traced back to the nineteenth century (Iosifidis et al., 2018). However, the emergence of the internet has made way for the emergence of sophisticated digital credit platforms. One of the most successful and most researched community currencies is Sardex, which only exists from 2009 and onwards (Dini et al., 2016). This means knowledge about these systems is quite limited. Because Sardex is one of the biggest and most successful community currencies to date, it has been studied extensively (Bazzani, 2020). There have also been studies about community currencies in other nations, like Japan (Richey, 2007), Canada (Wheatly et al., 2011) and Spain (Sanz, 2016), to name a few. There has also been a study trying to map all current community currencies (Seyfang and Longhurst, 2013). However, the body of research is limited when it comes specifically to community currencies in the Netherlands.

Furthermore, our understanding of money is still limited in regard to its power to change social relationships. In fact, most of the knowledge around money is about market relationships and macroeconomics, rather than the creation of new social ties (Bazzani, 2020). The combination of social capital, trust and cooperation for example has only been researched in a study regarding Sardex by Bazzani (2020). Although trust and cooperation are closely linked to each other (Kimmel et al., 1980). Most studies have focussed on how community currencies enhance social capital (Sanz, 2016; Nakazato and Hiramoto, 2012; Richey, 2007). But research has yet to be done on what the exact role is of social capital in and on community currencies.

2. Literature review

This chapter will cover the different concepts that will be used in this research. First, it will elaborate on the concept of community currency. Second, this chapter will discuss the social nature of money. In which will be shown that a large part of our monetary system is based on social concepts and mechanisms. Thirdly it will cover the current literature about social capital. Lastly, the concepts of trust and cooperation and how they affect social capital will be discussed.

2.1 What is a community currency?

A community currency or CC for short is a local exchange trading system (Blanc, 2011). Usually, these CC's are grass root initiatives, meaning they are mostly set up and supported by local communities. The unit of exchange is a mutual credit which can only be used in the region where it is set up. The value of this credit is based on mutual trust (Blanc, 2011). Research shows that participation in CC's increases well-being and helps build social capital (Wheatly et al., 2011; Jacob et al., 2004).

A crucial element for positive social impact is that the interest rate has to be zero on debit and credit balances. In the capitalist market the medium of exchange, money itself, is a commodity (Amato & Fantacci, 2012). The zero-interest currency makes sure there is no hoarding and thus the market functions at its most efficient. Furthermore, community currencies are backed by mutual trust, transparency and participation of members of this community. Resulting in more social behaviours such as cooperation, mutual trust, reciprocity and equity (Liettaer and Belgin, 2012).

Concluding, CC's are a local, community-driven exchange system that increases well-being and helps build social capital. Furthermore, there is no interest rate. Instead, CC's they are backed by social mechanisms such as trust and transparency, leading to more social behaviours.

2.2 The social nature of money

Early on the study of money had been divided into two major schools. These schools are Sociology and Economics (Ingham, 2004). This divide meant that economists abandoned explaining the nature of money. While the sociologists turned to cultural and social conditions which allow money to circulate. Parson's (1950) view on money is a neutral symbol without any tangible effects on either society or

the economy. Therefore money has no value itself, it merely embodies the values of the goods to which it refers to. Ingham (2004) does not agree with this point of view and states that money is not just a symbolic representation. Because, according to Ingham (2004), control of money and its production itself is a social institution.

Simmel (1990[1907]) however rejects all economic theories, which entail placing the value of money in something material, namely its production process, the encounter between supply and demand or the value of work. Money has instead a relational value. It represents an exchange based on an attribution of value beyond the things exchanged. Through the role of mediator, money creates a relational value between different things. Even though this view on money describes different characteristics of money in social relations, it does not explain how different goods and services get their value. Nor does it explain the different uses of money. Although Simmel did successfully describe both a pattern of social as well as economic relations (Dodd, 2014).

Zelizer defines money as “*all the objects that have recognised, regularised exchange value in one social setting or another*” (1995). Money can also be used in different ways, it can mean different things in social settings. For example gifts, stamps and coupons can all be money, performing the function of exchange similar to money. The difference is these can only be used in specific situations with specific social meanings. For Zelizer (1995) money is both an effect of cultural values and a producer of specific forms of social relations. This means that the same money can mean different things. For example, money given as compensation for damage is not the same as money given to support children. Money represents and shapes specific forms of social relationships.

In the traditional economic interpretation of money, it just emerged from the market to replace bartering. Ingham (2004) disagrees with this view on two counts. Firstly this suggests money itself doesn't affect the economy. Second, money came into existence as a result of political and social struggles. This is further underlined by the fact that currency can only be created in the presence of an authority. This guarantees the stability of the currency. Interpersonal trust alone is not enough to ensure the value of the currency over space and time (Ingham, 2004). Ingham also identifies two fundamental features of money. The first being money is a form of exchange, as well as a unit of account with the capacity for accumulation and transfer. The second fundamental feature of money is its capacity to trigger a relationship between debtor and creditor (Ingham, 2004).

So money isn't just a neutral symbol with no effect on social life or the trajectory of the economy. Namely, money creates a relational value between different parts of society like products or the value of work. Even further than creating relational value, it can create specific forms of social relations. As stated above this is also one of Ingham's fundamental features of money: its capacity to trigger relationships between debtor and creditor. This fundamental feature of money is a pivotal feature in this research because it helps understand how community currencies enhance social capital.

2.3 Social capital

Putnam refers to social capital as “features of social life – networks, norms and trust – that enable participants to act together more effectively to pursue shared objectives” (1995: p. 64-65). If these norms and networks link large proportions of the community, enhanced cooperation is likely to serve broader interests (Putnam, 1995). Such norms and networks are created through participation in various forms of associational and civic activity which involve direct interaction, producing a greater likelihood to trust. Practically social capital can be treated as a supply from which future benefits flow (Krishna, 2000). This supply does not wear out with use. However, it can be enhanced by using it (Ostrom, 2000).

Social capital is different from human and cultural capital. According to Ostrom (2000) human capital refers to the skills and competencies of a single individual. While social capital can be a side-effect of other effects in the community, human capital is usually generated by specific efforts of individuals. Cultural capital refers to the skills and resources necessary to participate in elite social interactions. Cultural capital is believed to be the property of the individual. While the individual may have access to specific social networks through his cultural capital, these are not publicly available. While both social capital and social networks offer access to resources, the social network relies on exclusion. While social capital is regarded as a public good, to which all residents in that area have access (Mohan and Mohan, 2002).

According to Putnam (1993) social capital is created by the interaction between individuals. Thus shaping the context in which these individuals live. Putnam argues that networks of civic engagement foster a context in which individuals reciprocate favours to one another. Civic engagement also creates channels of coordination and cooperation. Additionally, it increases the chances that opportunistic individuals won't be sharing in the benefits provided by civic engagement (Mohan and Mohan, 2002).

Literature on social capital shows it is a public good with supply that doesn't wear out with use. Social capital is created through participation, interaction and trust, in turn creating social networks, norms and trust. To further understand the enhancement of social capital it is crucial to understand more about trust and cooperation.

2.4 Trust

Trust has different forms and thus different ways of researching it. In the sociological research field, Simmel (1990) found three different ways of conceptualising trust. The first model is based on the inductive logic of future conditions based on past experiences. This enables the individual to make plans and decisions on the belief that they will exist in the future. The second form of trust is the level of trust an individual carries towards other individuals, even if these other individuals are not known to the first individual. This form can be seen as a more socio-psychological trait rather than a sociological trait. This second form of trust can also be described as the tendency to trust others (Simmel 1990). The third form of trust Simmel (2010) describes refers to the ability to predict the future behaviours of others with limited information. This form of trust lies in the relational character of trust between individuals and the willingness to put themselves in a position of vulnerability towards the other. By putting themselves in a vulnerable position, one hopes this trust will result in benefits, albeit indirectly (Cook and Gerbasi, 2009).

To trust someone is a process (Hardin, 2004). This process consists of trust, reliability and fiduciary behaviour. The decision to go from trust to fiduciary behaviour involves the evaluation of the risks and possible rewards. According to Cook et al. (2005) fiduciary behaviour binds the trustee and trusters in a relationship. The truster expects benefits from running the risk. The trustee wants to repay this trust and prove its reliability in order to get benefits in the future. Herein lies the difference between a trust-based relationship compared to other forms of reciprocity. In trust-based relationships, the trustee enjoys an advantageous position in relation to the truster and might benefit short-term from betraying this trust (Bazzani, 2020). While in the long run, the trustee would instead be damaged reputationally for betraying said trust. The phenomenon to trust the other because it is in both of your interests to do so is called encapsulated interest (Cook et al., 2005).

Zucker (1986) states that in order to assess the process of trust, one has to consider the context in which the actors interact. To do so, Zucker identified three forms of trust: process-based trust, characteristics-based trust and institutional-based trust. Process-based trust is generated by the relationship with the trustee. It is based on social ties or reputation. Characteristics-based trust is based on the similarities between the truster and trustee, such as age, sex, origin etc. Neither form is fit for generalisation. This is why wider forms of trust need institutional-based trust. This type of trust is based on laws, bureaucracies and professional associations within institutional structures. Encapsulated interests, repeating interactions, individual characteristics and institutions are important elements to help describe the process that leads to trusting relationships (Bazzani, 2020). These elements contribute to positive expectations for future behaviour as identified by Simmel which is needed for relational trust.

Trust is essential for network functioning and companies joining networks like community currencies (Sartori and Dini, 2016). Trust is also a pivotal component for members of these communities to do business with each other (Sartori and Dini, 2016).

To summarize, Simmel identified three forms of trust. The third form describes the relational factor of one person being vulnerable to the other in this relationship. The reason one would put themselves in a position of vulnerability is to gain benefits later on. Though the idea is that a trusting relationship is beneficial for both the trustee and the truster. The phenomenon that one trusts another with the belief that it is in both of their best interests is called encapsulated interest. According to

Zucker, there are three forms of trust. The two forms most important to this study are process-based trust and institutional-based trust. Process-based trust refers to the relationship between the truster and trustee. Which is generated through repeated interactions and individual characteristics. Institutional-based trust is based on laws, bureaucracies and professional associations within institutional structures.

2.5 Cooperation

Cooperation is seen as the capacity and willingness of individuals to coordinate their behaviours to achieve a shared goal (Bowles and Gintis, 2011). Not being able to cooperate is seen as a central problem within complex societies. These societies are characterized by weak ties in which free-riding diminishes the likelihood of achieving common goals. The management of common goods is especially vulnerable to free riding (Ostrom, 1990). Lack of cooperation also impedes the normal functioning of complex systems. Causing a low level of trust among actors and stunting economic growth and productivity (Fukuyama, 1995; Zak and Knack, 2001).

Trust and cooperation are both personal characteristics that are positively correlated with each other (Kimmel et al., 1980). By using the term encapsulated interest it is made clear that there is an interdependent relationship between individuals in social relations. In order to foster these social relationships there is a strong need for repeated interaction, monitoring and reputational sanctioning (Bazzani, 2020). Generally speaking, the positive effects of cooperation should be greater than the benefits of free-riding. This however does not mean that cooperative behaviour emerges spontaneously. As Dirks and Ferrin (2001) state, cooperating alone is not enough to get individuals to engage in cooperative behaviour. For example, individuals with a low level of trust are more likely to free-ride than others with high levels of trust. The social mechanisms that promote trust (signalling, repeated interaction, reciprocity, monitoring and sanctioning) help bring about cooperative behaviours. They reduce uncertainty about others in favour of creating trust.

However, trust is not the only mechanism resulting in cooperation. There are both cognitive and internal mechanisms that determine cooperative behaviour (Bazzani, 2020). These cognitive mechanisms can be anything between altruism and individual utility. According to Olson (1965) individual incentives are a common solution to the problem of cooperation. On the other hand, Fehr and Gächter (2002) found that pure altruism also brings individuals to cooperative behaviour. These motivations seem to be exact opposites of each other, but can both be present in specific situations (Fehr and Gintis, 2007). Another factor that facilitates cooperative behaviour is social closeness and group membership. These effects can be noticed both when a group is formed based on certain categories (like religion) and when individuals are randomly assigned (Goette et al., 2010). This demonstrates that purely being in a group already has positive cognitive effects on the tendency to engage in cooperative behaviour (Baldassari, 2015). Ostrom et al. (1992; Baldassari, 2015) state that direct contact and communication are strong tools in the creation of cooperative behaviour. Norms that people have prior to communication can shift and be replaced by specific agreements through communication. When certain actors do not adhere to these agreements, individuals are willing to bear the costs of sanctions as a result (Fehr and Gächter, 2002). In an economic setting both trust and cooperation have similar effects: positive feedback from the past and close social networks make it more likely that individuals engage in cooperative behaviour (Granovetter, 1985).

As discussed above, not being able to cooperate is a main problem in complex societies. This also causes low economic growth and low levels of trust. Common goods are particularly vulnerable to free riding. Even though the positive effects of cooperative behaviour should outweigh the positive effects of free-riding, still cooperative behaviour doesn't emerge spontaneously. Trust is one of the mechanisms which brings about cooperative behaviour. Other mechanisms that are of importance to this study are group membership and social closeness, direct contact and communication about norms. There also has to be a possibility of (reputation) sanctioning. In an economic setting, both trust and cooperation have similar positive effects.

2.6 Conceptual model

Figure 1 shows the conceptual model. This conceptual model shows the salient concepts used in the research. It also shows the relationships between the different concepts. The main concepts are trust,

cooperation and social capital. It will also show how social capital affects success in community currencies. First, this research will lay out which social mechanisms lead to trust and cooperation and through this way add to social capital. However, it should be noted that the clear presence of one of these social mechanisms rarely leads to the decision to trust and cooperate alone. It is usually a combination of these social mechanisms.

The first social mechanism generating trust is reciprocity. This is a form of process-based trust. When people repeatedly interact with each other, this creates a positive effect on the trust level towards the other. Being able to repeatedly interact establishes strong ties of interdependence between those engaged in a trusting relationship. It also decreases the chance of free-rider behaviour. Because a free-rider, once they betray the trust of others, will not be given the chance to engage in further interactions. That being said, betrayal of this trust also leads to a lower level of trust in the truster. This in turn results in a lower likelihood of this individual to engage in trusting behaviour in the same contexts. Repeated interaction also sparks cooperative behaviour (Dasgupta, 1988). Furthermore, reciprocity also leads to a positive reputation. Meaning that people who have been trustworthy in the past will probably still be trustworthy in the future.

The two following forms of trust are forms of institutional-based trust. The second social mechanism of inducing trust is monitoring and sanctioning. This entails monitoring and punishing those that do not abide by the rules previously set up. Sanctioning can happen in two ways, either horizontal or vertical. Horizontal sanctioning usually happens between the members of the community. This means that the reputation of the rule breaker will be sanctioned. Vertical sanctioning is usually applied by a third party or in this case an institution. This will result in reputational sanctioning by the institution or excluding the betrayer from further exchanges.

The reputation of the third party or institution is also of importance to the level of trust. In cases where there is no trust towards the other, an institution can use its reputation to induce reliability in the situation. The better the reputation of the institution is, the less additional trust one needs to engage in fiduciary relationships in the presence of this institution. This is why people usually trust a law firm with their personal information, while the same people often do not trust the police anymore.

After describing three social mechanisms that generate trust, there will be an explanation of how social mechanisms generate cooperation. The first social mechanism generating cooperation is monitoring and sanctioning. When there is no trust between the truster and trustee, an institution can fill this void by monitoring and sanctioning. This means that the institution can set up the social relation, normally created by trust, by setting up stringent contractual rules. The contractual rules are a substitute for initial trust, in this case, making it possible to cooperate without having a trusting relationship.

The second social mechanism is social closeness and group membership. Belonging to the same group has cognitive effects on its members. These effects make members experience a level of social closeness because they think of others within the group as “we” instead of the other. The more social closeness one experiences, the more cooperative behaviour one tends to show (Granovetter, 1985).

The level of willingness to cooperate however is determined by the size of the group. The size of the group also affects the effectiveness of sanctions, where different sizes need different ways of sanctioning to reach their goal of avoiding free-riding. Usually for smaller groups, horizontal sanctioning is very effective. For bigger groups, a form of vertical sanctioning is needed (Poteete et al., 2010).

The third social mechanism is direct communication. Direct communication helps activate social norms within the group. These social norms help initiate cooperative behaviour. Direct communication can in turn also lead to specific agreements or the agreement to put certain sanctions in place. The lack of direct communication however makes it hard for people to cooperate. This happens because there is no way of directly responding to each other and create rules or norms.

The fourth social mechanism that helps generate cooperation is personal incentives. As stated before this can range from pure altruism to individual utility. Individuals need to have a reason to engage in cooperative behaviour. Pure altruism can be seen as an individual following their principles. For example, helping the community because of the conviction it's the right thing to do. Personal utility

can be seen more as making engaging in cooperative behaviour more beneficial to the individual. This can be seen in community currencies as having no interest on money that is given as a loan.

As stated above in the literature review, social capital is described as “features of social life – networks, norms and trust – that enable participants to act together more effectively to pursue shared objectives” (Putnam, 1995). If we break this down it means that members of a community trust each other and are able to cooperate to reach common goals. Also social capital is a resource that doesn’t run out with use, but rather gets enhanced by using it. This means that trust and cooperation both generate social capital. And by engaging in more cooperative and trusting behaviour, social capital is enhanced even further. Moreover, community currencies are networks in social life in which participants cooperate and trust each other. So in this study, I expect that a higher level of social capital will result in a more successful community currency.

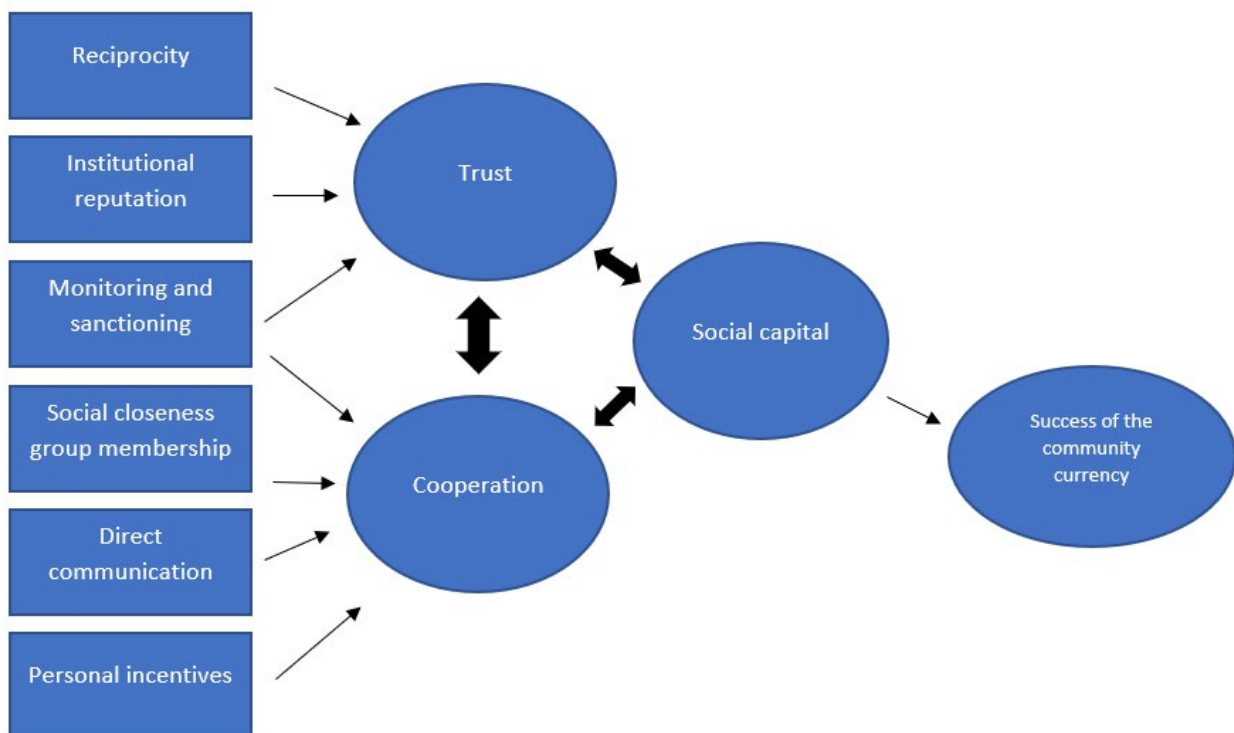


Figure 1: Conceptual model of the role of social capital in success of community currencies

Based on this information the following relations have been detected. The visual representation of these relations can be seen in figure 1. The first social mechanism that generates trust is reciprocity. The second social mechanism that sparks trust is institutional reputation. The third social mechanism, monitoring and sanctioning, generates both trust and cooperation.. The fourth social mechanism enhances cooperation. This social mechanism is social closeness and group membership. Furthermore, direct communication is a social mechanism that helps generate cooperative behaviour. Lastly, personal incentives also help form cooperative behaviour. The incentive that is easiest to address for community currencies is the one related to personal utility. The main concepts of trust and cooperation can exist without each other, but cooperative behaviour is generated more quickly when members trust each other. When members cooperate with other, trust is also created more easily.

Furthermore, trusting and cooperating enhances social capital. On the other hand, a higher level of social capital means members of a community trust each other and cooperate more. This can all be seen in the success of a community currency. Whether people engage with each other in this community or choose not to participate. However, community currencies can actively generate social capital by removing some of the barriers that individuals experience before engaging in cooperative and trusting behaviour. This leads to the following hypothesis: “If community currencies build more trust and cooperation by triggering the social mechanisms, the community currencies are more successful.”

3. Methodology

This chapter explains the choices that are made regarding the research methodologies. It starts by describing the research design. Then a short explanation of grounded theory follows, together with the method of coding. Next, the methods of data collection will be discussed. After this, the operationalisation of key concepts in this research follows. Lastly, the validity and reliability of this research are elaborated.

3.1 Research design

The most suitable way of researching social capital in this study is by using qualitative research methods. Social capital, trust and cooperation are the main concepts that are being researched in this study. These concepts call for a great deal of contextualization. There are two reasons why contextualization is important in this study. The first one is that as stated in the last chapter there hasn't been a lot of research done about social capital in the context of different regions. This study aims to take this context into account. The second reason is that there might be different definitions and frameworks for trust and cooperation. Qualitative methods allow studying what different actors define by using these concepts (Bleyenbergh, 2015).

Qualitative research allows for an open way of data collection, which might enable new concepts to emerge that were previously not found in the literature. Moreover, this research method allows linguistic material to be interpreted. By interpreting this material it is made possible to make statements about social mechanisms and empirical reality (Bleyenbergh, 2013). Because context is salient in this study, an inductive method of research is chosen. Inductive methods most notably research context in which certain behaviour is shown (Saunders et al., 2015). This method enables a smaller sample to be researched to find patterns or even construct a theory.

As previously stated there is little known about the role of social capital in community currencies. To produce an explanation regarding this subject a two-step empirical approach in the form of a case study is chosen. When I started this research I expected a lot more success in the field of community currencies, especially abroad. However, there were many more community currencies in decline than there were community currencies that were thriving. In the Netherlands all community currencies are struggling to succeed. They are mostly unknown to the larger communities. To be able to explain this I have split the research into two steps. The two steps are characterized by first finding social capital in different community currencies abroad. These cases will be regarded as historical cases in which I find the connection between social capital and success. In the second step, social capital will be found in two topical cases. These two cases are about two different community currencies in the Netherlands. These cases will show the way in which social capital is generated by community currencies in the Netherlands. Hopefully finding an explanation link for their general lack of success until now. By using this method I will attempt to lay bare the role of social capital in the waxing and waning of different community currencies. By using the different social mechanisms as concepts to identify different levels of social capital within the different communities. To research the current level of social capital, there has to be a certain level of trusting and cooperative behaviour. Which will be found by using the case study approach.

3.2 Case study

This research can be defined as a case study. There are a total of eight cases being analysed in this research. Meaning that this form of research is a multiple case study (Saunders, Lewis & Thornhill, 2015). These cases differ in size and the way in which they generate social capital, making the study a case of different cases (Van Thiel, 2015). A case study is further characterized by having a small number of research units (Saunders et al., 2015). Furthermore, it is possible to go more in-depth in these cases. Yet because of the labour-intensive approach, it is usually not used to get a broader view (Saunders et al., 2015). These eight cases are studies within the same scope, which is the social capital within community currencies. The existing social capital is found by looking at the social mechanisms that generate trust and cooperation.

For this research, the case study has a number of advantages. Firstly, a case study is fit to explore how social mechanisms manifest in reality (Van Thiel, 2015). Secondly, case studies can be mostly used to go in-depth, further making it possible to investigate complex social mechanisms. Thirdly, case studies can be used to further develop or enhance existing theories (Van Thiel, 2015).

3.3 Coding

The coding of the data is a crucial part of grounded theory. Coding all the data has been done in the software programme Atlas.ti. The coding system used in this research is based on the work of Strauss and Corbin (2008). This coding system consists of three parts of coding: Open coding, axial coding and selective coding. Open coding consists of sorting the available data. These data units get a label, called a category. In this stage, a lot of different categories can be formed. Because these categories are formed out of human behaviour and its contexts. This code can be formed from a few words, a sentence, multiple sentences or a full paragraph. The coded labels will be compared to one another to find broader, coherent groups or categories. These categories will point to important themes within social capital.

The second part of coding is called axial coding. This phase is used to find the relation between the different categories that have been found during the open coding process. In this process, an initial theory will be formulated. The phenomena found will be researched more to find explanations of what factors influence social capital in community currencies. In this phase, a relation is found between different social mechanisms. Now the goal is to explain these different relations.

The last part of coding is the selective coding process. This process consists of creating main categories and subcategories. One main category is chosen to be the central category. This central category will be related to all other categories to generate one grounded theory. In the last two phases of coding categories are developed and related to each other. The selective coding phase looks at the main categories and explains the relationship between these main categories. This will result in an explanatory theory of social capital within community currencies.

3.4 Data collection

This study will be carried out in two phases. The first phase consists of a case study of different foreign community currencies. Data will be collected from qualitative sources such as news articles, social media, scientific articles and websites of the community currencies. The second phase will also consist of data from qualitative sources such as those mentioned above. Additionally, interviews will be held in the second phase. Through collecting data in different ways triangulation is used (Van Thiel, 2014).

In the first phase, a total of six different cases will be studied to generate a grounded theory. These cases will be studied by using document analysis. This analysis will try to find different ways in which social capital is influenced by community currencies. Specifically, the analysis will focus on different ways in which cooperative behaviour and trust are generated within community currencies.

This study has chosen to compare community currencies abroad in the first phase to compare differences across different regions. No more than two community currencies compared in this study are from the same country. Because the subject of community currencies is highly regional, most available data is being produced in the native tongue. That means that for this study one of the most important features of the data is that it is available in either Dutch or English. These are the languages that I, the researcher, am skilled enough in to analyse the data. Furthermore, enough data has to be available in order to be able to accurately describe the status of social capital within the community currency. These criteria have led to the following cases for the first phase of the analysis: The Calgary Dollar and Salt Spring dollar in Canada, The Lewes pound and Bristol pound in the UK, Sardex in Italy and Zinne in Brussels. These community currencies are found in table 1

Community currency	Region	Country
Calgary Dollar	Calgary	Canada

Salt Spring Dollar	Salt Spring Island	Canada
The Lewes Pound	Lewes	United Kingdom
Bristol Pound	Bristol	United Kingdom
Zinne	Brussels	Belgium
Sardex	Sardinia	Italy

Table 1: Community currencies of phase 1

In the second phase of the research two cases will be studied more in-depth. This means that interviews will be held, in addition to the document analysis of phase one. The interviews are recorded and the transcripts are then coded. The two community currencies are found in the Netherlands, being Vix in Alkmaar and Arnhems Hert in Arnhem. The interview list can be found in table 2

Community currency	Region	Interviewee	Function
Vix	Alkmaar	R1: Wim van Bokhorst	Founder
Arnhems Hert	Arnhem	R2: Tjwan van Ooij	Founder

Table 2: Community currencies of phase 2

Conducting interviews allows for asking more about the context of the situation. So this helps raise clarity about the situation, in addition, to being able to ask follow-up questions (Vennix, 2016). This means there is more chance to understand how social capital works in these cases. This is of great importance to test the theory made in phase one of the research. The decision has been made to conduct the interviews online. The main reason for this is that the respondents are volunteers. Meaning they only have a limited amount of time. Both respondents indicated that this would be the only way in which they would be available for an interview. Time constraints are also a big reason why only two interviews were possible. Since no community currency was able and willing to spend more than one hour of one employee on the research. To be able to collect all possible data from the research the choice has been made to send the questions to the respondents beforehand. This way it was possible for them to discuss these questions internally first, making sure they would have all the answers needed. Both interviews were conducted using Zoom. However, there are disadvantages to conducting interviews online. Firstly, it is not possible to fully read someone's body language (Janghorban, Roudsari & Taghipour, 2014). Secondly, there might be distractions in the environment of the respondent. Thirdly, the internet connection might cause disruptions in the interview and recording (Taghipour et al., 2014).

3.5 Operationalisation

The operationalisation is a starting point for the interview guide. In table 3 the variables from the conceptual model are made more concrete. These variables link to trust and cooperation within community currencies. Finally being able to find what social capital exists within different community currencies. The social mechanisms generating cooperation are personal incentives, direct communication, group membership and monitoring and sanctioning. The social mechanisms generating trust are reciprocity, institutional reputation and monitoring and sanctioning. The indicators used to find these social mechanisms can be seen in table three

Concept	Dimension	Definition	Indicators
Personal incentives	<ul style="list-style-type: none"> - Personal utility - Altruism 	<ul style="list-style-type: none"> - Short-term personal advantages - Sharing the same values - Sharing the same goals 	<ul style="list-style-type: none"> - Gaining customers or receiving financial advantages - Helping each other - Loyalty towards community members
Direct communication	<ul style="list-style-type: none"> - Direct interaction 	<ul style="list-style-type: none"> - Ability able to directly respond to others within the community 	<ul style="list-style-type: none"> - Meeting each other through the community currency

Group membership	- Social closeness	- Group members feel like they are part of the community together	- Locals feel a sense of group when using the community currency
Monitoring and sanctioning	- Monitoring - Sanctioning	- Ability to monitor other members - Ability to monitor the community currency - Ability to penalize members of the community currency	- Transparency between members of the community currency - Transparency within the community currency - Sanctioning participants
Institutional reputation	- Reputation of Community currency - Partnerships - Visibility	- The current perception of the community currency - The partners that work with the community currency - Ability to be seen by locals	- What do locals think of the community currency? - What partners does the community currency work with? - How do locals know of the existence of the community currency?
Reciprocity	- Repeated interaction	- Being able to interact with other members repeatedly	- When do members have a chance to interact?

Table 3: operationalisation of social mechanisms generating trust and cooperation

After identifying the different dimensions that generate social capital in community currencies, the link has to be made to whether community currencies are successful or not. Success in this research can be seen as growing the community currency. If social capital is successfully generated, the community currency should be able to grow. Therefore it is needed to assess whether the different social mechanisms are properly being generated. When more social mechanisms that generate trust and cooperation are found within community currencies, social capital should be higher. Additionally, there is an existing level of social capital before generating trust and cooperation. Furthermore, trust and cooperation enhance each other. Meaning trust can be generated more easily with the existence of cooperative behaviour. Cooperation, in turn, can be generated more quickly when individuals trust each other. The operationalisation of these four concepts can be found in table four.

Concept	Dimension	Indicators
Social capital	- Trusting relationships - Cooperative behaviour - Pre-existing goals and values	- Social mechanisms generating Trust - Social mechanisms generating cooperation - Goals and values of locals
Trust	- Willingness to be in a vulnerable position	- Expression of trust in others
Cooperation	- Coordination with others to achieve a shared goal	- Doing business with others
Success of community currency	- Growing of the community currency	- Amount of participants

Table 4: operationalisation of the four core concepts

3.6 Validity and reliability

Validity in research can be divided into internal validity and external validity. Internal validity determines whether the researcher is measuring what they meant to measure (Saunders et al., 2015). The internal validity is increased in this research by making use of semi-structured interviews. The

questions in the interviews are created based on the literature review and the analysis done in phase 1. All interviews consist of the same questions. These questions are made before conducting these interviews. However, the interviews in itself are not enough to warrant the internal validity. Because these interviews are accompanied by a document analysis it is possible to check whether the data from the interviews match the data from the documents. Making sure the research is more internally valid. A case study normally encompasses a high amount of information and details (Van Thiel, 2014). Which generally increases the internal validity of case studies. However, there might be a lack of available data. This means some social mechanisms could not be found and researched. Also, because of the time constraints of different possible respondents, only one interview could be conducted at each Dutch community currency. This negatively impacts the validity of the research. The research tries to mitigate these negative effects by analysing as much additional relevant empirical data as possible. This empirical data consists of social media, reports, news articles and the websites of the community currencies.

The external validity of research is determined by whether the research is generalizable (van Thiel, 2014). Qualitative research that works with case studies is less generalizable by nature. However, a few measures have been taken to increase the external validity. Firstly this research makes use of different sources to collect data. This is called triangulation of data. Therefore more different data can be analysed even though there is no large sample size. Second, there are a total of nine cases studied in this research. These cases differ in size and geographical location. Meaning that the context of these cases differs among them. This creates a diverse set of data, making it possible to generalize the results to other community currencies.

The reliability of research consists of its repeatability and controllability (Yin, 2014). This means that the research has to be able to get the same results if it is executed again. Repeatability in this research is increased because of the use of semi-structured interviews. The questions in these interviews are prepared before conducting the interviews and can be found in the interview guide. This interview guide can be found in the appendix, to increase controllability and repeatability. Performing both document analysis and interviews also increases reliability. These methods can either contradict or complement each other. However, semi-structured interviews leave room for follow-up questions or different interpretations. This can lead to different questions being asked as well as different ways in which the interview is conducted. To further enhance reliability, footnotes are added that point to the quotations in the data. These quotations have been coded. The first number corresponds with the document, the second one to the quotation. Meaning footnote ^{10.12} corresponds with the 12th quotation in the 10th document. However, in most cases, it was not possible to add the website to the coding program Atlas.ti. This means that in these instances the controllability of the research decreases.

4. Analysis

This chapter will look at the waxing and waning of community currencies. The research will first focus on the historical cases of community currencies abroad. Next, the two Dutch focal cases will be discussed. First, an overview of the cases will be given. After each case, there will be an analysis of how they generate social capital within their community currency.

4.1 Phase 1

This chapter answers the sub-question: “How has social capital affected the waxing and waning of community currencies in different regions?”

To answer this sub-question, six different community currencies in four different countries are analysed. This analysis has led to a brief overview of the community currencies and how they generate social capital.

4.1.1 Calgary Dollar

Calgary dollars is a community currency active in Calgary, Canada. It is run by a social justice and environmental non-profit establishment (Calgary dollars, n.d.). The Calgary dollar is set up in 1996 and has been active since then. Since its inception, it has changed focus a few times to stay relevant.^[1.18; 5.1] However, this is always to fit the needs of the community (Wheatly et al., 2011). At the moment the focus of the Calgary Dollar lies in the promotion of local businesses (Calgary dollars, n.d.). In order to participate in the Calgary Dollar, one has to sign up on the website.

At the start of 2018, there were about 1700 participants of which 150 local businesses are participating in the community currency (Uptigrove 2020).^[6.5] The Calgary Dollar has an exchange rate of one to one in Canadian Dollars. These businesses have the option to accept from 10% to up to 100% of the value of the goods or services they provide in Calgary Dollars. This can be paid in cash, from one Calgary dollar bill to 50 Calgary dollar bills. Since 2018 it is also possible to pay via digital transaction through the Calgary Dollars app (Chen, 2022). This contributed to a total of around 110.000 dollars circulating in Calgary Dollars in 12 months which is around 9.000 dollars each month (Uptigrove, 2020).^[6.6]

The Calgary Dollar has several different financial advantages when you sign up. The first one is a promotion that gives the user a one-time joining fee of 20 Calgary Dollars when they first make their account.^[2.3] Once a business is signed up it can get an interest-free loan from Calgary Dollars (WWF, 2012).^[2.1] Furthermore, Calgary Dollars has a grant of 1000 federal dollars and 1000 Calgary Dollars to support social and environmental projects in Calgary (Uptigrove, 2020).^[6.3] Calgary Dollars can also be earned in different ways. One of these ways is a customer loyalty program, which gives participants 10% of what they spent in federal dollars back in Calgary Dollars. This only works when spending these federal dollars as a participant to participating businesses (Calgary Dollars, n.d.).

The main focus of the Calgary Dollar is its community. For example, to get some more free Calgary Dollars, participants can choose to place advertisements of other participants or the Calgary Dollar itself on their website (Calgary Dollars, n.d.). Furthermore, there is a marketplace on the website in which different members can find other participating businesses. The marketplace is used by both individuals and businesses to offer products or services to others (Calgary Dollars, n.d.). These practices named above help to greatly increase the visibility of members to others, which in turn increases the visibility of the community currency as a whole. Additionally, Calgary Dollar organizes a monthly market where participants can physically meet each other.^[1.1] They also organize different workshops to build skills and provide marketing assistance (Wheatly et al., 2011).^[1.3] Learning and interacting together helps participants build relationships of trust and cooperation with each other.^[1.5]

Participants of the Calgary Dollar seem to have a strong feeling of belonging to the same group. Most community members express that the main reason for joining the Calgary Dollar is community-related (Wheatly et al., 2011).^[1.6] A large part of this group also says it has helped them find other, like-minded people.^[1.13] These participants find it important to attend meetings.^[1.17] Attending these meetings was the main reason that the participants' perception of social capital increased.^[1.17] It also increased the willingness to help each other and share each other's goals and values (Wheatly et al., 2011).^[1.5]

The Calgary Dollar builds social capital in a few different ways. Firstly the Calgary Dollar has different ways of generating cooperation within its community currency. For example, Calgary Dollar gets people to join on account of personal incentives. They offer different financial advantages in the form of a joining fee and a non-interest loan. Although this can get people to join based on personal utility, most participants say they are joining because this is a way to find like-minded people. This also leads to a willingness to help others in the community. The different activities that Calgary Dollar organizes further increases cooperation by enabling direct contact with other participants. Furthermore, these participants also viewed attending these meetings as important. Attending meetings means that people are able to align their different values and goals with other members of the group. The feeling of belonging to this group is also very much present within these participants, which further increases the willingness to engage in cooperative behaviour. Lastly, Calgary Dollar also has more different ways in which participants can engage with each other. Namely Calgary Dollar has a digital marketplace in which participants can offer goods and services to each other. This makes it possible for different participants to find and engage with each other. Repeatedly engaging with each other through the marketplace and different activities also generates trust among participants. Finally, the promotion of the Calgary Dollar on different websites also increases its institutional reputation. This sparks trust among participants or individuals who didn't join yet. Because individuals usually trust the organization more when it is better known amongst a bigger audience.

4.1.2 Salt spring dollar

The Salt Spring Dollar is a community currency active on Salt Spring Island. This community currency was founded in 2001 by the Salt Spring Monetary Foundation.^[3.1] The Salt Spring Dollar is completely run by volunteers and has been in decline since 2009 (Salt Spring Dollar, n.d.).^[4.3; 3.2] Their last activity on the internet, social media in this case, has been the 29th of January 2018 (Facebook, n.d.). In 2018 their transactions were worth about 1000 federal dollars a month (Horizon Transition, 2018). To make transactions in the Salt Spring Dollar you do not have to sign up to be a member. Because this currency only exists in a physical form you can simply buy Salt Spring Dollars at a stand or on their website. Therefore a lot of tourists use this dollar as a token of remembrance (Cowan, 2017).^[3.24] Legally this currency is also seen as a gift certificate and not as an actual alternative currency.^[3.25; 4.1] The Salt Spring Dollar bill currently costs the amount that it's worth +2 dollars. So a 20-dollar bill costs 22 dollars to purchase (Salt Spring Dollar, n.d.).

The goal of the Salt Spring Dollar has been to increase the community's well-being. It was also founded to stimulate local production and local spending and build a stronger local economy (Salt Spring Dollar, n.d.). Because Salt Spring Island is subject to economically slow winter months, the community currency aims to resolve some of these issues by promoting local spending.^[3.4] To enhance these goals, Salt Spring Dollar even donates leftover money to local charities, further investing in the local community (Cowan, 2017).^[3.26] However, the goal of strengthening the community has only been reached by a small group of participants. These participants actively seek out those who make transactions in Salt Spring Dollars (Cowan, 2017).^[3.27] They do this by straight up asking if other individuals accept the Salt Spring Dollar because there is no other way of knowing whether they have joined the community currency or not.^[3.27; 3.15] The values these participants hold are usually against the accumulation of wealth by big companies while trying to promote the small business owner (Cowan, 2017).^[3.5]

There are a few reasons the locals give for not joining the Salt Spring Dollar. Those who already know about Salt Spring Dollars either dislike the idea or were maybe open to joining in the future (Cowan, 2017).^[3.12; 3.21] However, most of the locals have either never heard of the Salt Spring Dollar, believed it has died out, or even thought it was just a token for tourists.^[3.11] One of the prominent reasons for not joining the Salt Spring Dollar was that it was a hassle to deal with for the local business owners.^[3.13] The business owners claim it costs too much time and energy (Cowan, 2017).^[3.16] The Salt Spring Dollar is only available in cash, while alternatives like credit cards are also digital.^[3.20] Adding to that the costs of dealing in Salt Spring Dollars quickly get higher than dealing in credit cards.^[4.2] If you pay 20 Salt Spring Dollar bills it costs 2 dollars extra each bill, which adds to 10% extra costs. Compare this to the 2% or 3% running costs of credit cards which is also a more convenient alternative (Horizon Transition, 2018).^[4.2]

Many business owners do not know what other businesses accept the currency (Cowan, 2017).^[3.22] The low visibility of the community currency also creates a perception of a lack of payment options. Because Business owners do not know where to spend their Salt Spring Dollars, they feel like they can't get rid of the currency (Cowan, 2017).^[3.22] The individuals who are willing to join, mostly are only willing to join when the currency gets circulated more again.^[3.21] Furthermore, there were a small group of locals who claimed that because they can't spend the Salt Spring Dollar anywhere, they can't purchase anything they need with the currency.^[3.14] Lastly, some locals dislike the Salt Spring Dollar purely because of local politics.^[3.10] They do not like one of the founders of the currency and therefore resent the idea (Cowan, 2017).

Salt Spring Dollar does not do a good job of generating social capital. It does carry out specific values which can resonate with individuals who think alike. Although Salt Spring Dollar does a poor job of speaking to an individual's personal utility. Because it is both more costly and takes more time and energy to deal with. Second, other than being bound to a specific geographical area there is no way in which Salt Spring Dollar gets individuals to meet each other. There is also no need to join the community currency, making it even harder for participants to find each other. This also doesn't make people feel like they belong in the same group, in addition to rarely meeting and finding each other. Further confusion about whether the currency even still exists decreases trust in and visibility of the Salt Spring Dollar as an organization. The few participants that do actively seek out other participants repeatedly interact with each other, generating trust and further cooperation. However, these participants are so few and far between that they simply can't keep the community currency running.

4.1.3 Lewes pound

The Lewes pound is a community currency based in the United Kingdom, specifically in Lewes. Transition Town Lewes is the organization running the Lewes Pound (The Argus, 2012).^[8.1; 9.8] All the work done on the Lewes Pound from this organization is done by volunteers.^[9.8] The community currency was launched in 2008 and is still active in 2022 (The Lewes Pound, n.d.). The Lewes Pound is very clear about its goals. They wish to raise awareness of the way individuals in Lewes spend their money.^[9.1] Instead of leaking the money to the global economy, they want to have the Lewes Pound be spent locally.^[9.1] Where it can help to build economic resilience and sustainability by investing in local businesses (The Lewes Pound, n.d.).^[9.1] In 2009, a year after its launch, the number of local businesses accepting the Lewes Pound was 130 (The Argus, 2012).^[7.1] However, in 2022 the list of places accepting the Lewes Pound contains about 90 businesses (The Lewes Pound, n.d.). The Lewes Pound can be used together with the sterling, so businesses can accept any percentage of the value of the purchased goods or services in Lewes Pounds. The value of one Lewes pound is exactly one sterling. For now, the Lewes Pound is only available in physical cash (The Lewes Pound, n.d.).

In order to join the Lewes Pound an individual does not have to sign up. They can get the Lewes pound at an issuing point in Lewes.^[9.12] There is also an option to order a set amount of Lewes Pounds each month through a monthly subscription.^[9.7] The individual can then collect their order on the first day of each month at one of those issuing points. If an individual buys a set amount of Lewes Pounds

each month, they will receive an extra Lewes Pound per 20 Pounds (The Lewes Pound, n.d.). Because the Lewes Pound is only physical it's hard to gauge what the monthly circulation of the currency is. The monthly subscription however amounts to several hundred pounds each month (The Lewes Pound, n.d.). The Lewes Pounds are only valid for a period of five years. ^[9.10] Because the Lewes Pound wants both to stay relevant and wanted a way to calculate how many Lewes Pounds were leaking out of Lewes. ^[9.10] Calculating the amount of Lewes Pounds that are leaking meant that a certain amount used for backing the currency could be used for other things, like supporting local charities (Graugaard, 2012). ^[9.2]

The Lewes Pound does a few things to build the community. Firstly even though an individual does not have to sign up, businesses can sign up, stating they accept the Lewes Pound. When they do this, they receive promotional material and are listed both on the Lewes Pound website as well as on the leaflets (The Lewes Pound, n.d.). Additionally, the Lewes Pound itself promotes different markets where Lewes Pounds are accepted, making it easier for participants to find each other (Graugaard, 2012). ^[8.13] The community currency also donates to local charities, further carrying out the goal of supporting the local community. ^[7.6] Furthermore, the local government also supports the Lewes Pound. ^[9.3] Giving the Lewes Pound grants to give out to customers of food banks (Graugaard, 2012). ^[9.3]

Individuals using the Lewes Pound usually feel a sense of pride related to Lewes. ^[8.11] It cannot be determined whether the Lewes Pound caused this pride or merely reinforces these beliefs (Graugaard, 2012). ^[8.10] However, the Lewes Pound does help in expressing these values. ^[8.11] Participants of the Lewes Pound also increased their spending on local businesses. ^[8.3] Businesses in turn have gained new customers (Graugaard, 2012). ^[8.7] These businesses have built new relationships because of the Lewes Pound. ^[8.8] This has led to another effect. Namely, the Lewes Pounds are safe because of their watermarks. But another reason why they're safe is that local business owners would notice if anyone suddenly started spending lots of Lewes Pounds (Lewes Pound, n.d.). ^[9.5]

The identity of the Lewes Pound also has a few negative side effects. Firstly, a group has been formed that looks down on individuals using Lewes Pounds. ^[8.12] Some non-users of the Lewes Pound would call users peculiar or pretentious for using them (Graugaard, 2012). ^[8.12] Secondly, although almost half of the businesses express an interest in the Lewes Pound, a lot fewer have joined. These businesses claim that they would join if the community currency was more widespread (Graugaard, 2012). ^[8.4] One of the reasons for this is that these businesses cannot pay their suppliers in Lewes Pounds. ^[8.14] This results in a lot of businesses taking Lewes Pounds out of circulation by trading them back into sterling (Graugaard, 2012). ^[8.6]

Although individuals do not have to sign up to participate, the Lewes Pound still generates social capital in a few ways. Firstly it is able to generate cooperation. Due to speaking to personal incentives in different ways. Firstly an individual can get one extra Lewes Pound for every 20 sterling they spent on a monthly subscription. This gives a clear financial incentive to join. Secondly, participants can express their pride in Lewes by participating in the community currency. This means that they can express and share their goals and values within the Lewes Pound. Additionally, participants get a sense of belonging to the same group when being able to spend Lewes Pounds at local businesses. Even though they did not have to sign up, they still felt part of the same group. There are also a few ways in which the Lewes Pounds gets individuals to communicate directly. For example, the list of participating businesses is a way in which participants can find each other. Lastly, because there is an established relationship between the business owner and the customer it is possible to horizontally monitor each other. This can be found in the way business owners could detect fraudulent behaviour around the Lewes Pound.

Trust is also generated within the Lewes Pound. The established relationship between the customer and the business owner is built on repeated interaction. This repeated interaction is further stimulated by promoting different markets. Making it possible for different participants to see each other more often, building a stronger relationship of trust. Lastly, the reputation of the Lewes Pound makes it more trustworthy. This can also be ascribed to the fact that it is supported by the local government. Moreover, they increase their visibility by sending promotional material to participating

businesses. Additionally, they support different charities and promote them on their website and social media.

However, there are also ways in which the Lewes Pound does not generate social capital. Namely, the Lewes Pound has no way of paying digitally, making it more of a hassle to pay in this day and age. Secondly, the Lewes Pound does not organize meetings for its community. This way, the initiative of finding each other completely lies with its participants.

4.1.4 Bristol Pound

The Bristol Pound was a community currency active in Bristol, United Kingdom. It has been run by the Bristol Pound Community Interest Company, a non-profit organization based in Bristol. ^[16.6] It has been active from September 2012 until August 2020 (Bristol Pound, n.d.). ^[16.1] The goal of the Bristol Pound was to encourage local spending by individuals and to be able to spend Bristol Pounds throughout the whole supply chain. To have a more positive environmental impact and strengthen the local economy. ^[16.4] The Bristol Pound has been founded by the community and was further driven by the community (Bristol Pound, n.d.). Furthermore, the Bristol Pound collaborated with the Bristol Credit Union. A local financial institution. Initially, the local government also funded the Bristol Pound. This support was significantly reduced later on (Cork, 2020). ^[16.4]

At its peak, the Bristol Pound had around 800 businesses accepting the community currency. Furthermore, over 2000 participants were using Bristol Pounds (Johnson & Harvey-Wilson, 2018; The Guardian, 2015). ^[40.2; 15.29] During this time there was about 700.000 pounds worth of Bristol Pounds in circulation (The Guardian, 2015). ^[40.1; 18.17] The Bristol Pound had an exchange rate of one to one to sterling. ^[15.30] In order to pay in Bristol Pounds an individual did not have to sign up. ^[16.9] However, there was an option to make electronic payments via a pay-by-text system. ^[15.31] This system used a special code that you had to text the Bristol Credit Union to pay (Johnson & Harvey-Wilson, 2018). By far most participants used this electronic method of payment because in 2012 this was still convenient (Cork, 2020). ^[15.16; 18.15] To use this form of payment, one had to have two accounts at the Bristol Credit Union. One for the sterling and one for the Bristol Pound. Next, the sterling had to be converted into Bristol Pounds. Lastly, there was also an app from Bristol Pound which could transfer money electronically (Johnson & Harvey-Wilson, 2018). These Bristol Pounds could be converted with a monthly subscription, converting a set amount of sterling into Bristol pounds each month. ^[15.16] To get cash, an individual could go to one of the set cash points (Johnson & Harvey-Wilson, 2018). ^[15.13]

Participants that joined the Bristol Pound had a strong identification with living in Bristol. ^[15.32] The Bristol Pound was a way for them to express these feelings (Johnson & Harvey-Wilson, 2018). ^[15.2; 15.12] The community currency made it possible to support the character of Bristol as well as support local businesses. ^[15.12] They felt that the goals and values of the Bristol Pound reflected the way they thought about the city. ^[15.24] Furthermore, a lot of individuals joined because peers asked them to (Johnson & Harvey-Wilson, 2018). ^[15.4] Bristol Pound also organized different meetings initially. This was another way for participants to have fun and meet like minded people (Johnson & Harvey-Wilson, 2018). ^[15.7] Another way to meet other participants was through a Bristol Pound map, on which participating businesses could be found (Johnson & Harvey-Wilson, 2018). ^[15.23]

There were several advantages to using the Bristol Pound. Initially, when an individual converted sterling into Bristol Pound, up to an additional 5% would be added to the account. ^[15.8; 15.15] Furthermore, at certain cash points, an additional 10% was given when getting Bristol Pounds (Johnson & Harvey-Wilson, 2018). ^[15.15] When paying through pay by text, only 1% of the total value would be charged. Meaning that it would be as much or cheaper to pay by text than with a credit card, which could charge up to 3% (Hastings, 2012). ^[16.8] Moreover, smaller businesses didn't have to install a credit card machine, making it even more advantageous to accept the Bristol Pound. Accepting Bristol Pounds also had the benefit of having customers return more frequently (Johnson & Harvey-Wilson, 2018). ^[15.22; 18.9] Lastly, Bristol was the first city in which you could pay for public transit with

a community currency. ^[17.1] Additionally, participants could even pay their city taxes with Bristol Pounds (BBC, 2021). ^[15.33; 17.1]

After the initial interest and rush of the Bristol Pound, the community currency started to slowly decline. ^[16.2; 18.16] This can be attributed to a few different reasons. The first reason is the advantage of being heavily reliant on the pay by text system slowly turned into a disadvantage. ^[18.7] Technology caught up and paying by card became more convenient, being only an action that takes seconds. ^[18.8] The action of paying by text could sometimes take minutes (Cork, 2020). ^[18.7] Some individuals didn't understand how this technology worked and never got the pay by text working. Different participants also commented that the process of converting sterling to Bristol Pounds was too confusing (Johnson & Harvey-Wilson, 2018). ^[15.17; 18.3] The lack of ongoing promotion also made the community currency less visible, causing participants to forget the currency altogether (Johnson & Harvey-Wilson, 2018). ^[15.20] Because fewer participants were using the Bristol Pound, fewer businesses felt the need to accept the Bristol Pound. ^[18.5] They stopped promoting that they accepted the Bristol Pound as currency and stopped paying their suppliers in Bristol Pounds (Cork, 2020). ^[18.18] Lastly, the community currency stopped getting funds from the local government in 2016. ^[18.11] The Bristol Pound couldn't cut down their operational costs. ^[17.2] Paying out big amounts of sterling to the directive board of the Bristol Pound was a big expense. (Cork, 2020). ^[18.13] This also didn't help the reputation of the non-profit organization. ^[18.13] Since normally a big part of the funding does not end up in the pockets of the directive board (Cork, 2020). ^[18.13] Eventually, the Bristol Pound would have to stop operations because it ran out of funding (BBC, 2021). ^[17.2]

There were different ways in which the Bristol Pound was generating social capital. Firstly The Bristol Pound was able to touch on the values and goals held by the community in supporting local and environmental goals. Initially using the currency was also easier than using sterling. Furthermore, there were several financial advantages of using the Bristol Pound. Increasing the personal incentives individuals felt when using the community currency. Promoting the community currency by organizing meetings helped different participants get in touch with each other. This increased the amount of direct contact and communication different participants would have. There was also a big feeling of belonging to the same group by supporting Bristol together. The reasons above were increasing the total cooperation in the community. Trust was also initially increased. The Bristol Pound was a reason more people became regular customers at local businesses. Next, the institutional reputation was increased by working together with the local government and the Bristol Credit Union. When the local government stopped funding the community currency, trust in the Bristol Pound also decreased. The lack of promotion after the initial launch and the decrease in personal incentives by technology catching up also decreased cooperation within the community currency. Eventually causing the decline of the Bristol Pound. The Bristol Pound started off strong with seemingly enough personal incentives felt by the community to join. Yet the community currency stopped actively promoting itself. They also stopped organizing ways for the community members to meet each other. Lastly, they had a drop in institutional reputation due to partners pulling back and paying large sums of money to the directive board. Implying that the goal to strengthen the local economy could have been shifted to strengthen their own financial situation.

4.1.5 Zinne

The Zinne is a community currency that runs in the region of Brussels, Belgium. This community currency has been launched in March 2019 (Brussel, 2021). ^[19.1] It extends over a space of 19 different municipalities within the region of Brussels (Zinne, n.d.). ^[19.2; 27.1] The Zinne has a few different goals. Firstly, the currency wants to enhance the local supply chain by connecting local suppliers, business owners, and customers. ^[30.1] Secondly, it aims to strengthen the local economy by using a localized currency. ^[30.1] Thirdly, Zinne supports activities that help improve the ecosystem. ^[30.1] Lastly, the currency aims to strengthen the bond between citizens and citizen participation efforts, creating a resilient community. ^[30.1] To reach these goals, Zinne has also set up some different values. These contain openly cooperating with different actors in the region, having respect for humans and the

environment, and managing the community currency together (Zinne, n.d.).^[30.2] The Zinne can be spent in 190 participating businesses (Brussel, 2021), up from 130 in 2019 (Zinne, n.d.).^[19.3; 27.2] However, it is unknown how many individuals are participating in the Zinne. There is also no published record of how much Zinne circulates through the economy on a monthly or yearly basis.

The values of the Zinne can be found in the way it is managed. The Zinne is run by an association called La Zinne.^[28.1] This association is responsible for the community currency.^[28.1] It makes sure the Zinne can reach its goals by actively working towards them and promoting the community currency (Zinne, n.d.).^[28.1] The members of the association La Zinne consist of volunteers who work within the community currency, different service providers in the municipalities, and a delegate from the municipality.^[28.3; 28.4] Each member has one vote when making strategic decisions together (Zinne, n.d.).^[28.2] This means that La Zinne is a collective that works from a bottom-up perspective.^[28.2] Each municipality has its own division committed to helping potential and actual partners and local citizens with all of their questions surrounding the community currency.^[28.4] Meaning that the Zinne works closely together with the local government.

There are different forms in which participants can use the Zinne. Firstly, an individual can convert normal euros to Zinne at a one to one exchange rate.^[19.1; 19.3; 27.5] This can be done at one of 40 different exchange offices (Brussel, 2021).^[19.3] Because Zinne exists at a one to one ratio to the euro it doesn't require any extra effort in the accountancy of the business (Zinne, n.d.).^[27.5] Secondly, in 2021 an app was added with which participants can pay with Zinne digitally (HLN, 2022).^[20.1; 20.4; 19.4] This also attracted more users who preferred to not pay cash.^[20.3] To be able to pay with the app, an individual has to make a Zinne-account on the app (Brussel, 2021).^[19.4] Since 2022 it is also possible for participants to purchase gift vouchers.^[20.1] When these vouchers are purchased the local government adds an additional worth of 5 euros for every 20 euros spent on vouchers (HLN, 2022).^[20.5]

Nowadays Zinne is still organizing meetings for citizens who are interested (Lets Brussel, n.d.).^[21.1; 27.4] Zinne also organizes meetings specifically for different business owner groups who are not participating yet (Zinne, n.d.).^[27.4] Having more different groups of businesses accepting the Zinne means having more ways for participants to spend their currency.^[27.4] Zinne also provides a map of participating businesses on their website and the app (Zinne, n.d.).^[27.3] Furthermore, Zinne attaches its name to different activities in the region. Additionally, the community currency promotes all new businesses that have joined them. Usually, this promotion is accompanied by some kind of limited-time discount (Facebook, n.d.; Instagram, n.d.).

This rather new community currency is able to generate social capital in both trust and cooperation. The first way Zinne creates more cooperative behaviour is by allowing members to meet each other directly. By organizing meetings for both customers and local business owners a large part of the community is able to get in touch with each other and with Zinne. Zinne also promotes participating businesses and local projects through the use of their social media. Next, Zinne shows up at different stands at those local projects. Thus participants can interact with each other as well as interact with people managing the community currency. Furthermore, they added a map with all the participating businesses, making it easier to find those businesses. Additionally, the gift vouchers make it possible for users of the currency to help non-users get acquainted with the Zinne. Promoting the community currency in this way causes more visibility for the Zinne as well as sparking direct contact between non-users and participating businesses. The community currency also gives some personal incentives to help enhance cooperative behaviour. Firstly, these gift vouchers get an additional 5 euros worth of value when purchasing more than 20 euros worth of vouchers. Secondly, by helping to promote new participating businesses accompanied by a discount, individuals get more inclined to try them out. By carrying out clear goals and values it gets easier for individuals to identify themselves with the community currency. Helping to develop a sense of group membership when using the currency. Trust is also generated within the community currency. By closely working together with the local government it gets easier to trust Zinne as well. Moreover, the bottom-up structure of La Zinne means everyone gets to decide what happens next. This helps generate both a sense of group and trust in the

community currency. Furthermore, by increasing their visibility in different ways they also increase their institutional reputation. Increasing their visibility by showing up also has another added effect. Namely, repeated interaction with both other participants as well as the community currency itself. Lastly, by highly valuing and showing transparency it is possible for participants to monitor the institution. This also helps to build trust between La Zinne and all its participants.

4.1.6 Sardex

Sardex is the biggest and most well-known community currency studied in this research. Sardex is based in Sardinia, Italy. Sardex was been founded in 2009 and is still active today (Sardex, n.d.).^[33.2] In 2019 Sardex had around 3200 local businesses as members.^[31.1] With about 51 million euros worth of currency circulating in a year.^[31.1] The currency is called Sardex credits and one credit has a value of one euro.^[31.2; 33.3] This value is determined because it is easier to understand and easier to register in the books for businesses (Sardex, n.d.) Sardex is a business that already had over 50 employees by 2016.^[34.2] However, Sardex is regarded as a social enterprise (Monneta, n.d.).^[34.28] Transactions can be completed through the app, with a Sardex pay card, or with a QR code (Sardex, n.d.). Sardex credits and euros cannot be converted into each other.^[34.5] This is why Sardex recommends only doing about 20% of the annual turnover in Sardex credits (Sardex, n.d.; Zimmermann, 2016).^[35.11] Since you cannot pay taxes with Sardex credits.^[33.9]

The community currency has three different goals to reach (Sardex, n.d.).^[32.2] Firstly, Sardex aims to promote a feeling of identity with Sardinia by helping businesses cooperate with each other. Secondly, help small businesses spend and make money within the region. Thirdly, to build trust between customers and businesses through repeated interaction.

To be able to participate within Sardex, businesses have to sign up for the community currency (Sardex, n.d.). After applying to Sardex a mediator from Sardex will contact the business. The mediator will share Sardex's goals and values with the business (Sardex, n.d.). The mediator will also check if there's any demand for the goods and services this new applicant provides.^[35.5] If there's no demand, the mediator will have to turn the applicant down (Zimmermann, 2016).^[33.5; 35.5] Sardex does this, so credits can be used for the entire supply chain.^[35.12] If the applicant is approved, however, a credit line is negotiated.^[34.17; 34.19; 35.3] This is needed because it is not possible to convert euros to Sardex credits or Sardex credits to euros (Zimmermann, 2016).^[34.5] The credit line has no interest and is based on the annual turnover of the joining business (Monneta, n.d.).^[34.17] Every other member of Sardex can see the credit status and limits of each member at any time (Zimmermann, 2016).^[35.3] Because there is no interest within the credit line it is not advantageous to save money.^[34.21] To make sure businesses do not save credits there is a maximum of 10% Sardex credits of the annual turnover allowed on the account of a business.^[34.20] On the other hand, it isn't detrimental to have negative credit. However, when the credit is still negative after 12 months, Sardex has the option to impose penalty payments (Monneta, n.d.).^[34.22] Finally, to be able to join the business has to pay a registration fee. After a year the business has to pay an annual amount in euros (Valkenet, 2013).^[33.6; 35.7]

After joining, the new businesses get help from the mediator to get acquainted with the new Sardex system. One of these things is helping them navigate through the platform on which they can find other members (Monneta, n.d.).^[34.11] Additionally, these mediators actively match supply and demand, continuously looking for matches (Zimmermann, 2016).^[35.4] Moreover, members can call Sardex for help or advice any time they like.^[35.8] Furthermore, Sardex organizes different network meetings for its members. This ensures personal contact between different members of the community currency (Sardex, n.d.). Lastly, Sardex sends promotional material such as flyers and a sticker identifying the business as accepting payment in Sardex credits (Monneta, n.d.).^[34.12]

Sardex is, in principle, a business-to-business community currency.^[32.8; 35.1] Meaning that only businesses can become a member of Sardex (Littera et al., 2014). However, individuals can open an account.^[32.14] These individuals can only open an account if they work at a participating business.^[34.25]

Individuals will not get a credit line. ^[34.25] However, having an account allows them to get paid in Sardex credits, which they then can spend in the region of Sardinia (Monneta, n.d.). ^[34.25]

Sardex actively generates social capital in Sardinia. The community makes sure the businesses know their goals before joining. This is done by sending a mediator to help the business with the onboarding process. It aligns the goals of the business and Sardex and thus helps create cooperation. Sardex also actively helps bring participating businesses together through this mediator. This direct contact can also be sought by the participants themselves through a map on the app and website. Furthermore, there is a clear sense of group in Sardex, since everyone that accepts it has promotional material. All members have to apply and get checked beforehand, which contributes to the feeling of getting accepted into the group. Sardex also helps generate cooperation by being able to sanction members that have a long-standing negative credit line. Lastly, Sardex provides varying services to its members to give enough incentives to join. Although the costs are higher than other community currencies, the services they provide still make it worthwhile. Sardex also generates a lot of trust within the community currency. Sardex is very transparent with its members. Being able to see the status of other members' credit lines enables members to monitor each other, alleviating some uncertainty. Lastly, Sardex organizes different network meetings as well as matching different members. Which helps members to repeatedly interact with each other. Repeated contact with the mediator also helps participants trust Sardex and its processes.

4.2 Phase 2

In this phase, the two Dutch cases of Vix and Arnheems Hert are researched. This phase will answer the third sub-question: "How does social capital affect the waxing and waning of community currencies in the Netherlands?"

As shown in phase one, first an overview is given of the community currency. After which an analysis of how they generate social capital will follow.

4.2.1 Vix

Vix is a community currency active in and around Alkmaar, in the Netherlands. It is currently managed by the two founders. Together with other community currencies, they work together under the Social Trade Organisation, otherwise known as STRO (Pekel, 2019). ^[36.11; 37.3] Vix has been active since 2015 (R1). ^[39.4] Vix has an exchange rate of one to one euro (Pekel, 2019). ^[37.1] The main goal of Vix is to strengthen the local economy. ^[39.34] This is done by making people more aware of how they spend money (R1). ^[39.34] Another big reason for the existence of Vix is to help locals look at other entrepreneurs in their region first (R1). ^[39.35] A total of 116 businesses and 87 individuals opened an account with Vix in 2021 (Circulair Geld Nederland, 2021). ^[36.9] This has remained relatively the same as the year before, so Vix is not growing at the moment. ^[36.9; 39.3] The total amount of money circulating in the community currency is around 28.000 euros in 2021. ^[36.10] Down from 33.000 euros in 2020, showing a decline (Circulair Geld Nederland, 2021). ^[36.10] This can be attributed to more participants being passive in the network, meaning they do not use the currency. ^[39.14] Vix is currently contemplating removing members that have been passive for an extensive period of time (R1). ^[39.14]

Vix is a digital community currency. Meaning that in order to be able to participate, members first have to open an account with Vix. After opening an account they can pay with Vix through the app or on the website (Vix, n.d.). The costs of joining vary between 15 euros per year for individuals to 350 euros per year for large businesses (Vix, n.d.). Vix is transparent about what they do with this money. They declare on their website how they spend it and why (Vix, n.d.). One of the ways they spend this money is on interest-free loans, which members can apply for (Vix, n.d.).

Most, if not all, members join the community currency because they agree with the need for a new financial system (R1). ^[39.11] However they feel like the current financial system is faulty and mostly

fills the pockets of individuals or businesses that already have enough, instead of letting currency flow back into the community (Pekel, 2019).^[39.11] One of the reasons Vix gives for not growing at the moment is that the founders exhausted their own social network.^[39.30] They asked all the locals they knew to join, but now they feel it is time for the members of the community to start inviting others (R1).^[39.13] This shift is noticeable, because since 2022 more members approach the community currency with questions of how to work together to involve more individuals in the community (R1).^{39.5]} This is a welcome change because the two founders have limited time. This time can now be spent on helping the members with any questions they might have (R1).^[39.9] Vix employees regularly check on their members, asking if members need any help with anything and just to check if everything is well (R1).^[39.9] Although there is a shift existing in active members, there is also a large group of members that are inactive.^[39.14] This group sympathises with the values of the community currency, yet claims to actually use the currency when it picks up speed (R1).^[39.36]

Vix also struggles to make itself visible to the locals. Even though Vix has had a few articles in local papers written about them, most of the businesses and locals haven't even heard of Vix.^[39.37; 39.12] Vix is also not really active on social media (Facebook, n.d.). The main ways to get some attention are through word of mouth or simply phoning different individuals, pitching the community currency to them (R1).^[39.38] The latter receives two different reactions. The first possibility is that business owners can't see what they can personally gain from it.^[39.10] Most of the time, this reaction leads to businesses not being willing to join the community currency (R1).^[39.39] The second possible reaction is that possible participants identify with the goals and values of the community currency, these individuals usually join Vix (R1).^[39.11; 39.39] A few individuals are not willing to join because they tried participating in community currencies in the past.^[39.16] These currencies have failed, leaving the participants with broken trust (R1).^[39.16] The low visibility also poses another problem for Vix. This problem is that individuals often forget that Vix exists, so they forget to use the currency.^[39.27] It doesn't help that even the municipality of Alkmaar forgets that they have an account at Vix.^[39.32] There are also some bigger companies that joined Vix, however, these are mostly inactive users (R1).^[39.15] This does help bring more credibility to the community currency.^[39.15] Because a big company attaching its name to the community currency makes it more trustworthy for locals.

Vix is convinced that the only way of growing is by participating: "If you want this to work you have to actually use it (Vix), otherwise it will never get off the ground" (R1).^[39.19] Vix has several ways in which they get their members to participate. Firstly, they have a newsletter.^[39.20] This newsletter contains information about new members and news regarding their community currency or different promotions (Vix, n.d.: R1).^[39.29] Secondly, Vix has a list of participants on which they can find each other.^[39.23] When individuals do encounter each other through Vix, their appreciation of the community currency grows (R1).^[39.25] Thirdly, Vix organizes meetings for members to encounter each other.^[39.20] However, participants often experience constraints.^[39.40] So usually they only join these meetings when they want to find more customers (R1).^[39.40] Furthermore, only the most active members that seek out others within the community currency actually get new returning customers, sparking reciprocity.^[39.35]

There are a few ways in which Vix uses social capital. Firstly, Vix mostly speaks to the goals and values of possible participants. The active participants seem to get the most out of the services Vix provides. They are able to find each other and engage with each other on a more regular basis. However, most possible participants fail to see their direct financial advantage in joining the community currency. Individuals who do not align with the goals and values of Vix therefore rarely join. Having the same goals and values does help feel more social closeness within the group. This can be seen from participants being appreciative of Vix helping them find each other. Vix also helps individuals have direct contact with each other by providing a list of participants and organizing meetings. Although these meetings are usually not that well visited by participants. Vix does allow members to monitor the community currency by being transparent about how Vix uses the money it receives. However, there is no way for Vix to sanction its members. Vix is contemplating removing inactive members, but this has not been implemented yet. One of the most glaring problems of Vix is its low visibility. After exhausting their personal network, the founders have not yet found a way of

making the community currency more known in the region. This, together with a low level of personal utility makes it hard to get individuals to join and participate. Although Vix hopes that active users will increase the visibility of the community currency, there is a big task of getting the community currency to a place where it can thrive.

4.2.2 Arnheims Hert

Arnheims Hert is the community currency based in Arnhem, the Netherlands. It is initiated by two entrepreneurs in 2018 (Arnheims Hert, n.d.).^[36.1] As with Vix, they are also part of the Social Trade Organisation (Arnheims Hert, n.d.).^[36.11] The name of the currency is also called Arnheims Hert. Arnheims Hert has the goal to let the local community flourish through their community currency.^[38.5] They want to achieve this by helping locals make more sustainable and conscious choices that benefit the environment and the community (R2).^[38.5] A total of 51 members actively participate in the community currency and 31 are passive members who haven't opened up an account.^[36.7] The annual revenue was around 36.000 euros in 2021, from 28.000 euros in 2020 (Circulair Geld Nederland, 2021).^[36.8] Additionally, the community currency is growing by one participant each month, which means twelve participants a year (R2).^[38.2] Arnheims Hert does not have many partners yet, but is focussing on establishing a partnership with local non-profit organizations as well as the local government (R2).^[36.6; 38.13]

Arnheims Hert is mostly a digital community currency. Mostly, because they do have vouchers that locals can give as gifts (R2).^[38.23] These gifts are a way in which members can involve non-members in the community currency.^[38.23] When individuals wish to participate in Arnheims Hert they have to sign up on their website. Then they have the choice to open an account and become an active member. Or they can stop there and be passive without opening accounts (Arnheims Hert, n.d.). The reason they allow passive members is that they want to increase the visibility of Arnheims Hert.^[38.3] So the more people attach their name to Arnheims Hert, the more credibility they get (R2).^[38.30] With this list of active and passive participants, they can show possible partners how many individuals are interested in the community currency (R2).^[38.30] The costs of opening an account vary between 15 euros annually for individuals to 350 euros annually for large businesses (Arnheims Hert, n.d.).

There are different ways in which Arnheims Hert gets individuals to join. Firstly, they organize meetings for possible participants.^[38.10; 38.18] So they invite individuals who might be interested in joining to meet one of their members to see how the community currency works (R2).^[38.10] Members that join usually share the need to do business in a sustainable way.^[38.17] These members see the community currency as a way to share their values with like-minded entrepreneurs (R2).^[38.17] The individuals that do not join, usually indicate that they think it is too complicated.^[38.16] They see no reason to engage with a second monetary system when they can use the first one just fine (R2).^[38.26] Additionally, most of the locals in older age groups do not have the digital skills to understand how to manage an online account. It is fairly common for them to not even have a smartphone (R2).^[38.31] This means that the convenience of being digital in this case proves to be a disadvantage.^[38.31] Furthermore, Arnheims Hert also has non-interest loans that members can make use of (Arnheims Hert, n.d.) However, they do not advertise this, so it might be possible not all participants know about this feature.

Arnheims Hert has invested a lot in its visibility. This has resulted in an estimated three out of ten local business owners knowing of the existence of the community currency (R2).^[38.8] One of the things Arnheims Hert has done in the past is standing in different markets (Circulair Geld Nederland, 2021).^[36.3] However, this usually didn't result in them getting more individuals to join (R2).^[38.28] This is the reason why they stopped doing it, yet arguably it did help them get their name out. Another way Arnheims Hert raises its reputation is by supporting a local charity.^[36.4; 36.5; 38.20] Annually the Dirk Zeldenrust sustainability prize of 5000 euros is awarded, and Arnheims Hert adds another 500 euros worth of Arnheims Hert.^[38.20] Additionally, the community currency further supports local charities by regularly donating to them (Circulair Geld Nederland).^[36.4] Another way in which Arnheims Hert

enhances its visibility is by making Christmas packages.^[38.27] These packages consist of different local products, mainly from members of the community currency (R2).^[36.12, 38.27] These packages are getting sold better each year.^[38.32] They help individuals to get acquainted with Arnheims Hert. Additionally, when they pick up these Christmas packages, there is an opportunity to pitch the community currency to them.^[38.32] Lastly, Arnheims Hert offers promotional material like stickers and brochures that participating businesses can leave at their counters (Arnheims Hert, n.d.).^[38.19] This also helps increase the visibility of the community currency.

The community currency also organizes meetings for existing members. Arnheims Hert asks members if they want to host a meeting.^[38.15] The idea is that members can see how others do business behind the scenes (R2).^[38.14] This helps to create transparency amongst members as well as spread ideas about how to do business. The community currency doesn't have to ask members if they want to host because the members usually apply for it (R2).^[38.14] Another type of meeting is a trade carousel.^[38.18] This is more of a standard meeting for members to meet each other and spread ideas.^[38.18] These meetings are announced in their newsletter.^[38.22] Furthermore, the newsletter contains information about new members, new features like vouchers, or the availability of Christmas packages (R2).^[38.22] Additionally, Arnheims Hert promotes members or events on their social media accounts (Instagram, n.d.). They are still searching for the best methods and platforms, but so far Instagram has been working the best for them (R2).^[38.29] For members to meet each other Arnheims Hert also provides a list of participants.^[38.4] However, Arnheims Hert notices that participants rarely use this list.^[38.24] Participants usually contact Arnheims Hert directly to find others and rarely go looking for participants themselves (R2).^[38.24]

Social capital is generated in a few different ways within Arnheims Hert. Most individuals join Arnheims Hert because they identify with the idea of doing sustainable business. This idea is carried out by the community currency as well as its members. Even though members can make use of a zero-interest loan, it is possible that most individuals do not know about this feature. Additionally, the community currency has a hard time explaining the personal advantages an individual can experience by joining. Being able to carry out clear ideas about sustainable business helps members feel like they belong to a group. Additionally, Arnheims Hert puts a lot of effort into helping individuals find each other. They organize different kinds of meetings and provide a list of participants, as well as announce new participants in their newsletter and on social media. Arnheims Hert allows participants to monitor each other by providing a look behind the scenes in one of their meetings. This means that participants invite others to see how they conduct their business in a sustainable way. However, there is no way for Arnheims Hert to actually sanction their members. Trust is generated mostly by the reputation of Arnheims Hert. Even though the community currency is relatively small, they invest a lot of effort in building a reputation. They support local charities, support sustainable prizes, and invest in working together with local non-profit organizations. Additionally, the community currency helps make and spread Christmas packages. Lastly, reciprocity usually only happens among the most involved members. With the less involved members contacting the community currency where they can spend Arnheims Hert. Although the foundation of being able to meet each other on a regular basis is laid through the different meetings Arnheims Hert organizes.

4.3 Findings

There are many different ways in which social capital is generated within community currencies. The field of social capitalism within community currencies is a complex issue. With multiple social mechanisms working together. Different policies of community currencies usually speak to multiple social mechanisms. Additionally, trust and cooperation are also linked closely together. There are, however, some findings that seem to stand out more than others.

4.3.1 Personal Incentives

Dimension	Code	Frequency
Personal utility	Actively matching users	1
	Be promoted inside network	7
	Businesses do not accept currency	1
	Can't make payments where needed	3
	Cannot exchange currency	1
	CC is service provider	1
	Confusing technology	2
	Conveniency of using currency	5
	Costs of joining	3
	Credit line	6
	Different forms of currency	11
	Digital currency	5
	Employee CC helps members	4
	Few individuals pay in currency	2
	Financial advantage	12
	Gaining customers	3
	Lack of payment options	8
Not enough members	1	
Takes too much time and energy	8	
Technical difficulties	1	
Ways to spend currency	2	
Altruism	Attending meetings viewed as important	1
	Helping each other	4
	Loyalty to community members	2
	Same Goals	7
	Same values	14
	Spending currency adds emotional value	1
	Supporting local charity	6

Table 5: Findings of personal incentives in the data

Personal incentives can be divided into two categories. Namely, personal gain or personal utility and altruism. Personal utility usually means a direct advantage for participants to engage in trusting and cooperative behaviour. Whilst altruism in participants can be translated to having the same goals and values as the community currency. With this division, a clear line can be seen in the cases. Where having the same goals and values speaks to already existing social capital and people want to trust and cooperate on that basis. This could be seen in all the cases, especially having the same values as the community currency could be seen in every case. Whereas the question: what's in it for me? Raises the suspicion of asking for personal gain in order to engage in cooperative and trusting behaviour. This leads to altruism requiring a more passive role in the policies of community currencies. While creating several advantages for participants requires a more active role in generating cooperation. For example, individuals who identify with the goals and values of the community currency are usually drawn to the community currency and actively seek out others. But individuals looking for personal utility take a more passive role and must be persuaded by advantages to join. While having a strong identity helps people use existing social capital, personal utility helps individuals to join where they otherwise would not have. Thus creating different advantages for people to join is a big part of growing the community currency. Table five shows the reasons locals have for either joining the community currency or for not wanting to join the community currency. These reasons might be for personal utility or could be altruistic in nature. As seen in table five, advantages and disadvantages of community currencies can be found in abundance. One of these is that participants appreciated having the same values as the community currency. These were the individuals that usually remained active in the community currency. Most individuals also experienced different financial advantages when joining community

currencies. The Salt Spring Dollar was the only case where participants didn't experience financial advantages. This community currency turned out to be more expensive to use than the national currency. In the community currencies where individuals had to sign up, the participants got promoted inside the network. This also was a big advantage to joining Zinne and Sardex. The biggest disadvantages were a lack of payment options and participating in the community currency taking too much time and energy. A lack of payment options was especially seen in the Calgary Dollar, Salt Spring Dollar, Lewes Pound and later in the Bristol Pound. This caused participants to hold on to the currency without places to spend it. In the same community currencies there were a lot of participants who thought paying with the currency was a hassle. In the physical forms as seen in the Lewes Pound and Salt Spring Dollar, this was due to lack of digital payment options. However, digital payment was often confusing. In the case of the Calgary Dollar, the Bristol pound and Arnheims Hert, a lot of individuals found it too confusing to use. These individuals didn't understand having to manage multiple accounts and found that paying digitally took too much time.

4.3.2 Social closeness

Dimension	Code	Frequency
Social closeness	Disliking (members of) the organization	1
	Dividing locals	2
	Same goals	7
	Same values	14
	Sense of group	8
	Social control	1
	Turn away possible group members	1
	Work groups	1

Table 6: Findings of group membership in the data

Feeling social closeness to others within the community currency seems to correspond heavily with having the same goals and values. In the Lewes pound and Bristol pound especially, participants felt part of the same group. They expressed their goals and values by spending the community currency in local businesses. In these cases, this went hand in hand with a strong core of individuals who were happy to use the community currency. These individuals actively sought businesses to spend their currency. Additionally, a clear in-group and out-group could be seen. Meaning that individuals who did not participate also had a specific, usually more negative, opinion of the participants of the community currency. There is no knowledge about whether participating in the community currency sparks the group identity or simply lets individuals express their group identity. So it is not clear that being in the community currency creates these values.

4.3.3 Direct communication

Dimension	Code	Frequency
Direct interaction	Actively matching members	1
	Approaching possible participants	2
	CC is a way to meet people	1
	Direct contact	4
	Every participant can vote	1
	Helping each other	4
	Joined because of peers	3

	Learning skills together	1
	Repeated interaction	2
	Returning customers	2
	Space to find each other	12

Table 7: Findings of direct communication in the data

It is however clear that when members are able to communicate with each other directly, they can share their goals and values. This helps create bonds between different participants, enabling them to engage in cooperative behaviour. This can especially be seen in the case of Sardex. Sardex invests a lot of energy in organizing meetings for their participants, in order for participants to directly engage with each other. Additionally, they have a mediator, which creates a way for participants to directly communicate with the community currency. This is why Sardex is able to convey its goals and values so successfully to its members. Zinne allows direct communication in a different way, namely by allowing members to make decisions about its future together. Thus bringing members together to directly communicate with each other. In the waning community currencies, it can be seen that there is almost no way the community currency facilitates direct contact between its participants. All community currencies had a space to find each other, mostly through using a map or a list with participants. As can clearly be seen in the Bristol Pound, a map was a tool participants were happy using. However, this map alone was just convenient to use. And participants used the map less when the community currency started its decline. So it can also be stated that a map adds to personal utility rather than merely direct contact. If this is the case, there are only a few examples sparking direct contact. Namely, joining because of peers as seen in the Bristol Pounds and Sardex, and being able to help each other. This was especially valued greatly in the Calgary dollar with its high focus on the local community.

4.3.4 Monitoring and sanctioning

Dimension	Code	Frequency
Monitoring		
	Bottom up	2
	Transparency	3
Sanctioning		
	Sanctions by CC	1

Table 8: Findings of monitoring and sanctioning in the data

Monitoring and sanctioning are social mechanisms that are found less in the community currencies. The only community currency able to sanction its members is Sardex itself. They fine the members when they cross the rules the community currency has set up. Monitoring between members can also only be found in Sardex as well since Sardex allows members to see the financial status of other members. It is also easier to facilitate within the system of Sardex since there is no cross-over between Sardex credits and euros. Monitoring of the community currency by its members can be seen in several cases. Namely in Zinne, with its bottom-up structure. Additionally, transparency can be found in Arnheims Hert and Vix. These community currencies have a high amount of transparency, mostly in the form of telling their members how they manage their money. This helps build trust between the community currencies and its members.

4.3.5 Reputation of the community currencies

Dimension	Code	Frequency
Reputation of community currencies		
	Businesses do not believe in CC	1
	CC reputation	4

	Disliking (members of) the organization	1
	Do not trust its existence	1
	Employee CC helps members	4
	Every participant can vote	1
	Goal CC	7
	Organizational reputation	3
	Transparency	3
	Values CC	5
Partnerships		
	Local government support stopped	1
	Partnerships	4
	Support of local government	12
	Supporting local charity	6
	Trying to work with partners	3
Visibility		
	Be promoted inside network	7
	CC is invisible	2
	Less visibility of CC	1
	Promotional material	1
	Unknown features	1
	Visibility CC	4

Table 9: Findings of the reputation of community currencies in the data

It also helps to build the reputation of the community currencies. The reputation of the community currencies can be split into three different factors. The first one is visibility. If locals do not know of the existence of the community currency, they can't join the community currency. Most waning community currencies also have problems with making themselves visible. Especially the Salt spring dollar barely did anything to stay visible. This resulted in the locals thinking the community currency had stopped existing. Being promoted inside the network was the most prominent way in which community currencies stayed visible. Although all community currencies except Zinne and Sardex suffered from not being visible enough. This can be explained through the second factor.

The second factor is the different partnerships that the community currencies have. Only Zinne, Sardex and for a while the Bristol Pound managed to engage in a profound partnership with the local government. This greatly helped their credibility and made it easier for locals to trust the community currencies. Sardex and the Bristol pound also had partnerships with local credit unions. Which might have helped participants to gain the trust to open an account. Lastly, when the local government stopped supporting the Bristol Pound, it started to decline rapidly.

The third factor is how the community currency is perceived. When individuals think of the community currency as a positive contribution to the community and a trustworthy organization, they will be less hesitant to join. As the data shows a reputation is gained best through having clear goals and values. Sardex, Arnheims Hert and Vix also show that helping the participants also builds a better reputation in the community.

4.3.5 Reciprocity

Dimension	Code	Frequency
Reciprocity		
	Loyalty to community members	2
	Monthly market	1
	Organizing meetings	13
	Participants do not attend meetings	1
	Passive member	3
	Returning customers	2
	Seeking out others	2
	Work groups	1

Table 10: Findings of the reciprocity in the data

Reciprocity is hard to spot in this kind of research. Mostly because it consists of small interactions between returning customers and business owners. Or between different business owners. However, there is a higher chance of reciprocity when community currencies organize different ways for their members to make direct contact. One of these ways that stood out is organizing meetings. When participants attend these meetings they will encounter each other more often. There is also a higher amount of reciprocity between members that identify with the goals and values of the community currencies. These often seek out other participants on their own. In the Lewes Pound and Bristol Pound, these types of members were usually mentioned as being part of the returning customers gained through the community currency.

4.4 Expanded conceptual model

The research shows that community currencies can commit to some more active social mechanisms. Like building institutional reputation by engaging in meaningful partnerships and providing personal utility for its members. Additionally, actively organizing meetings and promoting participants in the community has been found to generate trust and cooperation. However, it is important to note that the community currencies that invest in all the social mechanisms become the most successful community currencies. To illustrate an expanded conceptual model has been made as seen in figure 2.

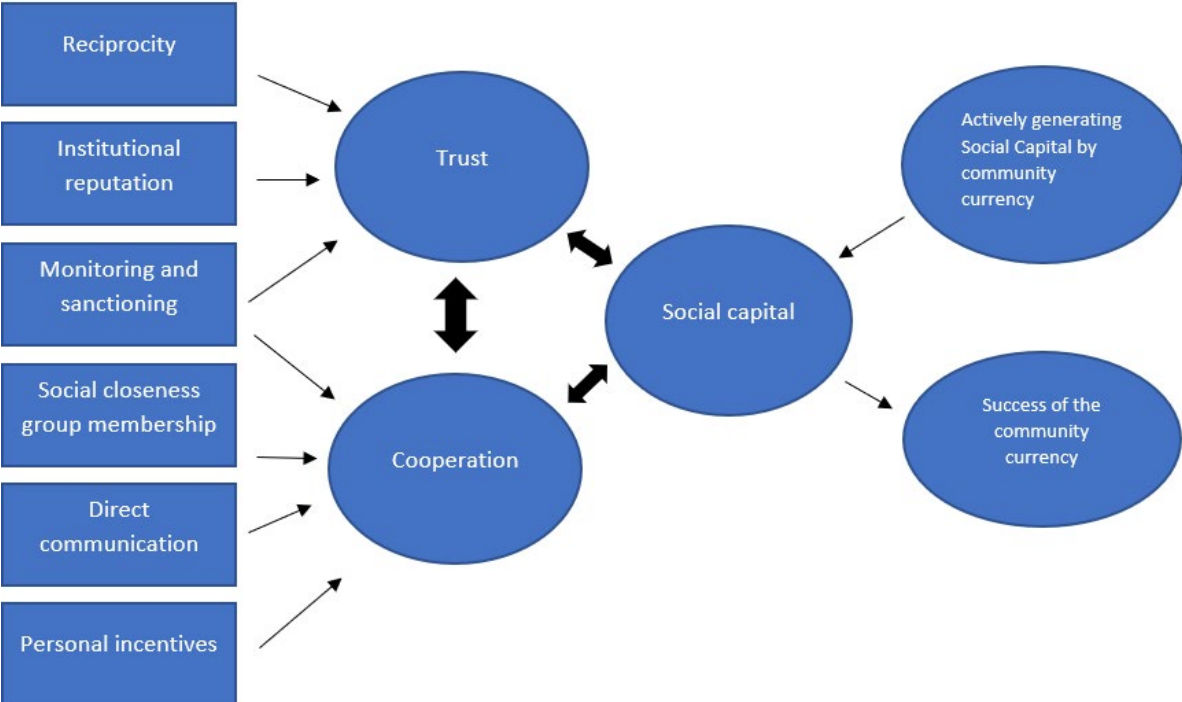


Figure 2: Expanded conceptual model of the role of social capital on the success of the community currency

5. Conclusion

This chapter summarises the most important findings of this research. These findings will conclude with answering the main question of the research:

“How does social capital contribute to the success of community currencies”

Additionally, this chapter ends with a reflection on the conducted research. Finally, recommendations are made on possible follow-up research.

5.1 Conclusion

To answer the research question first the main concept of social capitalism had to be defined. The definition that was chosen in this research is the definition by Putnam (1995): “features of social life – networks, norms and trust – that enable participants to act together more effectively to pursue shared objectives”. This definition encompasses two other major concepts, namely trust and cooperation. From the literature, a total of six different social mechanisms are found that help build social capital in community currencies. These six social mechanisms are reciprocity, institutional reputation, monitoring and sanctioning, group membership, direct communication and social closeness. Reciprocity, institutional reputation and monitoring and sanctioning help to build trust between individuals. Monitoring and sanctioning, group membership, direct communication and social closeness help individuals engage in cooperative behaviour. Although this seems like a clear division, trust also sparks cooperation and cooperation sparks trust. So these two concepts are linked closely together.

To see how social capital is generated in community currencies, a total of eight community currency cases are studied. The first six community currency cases are historical cases abroad. The two last community currencies studied are focal cases. Historical cases clearly show that a decline in investment into different social mechanisms pairs with a decline in the community currency. Additionally, the topical cases show the importance of some individual social mechanisms.

An important factor in generating social capital is to create personal incentives for individuals to start cooperating. This creation of personal incentives usually lies in personal utility, where a lot of social capital can be created. Altruism usually speaks to already established social capital. This can especially be seen in the examples of providing a map or organizing meetings for participants. When providing a map for participants, they have to go out on their own to find other participants. This can be seen as passively enabling participants to have contact with each other. On the other hand, organizing meetings actively brings different users in contact with each other. So the community currency actively generates social capital by organizing meetings.

The most successful community currencies have a lot of different ways in which they actively generate social capital. This is especially true when looking at the success of community currencies in the historical cases. Sardex provides a mediator that works closely together with the participants of the community currency. Furthermore, they organize lots of meetings and provide a lot of different financial advantages. These financial advantages are enhanced by having enough places to spend the Sardex credits. Lastly, Sardex is the only community currency that generates trust and cooperation through monitoring and sanctioning. Zinne on the other hand puts a lot of effort into its reputation. By receiving major support from the local government and providing a bottom-up structure they manage to build a great reputation. Moreover, they also provide different financial advantages and make sure there are plenty of different ways to pay with Zinne. The importance of actively generating social capital can also be seen in the Bristol Pound. The Bristol Pound was more active in generating social capital by promoting each other and by organizing meetings at the beginning. During this time the Bristol Pound was thriving. However, as soon as they stopped actively generating social capital they fell in decline.

The communities in the actual cases also generate social capital. However, they mostly speak to the altruistic side of the locals. Most participants do not experience as much personal utility.

Furthermore, these two community currencies have trouble working with meaningful partners, especially the local government. The difference between Arnheims Hert and Vix can mostly be found in the way they make themselves visible. Where Arnheims Hert organizes meetings and shows up at different markets, Vix does not show up at markets. Furthermore, Vix does organize meetings, but participants rarely attend these. However, it is hard for both community currencies to actively generate social capital. Furthermore, social capital is not generated through all social mechanisms. Therefore providing an answer to why these community currencies are not that successful.

The community currencies with the most resources seem to have the most success. Further confirming that generating social capital requires a lot of effort from the community currency. The most successful community currencies, namely Zinne and Sardex, also have the most employees. While the community currencies in decline usually work with five or fewer volunteers. Lastly, the results show that community currencies are the most successful when they invest in more social mechanisms.

To conclude the hypothesis of this research is: “If community currencies build more trust and cooperation by triggering the social mechanisms, the community currencies are more successful.”. Based on the findings in this research the hypothesis cannot be rejected. However, there are other factors at play, especially the amount of effort a community currency can put into generating social capital through these different social mechanisms. Despite all of the enthusiasm by community currencies to help the local society, it remains hard to actively trigger all social mechanisms without the right resources.

5.2 Recommendations

This study has shown that the topical cases already generate social capital in a few ways. However, there is still more to improve when aiming to be more successful. This is why the following recommendations have been made:

- Be sure to include enough personal incentives for locals to join the community currency. Most community currencies have clear goals and values that resonate with a part of the local community. Yet it is important to reach those who do not yet identify with those goals and values. To get these individuals to participate, it is important to have clear personal utility for them to join.
- Invest a lot of time and energy into being seen. One of the most glaring issues faced by community currencies is their reputation. They are either not known or individuals find the concept confusing. Try to find a way to simplify the message and this in turn will help partnering up with local governments in order to be seen.
- Organizing meetings hits a lot of social mechanisms at once. So to generate social capital this seems to be a must have policy. It enables the community currency to be seen, it enables participants to have direct contact with each other, it makes people feel like they belong to the same group and people see each other more often.
- Get people to sign up and make an account. This increases the sense of group within the community currency. When they sign up to a group they feel more strongly that they are part of that group. Furthermore, it increases the visibility of the community currency. Since people can more easily find each other online through their accounts.
- Do not start a community currency when you cannot put enough time and energy into it. A lot of effort goes into generating social capital. It says a lot that the only two community currencies that are successful right now (Zinne and Sardex) have over 50 employees each. Sardex is a genuine business that needs to generate revenue to stay relevant. Zinne is heavily backed by the government on the regional and municipal level. The community currencies that struggled never had this many resources available, causing them to not generate enough social capital. This means that they have never had a chance, since the community won't generate social capital by themselves and a team too small can't do it for the whole community.

5.3 Critical reflection

This research aims to create additional knowledge on the role of social capital within community currencies. Specifically how social capital contributes to the success of community currencies. It is important to reflect on the limitations of this research and the chosen methods. It is also important what questions are left unanswered after this research is done.

Before this research, existing literature was clear on the knowledge that community currencies enhanced social capital. Yet there was no clear view of how social capital affected community currencies. However, community currencies in practice already had different policies in place that each generated social capital. A few examples of these are organizing meetings and promoting themselves and others. These actions each trigger multiple different social mechanisms. However, it is not clear whether the social mechanisms highlighted in this research are all possible social mechanisms. So more research has to be done in order to find or rule out other possible social mechanisms resulting in trusting and cooperative behaviour.

Additionally, this research focussed on community currencies and their policies. Yet, the other side of the coin is the local community. How do they experience trust and cooperation within community currencies? And why do individuals attend meetings in one community currency, while they do not attend meetings in other community currencies? These questions lie beyond the scope of this research but are important questions to ask when attempting to build a full picture of social capital within community currencies.

Language was also a sizeable barrier in this research. Because most available data only exists in native tongues. This made it impossible for the researcher to include cases from Japan without knowing Japanese for example. Another limiting factor was the availability of the different community currencies. This was due to covid and time constraints by the respondents. Covid made it harder to find respondents that were willing to talk to me. Furthermore, the end of the lockdown meant the possible respondents wanted to make up for lost time. Because of the time constraints the community currencies feel, it was very hard to get respondents in this field. This is mainly an issue when trying to triangulate the data and have more valid research. Giving the respondents time to discuss the interview by giving them the questions beforehand helps to get all the answers. Yet this cannot alleviate the problems faced by not being able to triangulate the interviews.

Lastly, this research provides no quantitative insights. Although there might be more generalizable research possible counting different policies next to how successful different community currencies are. The research gives no insight into how important different social mechanisms/policies are. So it is not possible to see how much each social mechanism by itself contributes to trust or cooperation. This research merely provides an indication that the combination of these social mechanisms contribute to building trust and cooperation.

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Attachment 1: interview guide

Doel interview: invloed van community currencies (lokaal geld) op vertrouwen en coöperatie .

Mijn onderzoek gaat namelijk over hoe lokaal geld invloed heeft op het vertrouwen en coöperatie in de regio. En hoe dit vertrouwen en coöperatie, ook weer invloed heeft op het lokale geld. Namelijk, als lokale inwoners participeren en samen handelen binnen het Arnhems Hert, zorgen ze ervoor dat dit de kans heeft om te groeien.

A. Wat is uw functie bij het Arnhems Hert?

Hoeveel deelnemers heeft het Arnhems Hert momenteel?

Groeit het Arnhems Hert?

Hoe lang bestaat het Arnhems Hert al?

Wat zijn de voornaamste doelen van het Arnhems Hert?

Hoe betaal je met jullie lokale munt?

B. Is het Arnhems Hert bekend?

Werken jullie samen met partners in de regio?

Zijn er regels verbonden aan het meedoen met het Arnhems Hert?

C. Hoe reageren mogelijke deelnemers wanneer zij benaderd worden?

Wat zijn de voordelen voor de deelnemers om mee te doen?

Wat zijn redenen voor deelnemers om wel of niet mee te doen?

D. Hoe kunnen deelnemers elkaar vinden?

Organiseren jullie activiteiten voor de deelnemers?

- Zo ja, welke?

Hoe communiceren jullie met de deelnemers?

Hoe gaan verschillende deelnemers met elkaar om?

- En op wat voor verschillende momenten?