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Innovative initiatives in Hungarian territorial development: The role of complementary currencies

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There is a growing number of publications emphasizing, that decision-makers should give more room for bottom-up thinking and approaches, that local actors have to be given awareness and capacities to play an active role in the development course of their own area. In the last 30 years development projects were mainly based on top-down approaches and could not fully address the potentials of the territories they concentrated on. To fill the gaps left by top-down approaches bottom-up initiatives have been growing in numbers. There has been a paradigm shift and development is no longer considered as only exogenous, but now depends on the local communities' ability to exploit its own resources. A community-based, bottom-up tool, which has the potential to give local communities more control over the development of their own area, is complementary currency. In Hungary in the last 7 years there has been resurgence in their use. This paper examines the Hungarian complementary currency schemes from the perspective of territorial development and attempts to build a typology. Complementary currencies take many forms, and some of these alternative currencies are designed to increase exchange activity at the local level, thereby keep money circulating locally and increase the local economic multiplier. These schemes also aim to promote local employment, mutual self-help and cooperation. Based on their goals, their geographical scope and on how they support local development one can attempt to build a classification system of these schemes.

Introduction

The concept of endogenous territorial development is becoming increasingly widespread in the world of research and among development actors. Territory is no longer defined as “*a piece of the nation*” (Courlet, 2008:12), it is seen as a complex system “*made of up various actors, who interact depending on a specific choice of location for their relations and exchanges, which thus generates the territorial dynamics*” (Fare et al., 2015:7). Consequently, development is no longer considered as being only exogenous, but now depends also on “*a territory’s capacity to endogenise its development*” (Courlet, 2008:47).

The growing importance of participative approaches is a trend most common to many territorial development and planning concepts. The “Local Authorities: Actors for Development” published by the European Commission in 2008 was the first EU reference document, that highlighted the role, place and importance of local and regional authorities in EU development policy. The European Commission recognized, that “local and regional authorities bring a unique added-value to development processes”. The document stressed the importance of the contribution made by local authorities to inclusive and equitable local development and to the provision of basic services needed by the population.

Since mid-2008, the idea of proximity has emerged in response to the economic uncertainty and environmental challenges in the countries of the European Union (Jouen, 2011). The EU has made continuous political effort to make local development into a component of its economic development, through interventions and programmes, such as LEADER, CLLD.

In the EU Communication of May 2013 on ‘Empowering Local Authorities in partner countries for enhanced governance and more effective development outcomes’, the EU „embraced this larger view on the role of local authorities as key representatives of the local polities in a given territory. In addition, the EU Communication committed the EU to promoting territorial development.”

Although local development does not appear explicitly as an objective in the relevant EU initiatives for the programming period of 2014-2020, there are numerous intentions related to local development in the EU strategies and in the legislation of EU Funds. The most important reference amongst them is the ‘sustainable growth’ and ‘green economy’ specified in the EU’s strategy for 2020 that can be achieved only by implicating a place-based, bottom-up approach, too.

Bottom-up initiatives are growing in number, local communities and authorities recognized them as an opportunity to take more control over the development of their own area. It is the very essence of local economic development that we ourselves can do a lot for our community, our settlement and our region and it depends not only on external resources. Policy makers also acknowledged that local economies can

contribute to the paradigm change that is necessary for reaching a sustainable level of economy.

A community-based, bottom-up tool, which can play an important role in territorial development, is community and complementary currency. In Hungary in the last 7 years there has been resurgence in their use. This paper discusses, from the perspective of territorial development, theoretical and practical impacts of their application in local communities.

The key presumption of this paper is that these are efficient means of solving social and economic problems and of helping underdeveloped territories close up. Establishing a currency on the local level brings certain economic and social benefits to local society. The paper attempts to answer the question how they can contribute to local development, and proposes a typology based on their goals, their geographical scope and on how they support territorial development.

Section 2 discusses local development and features of community and complementary currency. Section 3 discusses previous classifying attempt, in length the typology made by Jérôme Blanc, Jens Martignoni and L. Zagata. Section 4 proposes a differentiation drawn on previous literature, and section 5 proposes a distinction between Hungarian schemes based on the built typology. Section 6 contains conclusion.

Local development and the features of community and complementary currencies

According to Jouen (2011) *“local development means territorial, integrated strategies which mobilize many local actors in the form of a partnership. Its short-term aim is to improve local living and working conditions, and its long-term ambition is structural change”* (Jouen, 2011:2).

The two basic theoretical approaches are represented by the exogenous and endogenous model of local development. *“Theories of regional economics put the emphasis on ‘development from below’. This argues for local communities and regions to take control of their own resources and institutions and is more tied to the second model. The endogenous approach was explored as a response to the difficulties with the applications of the exogenous model”* (Zagata, 2004:477).

The endogenous model seems to be *“more convenient in the context of the European Union policy”* (Zagata, 2004:478). It presumes that the key to a territory’s sustainable development lies in its own resources. The force of the development is founded on the local initiatives of the local society. The endogenous model also may be *“a base for the concept of integral development, which supports the development of all aspects of the community life”* (Zagata, 2004:478).

Lowe (2000) identified the sources, which were used as theoretical base for the concept of endogenous local development. The main driving force was *“the notion of self-reliant localities that could control their own*

development" (Zagata, 2004:478). In response to the intensifying processes of globalization many communities started to look for alternative, local solutions and implementing alternative currency systems is one of them (Zagata, 2004).

When describing currency systems, which operate alongside the national currency the terms complementary currency or community currency are the most widely used. They do not aim to replace the national currency, it simply means, that the existence of the two currencies depends on the other but without being causally linked (Kennedy & Lietaer, 2004). These alternative currencies serve as money substitutes. They exist in many forms depending on their function and geographic delimitations (Preissing, 2009). Whilst local currencies serve a specific area e. g. a town, a city or a neighborhood, regional currencies are used in a wider geographical area. This paper does not examine the so called technical cash equivalents.

In the literature there is "*no common definition*" beyond a "*series of considerations distinguishing specific items*" between complementary currencies (Blanc, 2011:4), let alone a differentiation between the two. There have been many attempts to classify complementary currency (CC) initiatives, but there is no commonly accepted typology. The major problem that arises is that CC schemes due to their diversity and dynamics escape from any "rigid classification" (Blanc, 2011:1). In addition, different objectives may lead to different categorizations (Blanc, 2011). The next section provides an overview of the existing typologies.

Existing typologies

In English literature there are only a few classification systems on the subject and these are mostly proceeding from "the traditional understanding of money", which is "unable to capture the special features" of complementary currency initiatives (Martignoni, 2012:2). In Hungarian literature little work has been done on the classification of operating complementary currencies in the country. Most of the literature limits itself to their forms and functions. A general typology is not given, hence my attempt to draw up the outline of a classification for the working CCs in Hungary.

To build a relevant system one must first review the theoretical and methodological contributions to the topic. One must understand how these typologies are built, which sets of items are combined to make up the system. According to Blanc (2011) the difficulty lies in creating a system that is "flexible enough to let space for innovation" (Blanc, 2011:5). Building a new one should not have the aim of replacing existing typologies. The problem is that many previous experiments failed to deepen it sufficiently, and provided instead a series of elementary items e. g. their form, their functions (Blanc, 2011).

Kennedy and Lietaer (2004) tried to create a typology of CCs according to their purposes, but eventually discussed the way they are issued, their function and the way their costs are covered.

Blanc (2011) mentioned four rationales for complementary currency, which frequently combine each other. The first is related to income increase through seigniorage. The second is a change in the nature or conception of exchange and its context. The third is to protect the local economic space against recession and/or inflation and finally, to increase local economic development.

Blanc (2011) also proposed that one should not focus on items but rather on projects. In his article he introduces a distinction between three sorts of projects. There are "territorial projects centered on a geopolitical space, community projects and economic projects centered on production and market exchange activities" (Blanc, 2011: 6). He also emphasizes the importance of the project's background. Implementers could be non-profit organizations, informal groupings, governments or firms. Schemes implemented by firms and national currencies are removed from his analysis. He sets ideal-types of currency schemes based on the space considered, on the purpose and guiding principle. He also proposes a second level of classification, distinguishing four generations that "*overlap and are progressively transformed*" (Blanc, 2011:7).

Jerome Blanc and Marie Fare (2013) also presented a paper that concentrates on the role played by local governments and administrations in the development and differentiation of CCs. They explain the role of governments in the emergence of four generations. They also discuss the problems local governments have to overcome, and traps to avoid if they commit themselves to implement such schemes. The presented generations help to understand the relationship between complementary currencies and local governments. In the first generation of CCs e. g. LETS model the local administration does not play a role, they are not part of implementation process. Second generation schemes e. g. time banks have been used as tools to strengthen social ties at the community level. The third generation CCs e. g. Ithaca Hour seek advanced partnerships with local governments and authorities, also with local banking institutions. The fourth generation has a central role for local governments.

Marie Fare et al. (2015) also examined the impacts of complementary currencies in terms of sustainable territorial development. They identify three potentials in relation to sustainable development: "*the territorialization of economic, social and political activities, the revitalization and stimulation of exchanges and modifying practices, values and social representations*" (Fare et al., 2015:2).

Fesenfeld et al. (2015) argue that the ideology and ideals of the implementer shape the constituency of the users, the size of the user group, their interconnection with similar projects and the goals of the scheme. They may be driven by a "*political ideology, by the motivation of promoting the regional economy, or by sustainability*" (Fesenfeld et al., 2015:167).

Siglinde Bode (2004) proposes a typology based on the type of business relationship. There are four possibilities according to Bode: business to business, business to customer, customer to customer and customer to business. From this she develops a scheme consisting of the relationship, payment system and backing of CCs. Martignoni (2012) argues that this typology is based primarily on "*conventional business thinking, therefore poorly suited as a starting point for a true classification*" (Martignoni, 2012:4). Nevertheless, it provides an important insight into how complementary currency schemes work.

The Talent Switzerland association classifies currencies by purpose and by sector (Dold, 2010). A spectrum between market/competition and relationships, gift economy is presented. Sectoral money that can be used for limited economic activities is also distinguished e. g. Fureai-Kippu for care in old age, or educational vouchers in Brazil.

Zagata (2004) states, that "*the establishment of complementary currency in a locality is per se unique*" (Zagata, 2004:480). The result depends on factors such as the needs of the community, on the ways of carrying out transactions, on the forms of exchange etc. In consequence of this fact one can present an ideal type of CC, but it can never really exist in reality (Zagata, 2004).

As a conclusion they can either be very similar in their nature or very different, it depends on the circumstances in which they are implemented. A typology should not be built in order to "classify the researcher's observations" (Blanc, 2011:5), and initiatives should not be forced into an existing framework (Blanc, 2011).

Building a typology

The above introduced concepts do not make it fully possible to compare complementary currencies. According to Martignoni (2012) in most cases terms like function or goals are used to describe money in and of itself and are not "usable in distinguishing" between different currencies (Martignoni, 2012:5). There are many overlaps and similar classifications, but a clear evaluation system that could be implemented for various types of CC schemes is missing.

Blanc (2011) argues that the right way of building a typology is making "*first its purpose clear*" (Blanc, 2011:5). This paper concentrates on how community and complementary currency schemes can support territorial development. In order to build a typology the paper focuses on projects and not on items e. g. the different bases for currency. The general philosophy, the guiding values serve as a major orientation point for the system.

Most complementary currency systems seek to boost local economies and promote social integration by exchanging local services and production (Fare & Ahmed, 2014). Their aim is to redesign local social, economical and environmental relations. Studies analyzed and questioned

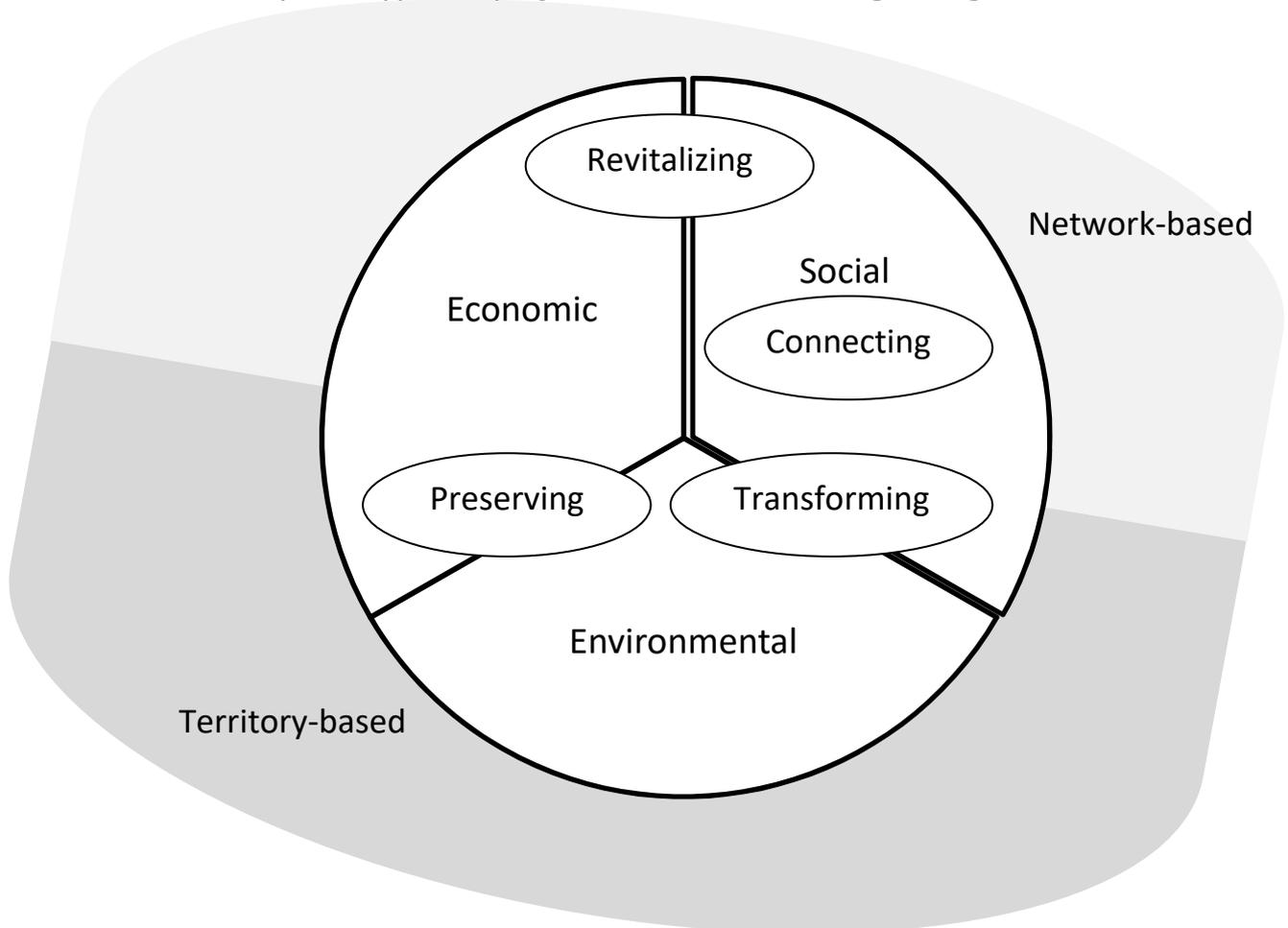
their ability to achieve this. Leyshon et al. (2003), North (1998) proposed an evaluation of their potential in terms of "*local economic development (job creation, self-employment, access to free credit) and social well-being or social inclusion*" (Fare & Ahmed, 2017:9).

These authors - and others who followed - relied on different methodologies in assessing the impact of CCS, most of them differentiating between social, economical and environmental goals.

Under this respect, based on previous literature this section proposes a distinction between two types of projects, which constitute the very root of CC schemes: the first type of projects primarily focuses on networks of individuals, or businesses, the second type pursues a territorial purpose, is centered on a geopolitical space, aiming to promote its economy. These kind of initiatives have local resilience or local development as a desired result. Although the second type pursues mostly a territorial purpose, it is also tied to community or economic issues. An example for this type of scheme is the Chimgauer in Germany.

This classification of projects, however, does not take the designers' goal into account. In order to refine this typology, this section proposes a combination of two dimensions into a graph (1. figure). It identifies four types of projects based on their focus and the designers' goal, namely: connecting, transforming, preserving, revitalizing. The foregoing types of projects serve as a basis for the built system, but they are not in any way pure, considering that the system is in the first phase of refinement, and has much room for improvement. Nevertheless it could serve as square one for analysis of CC schemes from a viewpoint of territorial development in Hungary.

Graph 1. Types of projects based on the designer's goal



First type of projects: connecting, network-based complementary currency scheme, its main goal: redesign social relations, strengthen community ties

In great majority the first type complementary currency schemes were implemented by communities in response to needs that are not satisfied by the market (Blanc & Fare, 2013). They are typically grassroots initiatives that have the empowerment of the community as aim, their goal is to revitalize social exchanges, and make the community self-reliant. These schemes are pure community currencies built on multilateral reciprocity.

The closest example to this sort of project is LETS, a mutual credit currency. Each transaction is recorded as a corresponding credit and debit in the two participants' accounts. The quantity of currency is issued through their exchange, and is automatically sufficient. There is no need for an organization to manage the quantity; it works in a self-organized way. The amount of currency needed in such a transaction is negotiable. It is a scheme that can be applied to diverse communities, where products

or services require a different amount of work or different variety of skills (Jelínek et al., 2012).

Another example is the time banks' concept, which focuses mostly on services unlike LETS, where trading is concentrated on goods. According to the inventor Edgar Cahn (2004) the persons who benefit from the services are not necessarily the persons who have to return a service in order to balance their account.

The first generation of these programs began in the 1970s with Fureai Kippu, a Japanese complementary currency. They were used to provide personal services especially for the elderly. The second generation of service credit systems involves not only the elderly, but provides service to other groups, such as people suffering from AIDS virus, teenage mothers, or public housing residents (Blanc & Fare, 2013).

Many studies have examined the ability of CCS to promote local economies based on solidarity values. For example, Coetzee (2012), examining the Cape Town Talent Exchange in South Africa, showed that *"community currencies helped a 'network society' to emerge, in which the principles of reciprocity and the exchange of gifts were embedded in an economy of relationships"* (Fare & Ahmed, 2014:10).

According to them these arrangements can help to forge reciprocal links locally between individuals, to create a sense of belonging (Zagata, 2004). Contrary to *"the conventional currency that stimulates competition for sources needed for realizing economic transaction, CCs are based on trust and reciprocity"* (Zagata, 2004:481). Membership in the community contributes to the sense of unity and provides members with the needed social identity.

These kinds of CCs also have features, which are strongly related to a given community, locality. In this way the complementary currency becomes a symbol of unity for the members of community. Due to its features it is able to support growth of social capital, which is necessary for the local development.

These sort of CC systems seek to recreate traditional community ties. According to Servet (2013) the SEL showed the social foundations of money (Fare & Ahmed, 2014). In the SEL organizations, money plays its full part in *"creating links between individuals and between generations"* (Fare & Ahmed, 2014:11).

In conclusion these sorts of projects are often seen as a tool to solve social problems, as a tool to strengthen ties in a community, to encourage members to do voluntary work.

Second type of projects: transforming values, norms; network-based complementary currency

These sorts of projects share the goal of setting up economic practices that are not based exclusively on market values; their focus is most often on solidarity and ecological values (Hart et al., 2010). Their main goal is the transformation of practices, lifestyles and social representations.

They create alternative exchange communities that *"resonate with studies inspired by a social and solidarity economy (SSE) approach"* (Fare & Ahmed, 2014:10).

The literature has evaluated the potential of some these type of CCs to promote economic practices based on ecological values, especially through the development of sustainable consumption (Seyfang, 2001). For example, green points customer fidelity cards, as in the NU-Spaarpass in Rotterdam (Sambeek & Kampers, 2004), have shown a potential to foster sustainable consumption in a market economy (Fare & Ahmed, 2014), while the LETS encourages the sharing of consumer goods and equipment. Fare has shown that *"this monetary scheme has promoted sustainable ways of life through the sharing of goods and by sustainable consumption. It has also transformed social representations, enhancing individual skills by introducing egalitarian principles"* (Fare & Ahmed, 2017:860).

Third type of project: preserving, promoting sustainable use of local resources, sustainable consumption, territory-based

These sorts of projects are mostly environmentally-driven and are strongly related to the second type of projects. Their main goal is to help the preservation of local resources through alternative forms of consumption. They make it possible to *"develop property sharing which can limit material individual consumption by enhancing the pooling of resources and the invention of new cooperative social relations"* (Gleizes, 2011:81) while contributing to *"disconnecting wellbeing from material abundance"* (Perret, 2011:215).

This may involve tool sharing, car pooling, loans of cultural property, and so on. *"This limits not just material output but also waste. An economy of functionality is developing, in which what is important is not owning property but having the use of it. This mutualisation is embodied by the creation of collective services which can be offered within the scheme: central purchasing possibly coupled with a grocery, library, laundrette, car rental, digital service area, and so forth"* (Fare, 2016:9; Gleizes, 2011).

Fourth type of projects: revitalizing economic exchanges, network-based complementary currency

The objective of this sort of CC with regard to local development is to stimulate exchange. According to Fare (2016) *"the territorialization of activities should mechanically lead to more dynamic exchange with in the CC scheme insofar as, by restricting the use of internal money to local level, internal exchange should increase in volume and generate increased internal activity by a multiplier effect"* (Fare, 2016:3).

The implementation of mechanisms *"encouraging monetary circulation stimulates local commerce"* (Fare, 2016:3). Access to credit or microcredit for the creation of activities locally leads to local circuits. Additional means of payment stimulate economic exchanges through the area. Complementary currencies develop partnerships with local banks in order to organize microcredits, or with local authorities (in the case of the Bristol Pound and the Brixton Pound) to pay public services and local rates and taxes (Fare, 2016).

Their impact is endogenous, as they promote a development model based on *"micro-enterprise and extra-economic values"* (Fare & Ahmed, 2017:856). In Argentina, the barter clubs emerged *"as instruments of selective and protective spatial closure"* (Gomez & Helmsing, 2008), *"enabling poor households to launch micro-enterprises and to diversify their income sources"* (Fare & Ahmed, 2017:856). According to Ruddick (2011) after the introduction of the Eco-peso in Kenya, participating companies reported a 22 per cent increase in average net monthly income.

Classification of Hungarian complementary currency schemes

In this section the paper attempts to classify Hungarian complementary currencies based on the above developed typology. From the operating complementary currency schemes I selected those with the most differences from each other, to encompass the whole spectrum. To understand how CC schemes work in Hungary one must look at the first experiments in this area. *"The confrontation of the theoretical presumptions and practical effects is quiet difficult under the conditions of the European post-communist countries"* (Zagata, 2004:482).

The traditional rural communities' element was the so called Kaláka, which is the form of mutual neighbor's help. The relative closeness of the communities and the lack of resources have given rise to this kind of circle of mutual help. Also during wartime alternative currencies, emergency currencies were used to reduce the lack of money.

The first still existing LETS scheme, the Talentum was established in Budapest in 1996. It was inspired by the LETS initiative in Austria. Talentum has around 150-200 members, who have meetings every

second months. Most of the deals are made during these meetings or at club meetings. In the following years several similar initiatives have emerged, with mixed results e. g. the Zöld Forint Kör (Green Forint Circle) at Gödöllő, a city close to Budapest, as well as LETS in Szolnok, Miskolc (Óra Kör), Tiszaluc and Győr (North, 2004). It appeared that these schemes attracted mainly young people, but the older generation refused to join. Some believed that the complementary currency system tried to “restore the traditional elements of the rural communities”, which could not work “in the specific conditions of Hungary as a post-communist country” (Zagata, 2004:483). Some of the early initiatives are still operating, but most of them ceased to exist.

The second wave of CC schemes appeared with the Kékfrank in Sopron, in 2010. Shortly after that the Balatoni Korona and Bocskai Korona were also introduced. Some other schemes discussed are the Alsómocsoládi Rigac (Jacsó, 2013). Following the discussion of these schemes I attempt to classify them based on the presented typology.

Soproni Kékfrank

The currency has some very special features, fulfills multiplex goals, and has the revitalizing of local economy as its main purpose. Kékfrank was created by a patriotic community, who wanted to reorganize the once organic social and economic relations. The inventor Tamás Perkovátz introduced some other vouchers in Sopron before creating the Kékfrank. The complementary currency was built on an existing community of patriots, who used Perkovátz’s purchase vouchers (Perkovátz, 2010).

For the creation of Kékfrank a new European form of enterprise served as background. The European Cooperative Society is an entity that opens the door for cross-border cooperation. The “HA-MI Összefogunk/If-We Unite Limited Liability European Cooperative Society” was founded by 123 members, both entrepreneurs and individuals. Its strategic partners are the Rajka and Region Credit Union, Chamber of Commerce and Industry, Industry Corporation of Sopron and Its Environs, the CIG Pannónia Insurance Company and the University of the West Hungary Faculty of Economics (Szalay, 2011). Everyone can become a member through purchasing a minimum of 1 share. The complementary currency can be converted into the national currency.

Interesting fact, that the local government does not play any kind of role in its operation. Although the local government has a passive role, its attitude is not dismissive. It does not try to make decisions that are not favorable to them, but does not make any decisions to help them either. The local government simply does not wish to join the initiative. Because of its complexity and the space considered it could be placed either into the first or the fourth type of projects.

Balatoni Korona

The complementary currency debuted in 2012, and has some very special features. Because of that it cannot truly be classified into the above mentioned types of projects. It is a result of a complex partnership between the local governments of Veszprém, Várpalota, Balatonfüred, Balatonalmádi, Litér, Nemesvámos and Tihany, the Kinizsi Bank and three other business partners (Sárdi et al., 2013).

In this case the local governments acted as initiators. They provided an appropriate legal framework, technical and financial support, and integrated it into specific public policies. The Balatoni Korona Ltd. founded by members of the partnership issued its currency in March of 2012.

Its main objective was to revitalize the economy of the region and to contribute to social cohesion through re-forming social ties (Sárdi et al., 2013). It meets various objectives and is used as a potential public policy tool by local governments. The local governments are the largest issuers as they provide some other allowances, fees and premiums in Korona. The total amount of such payments is about 12-13 Million Forint, from which 9 Million related to Nemesvámos, and Várpalota (Sárdi et al., 2013). According to the objectives assigned to this scheme and the spaces it is built with regards to it could be mainly be categorized into the fourth type of projects.

General opinions about the system are positive, but the scheme is not without difficulties. The major problem lies in the permanent financial limitations, the erosion of social networks, and the lack of trust in each other.

Bocskai Korona

The complementary currency was first introduced in 2012. Preparations began in the summer of 2011, when the local government of Hajdúnánás founded a holding company, the Hajdúnánási Holding Zrt. to ensure the scheme's financial and institutional background. An interesting fact that at first it was intended to be used only locally, and just later on spread to the surrounding municipalities (Sárdi et al., 2013).

It is a project aiming to affect economic relations in a "geopolitically-defined space" (Blanc, 2011:3). Local government uses it to achieve certain ends, namely the revitalization of local economic exchanges. The scheme focuses on the daily consumer behavior of local population, so its aim is to strengthen the relations between local businesses, and the local individuals. Its objective is to keep their purchasing power inside the municipality. To keep it local means that first they even rejected the request to expand it to Debrecen.

The acceptance of the Korona is very high. Among the 50 acceptors there are a wide variety of shops e. g. flower shop, construction company etc. Also the local government made it possible for local individuals to use

Bocskai Korona as a means of payment for public services (Sárdi et al., 2013). Because of its main features it could be categorized into the fourth type of projects.

Alsómocsoládi Rigac

The Rigac is based on similar considerations as the Bocskai Korona. Its foremost purpose is to combat poverty and exclusion, to promote local consumption and to provide resources for the community. It is implemented only in Alsómocsolád; the local government is responsible for its issuance. It is firstly a community currency with social goals, but it had the most success in the revitalizing of economic exchanges. In consequence it is a fourth type of project.

Among the discussed CC schemes it is the one most widely used as means of payment. Local governments provide allowances, fees and premiums in Rigac. Local government collects local taxes in the local currency, and companies tied to the local government also pay their employees' salary in Rigac. Although it is limited to the municipality of Alsómocsolád, the possibilities of its expansion were also evaluated. It could be used as a tool to the develop tourism in the micro-region consisting of 5 municipalities. Inhabitants use around 90% of the local currency through the local governments system, because it also became possible to pay in Rigac for public services such as transport, home social care, culture etc. (OFA Nonprofit Kft., 2015).

Administrative issues are the biggest challenge they have to face along the road. As the Rigac is part of the local government's budget its financial management needs a technically demanding system (OFA Nonprofit Kft., 2015).

Tokaji Dukát

The latest in the line is the complementary currency of Tokaj wine region. It was born in March 2016 as a result of 27 municipalities' partnership in the region. The idea of making a complementary currency to make the regions' economy prosper again dates back to 2013. The local governments created the Dukát based on the example of Bocskai Korona. (Parádi-Dolgos, 2016).

Its main goal is to strengthen the economic and social ties between the municipalities, and is designed to act as a tourist attraction. It is used to promote consumption of local or organic produce. As in the case of Bocskai Korona discounts are provided when purchasing local products (Parádi-Dolgos, 2016). Because of its relative newness there is little information available on the complementary currency. Its website acts as the main information source, according to that the number of acceptors is still quite few. If it meets the expectations and is able to become a widely

used regional currency, it may be a great example to follow for regions with low economic performance.

Conclusion

Early attempts in Hungary concentrated on keeping the traditional elements of the rural communities alive e. g. the mutual help in neighborhoods. The new wave of complementary currencies concentrates mostly on a territory, combines economic and social goals; and local governments play an active role in the invention, implementation and expansion process. It attracts not just young adults, but local patriots, businesses, social institutions, local authorities and individuals who look to fulfill their needs locally.

It is clear that CC schemes - no matter what their aspirations may be and at what scale they operate - have potential for change: economic, social and political. They have in common the capacity for promoting social uses of money, they serve the well-being (economic, social and environmental) of a given community, and through that bring back to money its original function: "serving a common purpose" (Fare & Ahmed, 2017:864) of a community. An important note is that recognition by local and national authorities is needed to increase their potential influence on communities' social, economic, environmental relations.

One can point out all different kinds of positives, but what is the most important among them is the social benefit. The existence of a CC scheme is determined by social capital. The local society, in which a CC initiative is operating "*strengthens its social potential for further development*" (Zagata, 2004:483). Under potential one understands a "*certain disposition or presumption for the inner-development of the locality*" (Zagata, 2004:483; Ilnert, 1989). The community members increase their self-reliance and reduce the community's dependency on exogenous resources. This is in accordance with the endogenous model of local development (Zagata, 2004).

Furthermore, "*CCs could be part of a comprehensive program for structural and general reforms. For example, through the formulation of a territorial review and a mapping of exchanges, CCs can be completely integrated into territorial planning and development programmes in order to be part of a comprehensive transition program*" (Fare et al., 2015:10).

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