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Citation for final published version:

Marshall, Adam P. and O'Neill, Daniel W. 2018. The Bristol Pound: A tool for localisation?. *Ecological Economics* 146 , pp. 273-281.  
10.1016/j.ecolecon.2017.11.002

Publishers page: <https://doi.org/10.1016/j.ecolecon.2017.11.002>

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# 1 The Bristol Pound: A tool for localisation?

## 3 Abstract

4  
5 The Bristol Pound is not the first convertible local currency (CLC) to circulate regionally, to be  
6 administered by a credit union, or to be supported by a local council. However, it is the first to possess  
7 all three of these attributes simultaneously. For this reason, the Bristol Pound has been heralded by  
8 some as marking a new era for local currency-driven localisation. To explore the Bristol Pound's impact  
9 on localisation, 27 semi-structured interviews were conducted with businesses and other Bristol  
10 Pound stakeholders. Economists were also interviewed to gain insights into the barriers to localisation  
11 and the likely impact of a CLC on these barriers. Overall, our findings suggest that the Bristol Pound is  
12 not driving localisation. Many of the key barriers were found to be political/institutional in nature (e.g.  
13 support for free trade, the free movement of capital, the power of global corporations, and the  
14 expansionary logic of capitalism). Such barriers are unlikely to be influenced by a CLC. We therefore  
15 suggest that those pursuing localisation should engage in a more active agenda that aims to change  
16 government policy and institutions to support an equitable, sustainable economy.

### 19 Keywords:

20 Local currency; Localisation; Bristol Pound; Political barriers; Post-growth economy.

### 22 Highlights:

- 23 • 27 interviews were conducted to explore the Bristol Pound's impact on localisation
- 24 • Our findings suggest that the Bristol Pound is not driving localisation
- 25 • The barriers to localisation were found to be political/institutional in nature
- 26 • Convertible local currencies are unlikely to impact on such barriers
- 27 • Political action aimed at institutional change would be a more effective strategy

# 1. Introduction

In recent decades there has been a global proliferation of local currency experiments. Through such experiments, communities, activists, and non-governmental organisations have sought to further a variety of social, economic, and environmental objectives. Convertible local currencies (CLCs) are a relatively recent local currency innovation. They are backed by national fiat money at a one-to-one ratio, circulate within a defined locality (district, town, city, region), and can be spent with local, independent businesses that agree to accept them (Dittmer, 2013; North, 2014). While there is some evidence that CLCs can help foster community, their utility for furthering economic and environmental objectives is less clear (Michel and Hudon, 2015; Seyfang and Longhurst, 2013).

This article seeks to assess the claim that CLCs have the potential to counter globalisation by fostering localisation (Hopkins, 2008; Kennedy et al., 2012). Localisation refers to a process whereby localities, regions, and nations seek to become as self-reliant as possible for their everyday needs, thus reducing their dependence on imported goods. Informed by the concepts of self-reliance and resilience, proponents of localisation argue that it is inevitable due to the twin threats of climate change and peak oil. Therefore, they argue, it would be better to de-globalise voluntarily to smooth the transition to a post fossil-fuel era (North, 2010; Heinberg, 2011).

While governments have, for the most part, been cheerleaders of globalisation, opposition to it has largely been located in civil society. Since the mid-2000s, a number of civil society groups have experimented with CLCs with the aim of building more resilient local economies (North and Longhurst, 2013; Seyfang and Longhurst, 2013). While the relationship between CLCs and localisation has yet to be established (Dittmer, 2013; Michel and Hudon, 2015), the few case studies to examine the topic have mostly focused on small-scale town-based schemes in the UK (Longhurst, 2012; Graugaard, 2012; Cato and Suárez, 2012). These British schemes have been compared unfavourably to the Chiemgauer, a German CLC that circulates at the regional scale and has been operational since 2003. Despite being used by a wide variety of local businesses and producers, the question of whether the Chiemgauer actually drives localisation, as opposed to just replacing the Euro in transactions that would have occurred anyway, has yet to be answered satisfactorily (Dittmer, 2013; North, 2014)

Launched in 2012 by the Bristol Pound Community Interest Company (£BCCIC) and Bristol Credit Union (BCU), the Bristol Pound (£B) is a CLC analogous in scale to the Chiemgauer. Approximately £B700,000 circulate throughout Bristol and the former county of Avon, an area covering almost 2 million people in the south-west of England (Hickey, 2015; Bristol Pound, 2015). While the £B is not the first CLC to circulate regionally, be administered by a credit union, or have local authority support, it is the first one to do all three simultaneously. For these reasons, Ryan-Collins (2012) has heralded

63 the £B as marking a “new era for local money”, and argued that it has real potential to drive  
64 localisation.

65 To date, no academic study has examined the relationship between a major CLC such as the £B and  
66 localisation. We aim to address this gap in the literature by exploring the following four research  
67 questions:

68

69 1. To what extent has the £B facilitated more local procurement by businesses that use the  
70 currency?

71 2. To what extent has the £B facilitated more local production?

72 3. What are the barriers to localisation, and are CLCs able to overcome these barriers?

73 4. If CLCs are not the answer to localisation, what other approaches could be pursued?

74

75 The first two research questions are addressed through the analysis of data gained from interviews  
76 with business owners in Bristol who accept the £B, as well as representatives of the £BIC, Bristol City  
77 Council (BCC), and BCU. The third and fourth research questions are primarily tackled via an analysis  
78 of data collected from expert interviews with heterodox economists and localisation practitioners,  
79 although the other data sources also make a contribution.

80 The remainder of this article is organised as follows. Section 2 outlines the study’s context. Section  
81 3 details the methodology, data collection, and analysis techniques employed in the research. Section  
82 4 presents and discusses the results of the analysis, while Section 5 concludes.

83

## 84 **2. Local currencies in context**

### 85 **2.1. Globalisation versus localisation**

86 Geographical expansion has always been a key feature of capitalist development. However,  
87 following the breakdown of the post-war consensus in the 1970s, a combination of cheap oil,  
88 technological change, and a favourable political/ideological environment all contributed to a new  
89 round of globalisation, unprecedented in history. Since this time, capital accumulation has proceeded  
90 under a globalised economic order in which capital is free to relocate from high-cost to low-cost  
91 jurisdictions (Harvey, 1989; Harvey, 2006; North, 2010). This period has seen the rise of China as the  
92 workshop of the world and a concomitant decline in manufacturing in the Global North. Meanwhile,  
93 international trade and its associated carbon emissions have grown precipitously. Between 1995 and  
94 2006, the carbon emissions embodied in international trade increased from 4.6 to 8.3 Gt, with such  
95 emissions now representing approximately one-third of the global total (Wiedmann, 2016; Xu and  
96 Dietzenbacher, 2014). With climate change mitigation necessitating huge emissions reductions, some

97 proponents of localisation have argued that the necessary reductions cannot be achieved without re-  
98 localising production and exchange. Moreover, a process of localisation is also inevitable, they argue,  
99 due to globalisation's dependence on finite oil supplies which are thought to be about to peak (North,  
100 2010; Heinberg, 2011).

101 The concept of resilience is central to such arguments. Proponents of localisation conceptualise a  
102 resilient society as one that can adapt to disturbances, while maintaining core functionality in the face  
103 of change (Cretney, 2014; Hopkins, 2008). Resilience is unobtainable, it is argued, in the absence of  
104 self-reliance, which, in turn, requires a situation where basic needs can be satisfied using locally-  
105 produced goods and services. With its dependence on long, transnational, carbon-intensive supply  
106 chains, our contemporary globalised society is viewed as representing the very antithesis of resilience  
107 (Heinberg, 2011; James and Cato, 2014).

108 Local currencies have been endorsed by some as promising tools to help drive localisation  
109 (Douthwaite, 2012; Kallis, 2011). While Dittmer's (2013) review of the topic found little evidence that  
110 experimentation with local currency models such as LETS, HOUR currencies, and time banks had  
111 helped facilitate localisation, he raised the possibility that the absence of localisation might be due to  
112 the failure of these local currency models to gain the support of local businesses. CLCs, which are a  
113 relatively recent local currency innovation, have been much more successful in attracting business  
114 participation, and thus it could be argued that they have greater potential to drive localisation.

115

## 116 **2.2. Convertible local currencies (pre-£B)**

117 CLCs circulate within a defined locality (district, town, city, region) and can be spent with  
118 participating local businesses. Their relative success in attracting business support has been attributed  
119 to the fact that CLCs are backed by the national currency (North, 2014). The first ever CLC, the  
120 BerkShare, was founded in the USA in 2006 by the alternative economics think-tank the E.F.  
121 Schumacher Society.<sup>1</sup> By 2009 there were 180,000 BerkShares circulating throughout southern  
122 Berkshire County, an area covering 19,000 people. Moreover, 365 businesses were accepting  
123 BerkShares in this year. The CLC model soon caught the attention of Transition activists in the UK who  
124 advocate grassroots action to build localised economies to counter the twin threats of climate change  
125 and peak oil (Longhurst, 2012). By 2011, the towns of Totnes (Longhurst, 2012), Lewes (Graugaard,  
126 2012), Stroud (Cato and Suarez, 2012), and Brixton (Ryan-Collins, 2011) all had their own CLCs.  
127 Although these CLCs have managed to attract business participation, their impact on localisation has  
128 been shown to be negligible — at least to date (North, 2014). However, it should be noted that these

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<sup>1</sup> The innovation of the CLC model would not have been possible without the LETS and HOUR currencies which preceded it. For a short history of the evolution of local currencies pre-CLC see North (2014).

129 CLCs are all town-based schemes, while it has been argued that regional-scale CLCs have a better  
130 chance of driving localisation. With their larger circulation areas, regional-scale CLCs are thought to  
131 provide more opportunities for links to be forged between retailers, local producers, and suppliers  
132 (Douthwaite, 2012).

133

### 134 **2.3. The £B: A new era for local money?**

135 The £B was launched in 2012 as a not-for-profit collaboration between the Bristol Pound  
136 Community Interest Company (£BCIC) and Bristol Credit Union (BCU). Approximately 900 businesses  
137 accept it and transactions can be undertaken using paper notes or electronically, either online or with  
138 a mobile phone. BCU is responsible for administering £B accounts, while the £BCIC promotes the  
139 scheme and works to increase participation. The £BCIC is registered as a not-for-profit community  
140 interest company, while £B account holders are represented on the board and can participate in  
141 decision-making. Surplus profits generated by the £BCIC are distributed to active scheme members  
142 and the company's accounts are available online (Bristol Pound, 2015).<sup>2</sup> The £BCIC also plays an active  
143 role in promoting localisation, most notably through The Real Economy Co-op. This £BCIC-backed  
144 initiative aims to source "fresh and locally produced food as directly as possible from the people who  
145 grow and make it... giving them a fair price for their produce" (Bristol Pound, 2016).

146 When the £B was launched, Ryan-Collins (2012) published an article under the headline "Bristol  
147 Pound marks new era for local money". The article outlined three attributes which, taken together,  
148 make the £B well-placed to succeed in driving localisation.

149 First, Ryan-Collins (2012) argues that owing to its regional circulation area (the former county of  
150 Avon), the £B has the potential to drive localisation by linking agricultural producers and local energy  
151 cooperatives with an urban population of more than one million people. The £B Directory currently  
152 lists 13 farms, a renewable energy company, and two energy cooperatives amongst the 900 business  
153 that accept the £B (Bristol Pound, 2015). Despite being skewed towards retail firms, a range of  
154 business types accept the £B including a number of suppliers and wholesalers. As with the Chiemgauer  
155 (Volkman, 2009), the range of businesses that accept the £B suggests potential for localisation.

156 Second, Ryan-Collins (2012) views BCU's and BCC's support for the £B as giving it an advantage  
157 over other CLC schemes. In particular, it is argued that BCU's administration of the scheme could  
158 extend the £B to a more diverse demographic than previous local currency projects.

159 Third, Ryan-Collins (2012) expresses hope that BCC's acceptance of the £B for the payment of  
160 business rates will serve to encourage small businesses to join the scheme by providing an outlet for

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<sup>2</sup> Profits are generated from fees charged on electronic payments: 2% for receiving text payments and 1% for receiving online payments (Bristol Pound, 2015).

161 excess £Bs. The Chartalist school of monetary theory would agree. According to this perspective,  
162 money gains legitimacy when accepted for the payment of taxes (Ryan-Collins et al., 2014).

163 By re-spending the £Bs received from taxes, either through wages or procurement, Ryan-Collins  
164 argues that BCC can act as “a clearing house for the currency”, thus stimulating “more regional  
165 production and consumption”. Not all researchers in the field are as optimistic about the £B’s  
166 potential, however. Dittmer (2013) argues that (a) the option to pay taxes in £Bs could reduce  
167 incentives to localise supply chains, and (b) the currency’s reliance on BCC procurement casts doubt  
168 on the utility of having a currency oriented towards local businesses in the first place.

169 Reprising Marx and Engel’s critique of “appeal-to-elites utopian socialism”, Dittmer (2013) levels  
170 an even more fundamental critique of CLCs: by seeking the support of society at large (including elites),  
171 CLCs shy away from questions of power and class conflict. This situation is particularly problematic, he  
172 argues, when radical objectives are downplayed and political activism foregone. Dittmer detects such  
173 tendencies in the £B, pointing to the absence of any references to either localisation or the Transition  
174 Network on the £BCIC’s webpage. Moreover, owing to the local council’s endorsement of the £B, he  
175 doubts whether the £B will “resist assimilation into conventional local growth agendas” (Dittmer, 2013:  
176 10). He suggests a tax on transport fuels might be a better option because such a tax would better  
177 target the real problem (i.e. society’s reliance on unsustainable imports) by making such imports more  
178 expensive. A CLC, on the other hand, is less targeted because it “imposes additional costs on all  
179 interregional exchanges, payments, and transfers, regardless of whether they involve interregional  
180 material flows or not” (Dittmer, 2013: 10).

181 Echoing Dittmer, Klitgaard and Krall (2012) question whether objectives such as localisation can be  
182 achieved without political action and large scale institutional change. They express doubt that,  
183 through market mechanisms alone (e.g. local currencies), the system can simply be reset to “an era of  
184 small business where local production, and not global finance, was the driving factor of capitalism” (p.  
185 251). Moreover, even if the clock could be rewound, they ask why the system would not simply evolve  
186 back to its present state with the passage of time.

187 *Digipay4growth*, a recent EU-funded project that the £B is to participate in, may provide evidence  
188 of Dittmer’s critique. The project aims to apply Cyclos digital payment technology to “stimulate  
189 local/regional economic growth” and “increase...the local/regional multiplier effect”. Bristol Prospects  
190 (the name of the scheme) is essentially an interest-free business-to-business mutual credit network  
191 for local small businesses. Although members will be encouraged to open £B accounts, doing so will  
192 not be a requirement. It is hoped that Bristol Prospects will complement the £B and help to scale up  
193 usage of the currency (Digipay4growth, 2015).<sup>3</sup> The goal of “increasing the regional multiplier effect”

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<sup>3</sup> At the time of writing Bristol Prospects had yet to be launched.

194 is shared by both initiatives. According to research by the New Economics Foundation, because local  
195 businesses spend a larger portion of their earnings within the local area, such spending is worth 400%  
196 more (to local economies) than the same amount spent with non-local businesses (LM3 Online, 2017).  
197 When promoting the £B, the £BCIC tends to emphasise the local multiplier effect above other goals.

198 While increasing the local economic multiplier is not antithetical to localisation, those who  
199 advocate localisation on environmental grounds would be well advised to question an initiative whose  
200 goal is to increase economic growth. Like globalisation, economic growth places huge demands on the  
201 environment and the planet's finite resources. These demands have led some authors to call for a  
202 process of "degrowth" (D'Alisa et al., 2014) or a "steady-state economy" (Dietz and O'Neill, 2013) in  
203 wealthy nations. As noted by Dittmer (2013), while localisation requires growth in some sectors of the  
204 local economy (e.g. organic agriculture and renewable energy), aggregate growth is not a desirable  
205 outcome for those concerned with resilience and environmental sustainability. Similarly, Goodman et  
206 al. (2010) warn against an uncritical reification of local consumption. While such consumption may  
207 be better environmentally, no consumption is ever truly green. As noted by Czech (2010):

208

209 Some consumable goods are less brown than others — think Honda vs. Hummer — but even a  
210 unicycle requires natural resources for its production. Manufacturing the unicycle entails pollution,  
211 too. It just doesn't square to call an expanding unicycle sector a "green" phenomenon. Even  
212 compared to Hummers, unicycles are less brown, not green.

213

214 Thus, while resilience may well entail the consumption of more local goods and services, it also  
215 requires much less consumption overall. In this regard, and although it is beyond the scope of this  
216 study, Dittmer's (2013) question regarding whether or not CLCs contribute to unnecessary  
217 consumption is also pertinent.

218

### 219 **3. Methods**

220 The research for this study was undertaken in two phases. In the first phase, data were collected  
221 and analysed from interviews with business owners who accept the £B, and also with representatives  
222 from the £BCIC, BCC, and BCU. While the purpose of this phase was primarily to address research  
223 questions 1 and 2 (Section 3.1), insights gained from these interviews are also relevant to research  
224 questions 3 and 4. In the second phase, interviews were conducted with heterodox economists,  
225 localisation researchers, and proponents of localisation in order to gain deeper insights into research  
226 questions 3 and 4 (Section 3.2).

227



228 **3.1. Phase one**

229 A total of 27 semi-structured interviews were conducted with independent business owners (and  
230 some employees) who accept the £B. Twenty-one interviews were conducted face-to-face, five over  
231 the telephone, and one via email. Interviews were recorded with the participants' permission and  
232 generally lasted between 20 and 45 minutes. The £B has a directory on its website that lists all of the  
233 (approximately 900) participating businesses, along with an interactive map of their locations (Bristol  
234 Pound, 2015). These tools were used to identify potential interviewees representing a broad range of  
235 business types.

236 In the interests of efficiency, it was decided to target those parts of the city with high  
237 concentrations of businesses that accept the £B. The interview sample is thus somewhat skewed  
238 towards businesses concentrated in three geographical areas of the city. To protect interviewee  
239 anonymity, those areas are not disclosed. Nevertheless, a range of business types are represented in  
240 the interviews (see Table 1). Five telephone interviews and one email interview were conducted with  
241 businesses located either on the edge, or outside the city. These six businesses were targeted  
242 specifically for being producers and/or suppliers, a group whose participation is regarded as integral  
243 to the functioning of CLCs (Ryan-Collins, 2011; North, 2014). The aim of the questions put to business  
244 participants was to gain insights on their experience of using the £B. The most important line of  
245 questioning concerned the £B's impact on procurement practices. Follow-up questions were put to  
246 participants based on their responses to the pre-prepared questions.

247 Three email interviews were also conducted with representatives of BCU, BCC, and the £B/CIC  
248 respectively. As co-founders of the £B, BCU and the £B/CIC were viewed as prize interview targets.  
249 Similarly, as one of the few local authorities in the world to accept a CLC for the payment of local taxes,  
250 BCC was also identified as an important interview target. Potential interviewees from all three  
251 organisations were contacted by email and asked to participate following some web-based research.  
252 Individuals from BCU and BCC answered questions via email; the £B/CIC did so as an organisation. The  
253 questions were tailored specifically to get the respondents' perspectives on the impact of the £B on  
254 localisation.

255 Interviews were transcribed to facilitate data analysis, and each participant's responses were  
256 coded on a question-by-question basis. Coding was followed by further analysis which sought to  
257 identify common themes in the data. These themes form the basis of the results relating to research  
258 questions 1 and 2.

259

260 **3.2. Phase two**

261 A series of semi-structured interviews was conducted with heterodox economists, localisation  
262 researchers, and proponents of localisation. Although we adopt an ecological economics perspective  
263 in our research, we argue that ecological economics has much to gain from engaging with other  
264 heterodox schools of thought (Spash and Ryan, 2012). As Klitgaard and Krall (2011) have remarked:  
265 “Ecological economics is a vast improvement over mainstream economics because it embeds the  
266 economy inside a finite and non-growing biophysical system. This approach can be enhanced by a  
267 greater focus on market capitalism as a system” (p. 248). In order to address research questions 3 and  
268 4, an understanding of the barriers to localisation was required, some of which relate to broader  
269 capitalist processes. Each interviewee was selected because he or she was judged to have important  
270 contributions to make on these topics.

271 Eight interviews were conducted in total (see Table 1), all of which took place over Skype. The  
272 interviews were recorded with the participants’ permission and generally lasted between 30 and 60  
273 minutes. Before each interview, participants were asked whether they would prefer to be named in  
274 the study or anonymised. The questions sought to gain insights regarding the barriers to localisation  
275 and the impact of CLCs on these barriers. Interviewees were also encouraged to suggest other  
276 strategies for localisation. Again, each interview was transcribed, coded, and analysed thematically.  
277 However, the process was less straightforward than in phase one because research questions 3 and 4  
278 are more analytical in nature. Therefore, the themes identified are more partial and may be more  
279 open to contestation than those from phase one.

280

281 **Table 1.** Expert interviewees

<b>Name</b>	<b>Institution/Organisation</b>	<b>Background/outlook</b>
Mark Burton	Steady State Manchester	Degrowth/Marxist
Molly Scott Cato	Green Party of England and Wales	Green Economist
Kristofer Dittmer	ICTA-UAB	Degrowth/Ecological
Gary Dymski	University of Leeds	Post Keynesian
Matthew Jackson	The Centre for Local Economic Strategies	Social Economist
Mary Mellor	University of Northumbria	Green Economist
Jo Michell	University of Western England	Post Keynesian
Marco Passarella	University of Leeds	Marxist

282

283 **4. Results and discussion**

284 **4.1. The £B and local procurement**

285 Research question 1 asked the following: To what extent has the £B facilitated more local  
286 procurement by businesses that use the currency? According to a representative of the £BCIC, there  
287 are cases where the currency has done so: “We have some examples of new business-to-business

288 connections” (£BIC Interviewee). While the £BIC did not supply any evidence to support this  
 289 statement, our results suggest that the £B’s impact on supply chain localisation has been minimal.  
 290 Table 2 lists all the business interviewees. Those in similar procurement situations *vis-à-vis* the £B are  
 291 grouped by number. The significance of each number is explained in the right-hand column of the  
 292 table.

293

294 **Table 2.** Has the Bristol Pound facilitated more local procurement?

Group	Inter- viewee	Company type	Average £Bs received per month	To what extent has the Bristol Pound facilitated more local procurement by businesses that use the currency?
1	G	Café	£200-£300	Some extra local procurement. £B was a consideration in the decision to use two new suppliers.
2	D	Health food	£50	No extra local procurement. £Bs spent with suppliers who were suppliers previously. Supplies bought from the same organic food wholesaler (Interviewee Z).
	H	Café	£20	
	I	Health food	Hundreds	
	S	Café	£50	
	X	Bakery	£400-£500	
3	Y	Food wholesaler	£2,000	No extra local procurement. Some £Bs spent with suppliers who were used previously. The majority spent on business rates. Sometimes find it difficult to spend £Bs. Interviewee Z converts some £B back into sterling in the months when no business rates are due. Interviewee Y mistakenly thought that they were not allowed to convert back to sterling.
	Z	Organic food wholesaler	£10,000	
4	W	Veg supplier	£500	No extra local procurement. Some £Bs spent with supplier who was used previously. The rest converted back to sterling.
5	B	Jewellery/craft	£20	No extra local procurement. Suppliers do not accept £B. Those who have received £Bs spend them in local shops, bars, and restaurants. Some reported spending £Bs at places they frequented previously. Others reported seeking out new places to spend them. Some reported difficulties spending £Bs. Others did not have this problem.
	C	Flower shop	£10	
	K	Art and craft	50p	
	L	Upholstery	1 payment	
	M	Home and gift	£0	
	N	Restaurant	£15	
	T	Toy shop	£100	
	U	Health food	£85	
V	Salad grower	£2		
6	A	Clothes shop	Varies	No extra local procurement. Some £Bs spent with suppliers who were used previously. Many suppliers do not accept the £B. Spends £B on groceries and restaurants.
	F	Sweetshop	£15-£40	
7	V	Farmer	£400	No extra local procurement. Does not earn enough to be worthwhile. Converts back to sterling because lives an hour away from Bristol.
8	R	Café	£25	No extra local procurement. Does not receive enough £Bs to pay suppliers. Employee takes some in wages to spend in bars and cafés. Has £Bs in account that they do not spend.
9	E	Used book shop	£5	These businesses either do not have suppliers (used book shop and charity shop), or information was not available because the employee interviewed did not know the answer.
	J	Restaurant	£50-£60	
	O	Restaurant	£800	
	P	Charity shop	40p	
	Q	Bakery	£20-£25	

295 Only one out of 27 business interviewees (G) indicated that the £B had influenced them to procure  
296 more locally. In this case, the acceptance of the £B by two suppliers was “a consideration” in the  
297 decision to source products from them. The first supplier was a local small-scale producer of soft  
298 drinks. According to the company’s website they make soft drinks using locally-sourced and British  
299 ingredients on their premises just outside Bristol. The previous drinks supplier was described by  
300 Interviewee G as “a large drinks distributor so definitely not local”. Therefore, some localisation does  
301 seem to have occurred as a result of this switch. The other example cited involved a decision to source  
302 salad items from a Bristol-based salad producer. In this case the effect on supply chain localisation  
303 was unclear, as Interviewee G did not know where the previous supplier sourced their produce.

304 Aside from Interviewee G, no further instances of supply chain localisation were detected. Those  
305 in similar procurement situations have been grouped and coded by number. Group 2 indicated that  
306 although they re-spend all of the £Bs they receive with local suppliers, those suppliers pre-dated their  
307 participation in the scheme. Therefore, although they pay their suppliers in a different currency, their  
308 procurement practices remain unaltered. Interestingly, all the businesses in this category sell food  
309 and drink and source produce from the same whole foods supplier (Interviewee Z). These transactions  
310 are undertaken using £Bs.

311 Interviewees Y and Z (Group 3) form an interesting pair. Both companies are wholesale suppliers.  
312 As noted above, Interviewee Z receives £Bs from customers (including those in Group 2). Again, Group  
313 3 spends some £Bs with their old suppliers. However, because they receive more of the currency than  
314 they can recirculate back into the local economy, the majority of their £B earnings are used to pay  
315 business rates. For example, Business Z receives around £B12,000 each month. Most of this money is  
316 used to pay business rates which amount to £86,000 per year. They also convert “a fairly small figure,  
317 probably less than 10%” of their £Bs back into sterling in the months when no business rates are due  
318 (Interviewee Z). Interestingly, Interviewee Y did not know it was possible to convert £Bs back into  
319 sterling, suggesting that, in this case, convertibility was not a factor in their decision to join the  
320 scheme. Similar to Group 3, Interviewee W (a vegetable grower/supplier and the sole occupant of  
321 Group 4) spends some of the £Bs they receive with an old supplier. The rest they convert back to  
322 sterling (Interviewee W).

323 The ten respondents in the largest group (Group 5) said their suppliers did not accept the £B. Again,  
324 the £B has not influenced them to change suppliers. The majority of this group spend their £B takings  
325 on things like groceries, coffees, and sandwiches. Some did so at places they frequented previously,  
326 while others reported finding places to spend them via the £B directory. Many had non-local suppliers:  
327 “I source a lot of my own products from places like Thailand, Bali, yeah, so it would be no good to  
328 them even if they were aware [of the £B]... I do buy a lot of British products as well, those British

329 products are very rarely from Bristol” (Interviewee B). Some reported having local suppliers who do  
330 not accept the £B. Businesses dealing in manufactured goods not produced locally were particularly  
331 unwilling to accept the currency.

332 Group 6 share commonalities with Groups 2 and 5. Although they pay some suppliers using the  
333 £B, the majority do not accept it. Again, those paid in £Bs are not new suppliers. Interviewee V, a  
334 supplier of meat and dairy produce (the sole occupant of Group 7) said that they did not procure things  
335 using the £B because they received too few of them. However, they were happy to convert their £B  
336 back into sterling. Interviewee R, a sandwich shop owner (the sole occupant of Group 8) said that  
337 while some of their suppliers accept the £B, it was more convenient to pay with sterling. The  
338 remaining five interviewees (Group 9) either did not have suppliers due to their business model or did  
339 not know the answers (because they were employees rather than owners).

340 When speaking to business owners it was clear that procurement decisions are based on a number  
341 of factors, mostly unrelated to the currency. Cost seemed to be a priority:

342

343 Yeah it's quite expensive to produce clothes in this country. I mean we do get... some stuff that is  
344 produced here. But then we don't sell high-end things, a lot of things produced here generally are  
345 a bit more expensive. But we try and focus on getting Fairly Traded stuff (Interviewee A).

346

347 Some gave other reasons for not procuring local goods:

348

349 I'm very specialist. I'm within the specialisms of specialists, it's kind of quality stuff mostly... A lot  
350 of the suppliers of the things I want, I get stuff from Germany, France, Europe, mainly. It's all  
351 European stuff (Interviewee K).

352

353 Interviewee K was proud to sell “quality stuff” and this was a prime consideration in deciding to  
354 purchase goods from outside of the UK. The lack of local manufacturers able to supply the necessary  
355 products was also cited as another barrier to local procurement: “There aren't any toy manufacturers  
356 in Bristol, as far as I know” (Interviewee T).

357

#### 358 **4.2. The £B and local production**

359 Research question 2 asked the following: To what extent has the £B facilitated more local  
360 production? The vast majority of business interviewees had not seen any evidence of increased local  
361 production since the arrival of the £B. As Interviewee B put it:

362

363 There is potential there perhaps but certainly my experience with the Bristol Pound hasn't shown  
364 that we are getting, you know, extra types of people doing things in the local economy production-  
365 wise if you like. It doesn't seem to be happening (Interviewee B).

366

367 Some expressed surprise that the variety of locally-produced goods was something anyone would  
368 expect to be influenced by a local currency:

369

370 I've never thought about the connection between the variety of locally-produced goods. Maybe I  
371 don't know enough about the ethos of the local currency but I certainly haven't seen that  
372 (Interviewee Q).

373

374 This response is understandable given that the £B has never really been promoted as a tool for  
375 extending the variety of locally-produced goods and services. As mentioned in Section 2, the £B/CIC  
376 and BCU usually extol the £B's virtues as a way of increasing the local economic multiplier for pre-  
377 existing local businesses, not its capacity to increase local production. However, others have been  
378 more explicit in voicing such hopes for the £B (e.g. Ryan-Collins, 2012).

379 Interestingly, the interviewees from BCU and the £B/CIC (founders and administrators of the £B)  
380 provided conflicting views regarding the £Bs' impact on local production. According to the £B/CIC:

381

382 We are demonstrating it [the capacity of the £B to extend the variety of locally-produced goods  
383 and services] by continuing to grow the scheme. Though growth is slow, it is on an upward trend  
384 (£B/CIC Interviewee).

385

386 In contrast, the BCU interviewee said the following:

387

388 Arguably, the purpose of a local currency is not to extend the variety of locally-produced goods and  
389 services, but to support those already in existence and to encourage the environment which makes  
390 possible such extension (BCU Interviewee).

391

392 The point about encouraging a more supportive environment for locally-produced goods and  
393 services was echoed by other interviewees, many of whom expressed their hope that the £B would  
394 play a bigger role in local production in the future. The next section examines the barriers to  
395 localisation and the possibility of altering the £B to overcome them, while elucidating other potential  
396 strategies for doing so.

397

### 398 **4.3. Barriers to localisation, and alternative approaches**

399 Research question 3 asked about the barriers to localisation and whether CLCs can help overcome  
400 these barriers. Meanwhile, research question 4 asked what other approaches to localisation, apart  
401 from local currencies, could be pursued. Table 3 highlights some of the barriers to localisation (column  
402 1) and potential approaches for overcoming them (column 2). These insights were gleaned from the  
403 expert interviews and each are discussed in the subsections below.

404 **Table 3.** Barriers to localisation and approaches to overcome them

Barrier to localisation	Approaches to overcome barrier
Free movement of capital	Government capital controls; Public procurement favouring local and ethical products/businesses.
Free trade	Government tariffs on imports; Government subsidies for domestic production.
Lobbying power of global corporations	Laws to keep money out of politics; Different forms of business ownership (e.g. cooperatives, public companies, not-for-profits); Regulation to reduce the power/size/purpose of corporations
The banking sector's lack of investment in local economies	Banking reform and regulation; New types of financial institutions that lend for local production; Bigger role for the state in money creation and allocation.
Consumer culture which values global commodities and cheap imports	Education campaigns; Restrictions on advertising; Policies to make local products more affordable (e.g. tariffs, subsidies, higher wages).
The expansionary logic of capitalism	Transition to a post-capitalist system.

405

406 **4.3.1. Capital mobility**

407 The free movement of capital was highlighted by many expert interviewees as an important barrier  
408 to localisation. As Marco Passarella explained:

409

410 Globalisation [the opposite of localisation] is and has been mainly driven by the removal of capital  
411 controls, the removal of barriers and constraints particularly to the financial sector... Financial  
412 liberalisation and globalisation are strictly related together and indeed the globalisation era in a  
413 way arose... at the end of the 70s early 80s when the European countries started to remove these  
414 barriers. Globalisation is mainly about removing barriers and allowing capital to flow from one  
415 country to another and from one region to another.

416

417 If the removal of capital controls was integral to the process of globalisation, their reinstatement  
418 could go a long way towards reversing the process; several interviewees suggested as much. However,  
419 because the imposition of capital controls requires political action at the national/international scale,  
420 CLCs could not be expected to have much impact on capital mobility.

421 It is true that CLCs have been advocated as a way of limiting capital mobility at the local level due  
422 to their supposed ability to encourage local spending (Cato and Suarez, 2012). However, because CLCs  
423 can be exchanged for national currency, this outcome is not guaranteed. As Mary Mellor put it:

424

425 As soon as you can switch and exchange into other currencies freely, the free movement of capital,  
426 then obviously production and exchange is going to flow globally... if people got hold of the Bristol  
427 Pound and didn't want to stay local they would just change it back into sterling, and then they'd  
428 change it from sterling into Euros, and Euros into dollars. So I think it's not the money that's making  
429 the Bristol Pound work, it's the willingness of people to act local.

430

431 Encouragingly, only three (out of 27 business interviewees) reported converting their £Bs back into  
432 sterling. However, these were amongst the few who received more than £B300 per month. The  
433 majority earned very few £Bs (see Table 2) and, consequently, did not earn enough to warrant  
434 converting them back into sterling. While BCC's acceptance of the £B for the payment of business  
435 rates is also a disincentive for converting back into national currency, only two businesses used their  
436 £B to pay business rates (Group 3). Interestingly, Group 3 are the highest earners of £Bs. The other  
437 participants reported receiving too few £Bs to pay business rates in them.

438 BCC's spending power has been pinpointed as a key factor that could help the £B to drive  
439 localisation. However, it is not clear that increasing the proportion of BCC procurement denominated  
440 in £Bs would have the desired effect of enforcing changes in spending habits. As described in Section  
441 4.1, apart from Interviewee G, little evidence could be found of businesses changing their  
442 procurement habits since the arrival of the £B. If BCC did manage to vastly increase the number of £Bs  
443 in circulation, it is conceivable that businesses receiving more than they could spend would simply  
444 convert them back to sterling (like Interviewees V, W, and Z). Another likely outcome would be for  
445 excess £Bs to be returned to BCC in the form of business rate payments (like Group 3). This outcome  
446 would put the onus back on BCC to recirculate £Bs back into the local economy. Indeed, in 2014 over  
447 50% of £B deposits in business accounts were paid to BCC to settle business rates (Bristol Pound  
448 Community Interest Company, 2014: 11), a problem that is well understood by the £BCIC:

449

450 The need for BCC to spend at or above the level of business rates received from business members  
451 using £B... is vital to maintain and increase the volume of currencies issued. As BCC currently  
452 accepts Bristol Pounds via business rates we can observe a dampening effect this can have on  
453 circulation (Bristol Pound Community Interest Company, 2014: 11).

454

455 This finding supports Dittmer's (2013) suggestion that the £B's dependence on public procurement  
456 undermines the utility of having a currency oriented towards local businesses. Interestingly, Matthew  
457 Jackson and Mark Burton both highlighted public sector procurement as a useful strategy for  
458 localisation (in lieu of a CLC). In his work at the Centre for Local Economic Strategies, Jackson has been  
459 collaborating with Manchester and Preston City Councils to help them increase their local spending.<sup>4</sup>  
460 Meanwhile, Burton emphasised how such procurement would need to prioritise the decarbonisation  
461 of supply chains.

462

---

<sup>4</sup> See Jackson (2017) for an interesting overview/appraisal of CLES' collaboration with Manchester City Council on local procurement.



463 **4.3.2. Free trade**

464 Institutional support for free trade was cited by interviewees as another political barrier to  
465 localisation. As Mark Burton put it:

466

467 [Free trade] tilts the table away from the local because cheap labour and cheap energy subsidised  
468 production elsewhere makes it very difficult, in a competitive environment, for local producers,  
469 whether that's local producers of food or durable goods or whatever.

470

471 Import tariffs and subsidies for domestic industry were suggested by some interviewees as  
472 strategies to reverse free trade in order to "protect... and build the local economy" (Molly Scott Cato).  
473 Meanwhile, a carbon tax on transport fuels was also suggested by Dittmer, Burton, and Cato as a  
474 means of making long-distance trade prohibitively expensive. However, as noted by a number of  
475 interviewees, any political moves to reverse globalisation would meet with resistance from those who  
476 benefit the most from it, in particular multinational corporations.

477

478 **4.3.3. Corporate power**

479 The formidable power of corporations was also cited as a key barrier to localisation. As Molly Scott  
480 Cato put it:

481

482 The people who have benefitted from those [pro-globalisation policies] have been corporations,  
483 and I think this is a major reason why people are losing confidence in politicians. Because they  
484 don't see politicians as people who are prepared to stand up to corporate power. Partly because  
485 the corporations themselves have a lot of lobbying power.

486

487

488 The £B is supposed to challenge corporate power by encouraging spending with local as opposed  
489 to big business. This principle is operationalised through the rule that £B "business accounts are  
490 available to traders that are independently owned and based in or around Bristol" (Bristol Pound,  
491 2017). However, this rule has not been enforced across the board. For instance, the £BIC have an  
492 agreement with First Group, a corporation who deliver privatised bus services in Bristol, whereby £Bs  
493 can be used to pay for bus travel. Although this agreement was made to encourage more usage of the  
494 £B, some believe a more confrontational stance towards big business would widen the currency's  
495 appeal:

496

497 They could have said: 'Do you want to stick two fingers up to Tesco's? Bristol Pounds is the answer.  
498 Wanna stick two fingers up, generally, to big businesses, multi-national corporations, wanna  
499 support your local independent? Stick £50 of Bristol Pound in your wallet and spend it  
500 locally.' ...But they chose not to do it, so you had to work it out for yourselves, sort of thing... I

501 suppose because they thought they might be seen as having a political, or anti-political agenda  
502 (Interviewee E).  
503

504 This statement tends to support Dittmer's (2013) Marx-inspired critique of the £B as a form of  
505 "appeal-to-elites utopian socialism" that forgoes the political action that is required to bring about  
506 change. One strategy might be to support and campaign for politicians who are prepared to challenge  
507 corporate power. However, as noted by Marco Passarella, "It's almost impossible... to win the  
508 elections by telling [people] that you are going to reduce the power of corporations." This is a problem  
509 because most of the interviewees' suggestions for overcoming corporate power would need to be  
510 implemented by sympathetic politicians. Suggestions ranged from tougher regulation of big business,  
511 right through to dismantling the shareholder-owned for-profit model of business organisation. Public  
512 ownership, worker cooperatives, and not-for-profits were all identified as possible alternative  
513 business models. Again, such moves would require strong government intervention to change laws  
514 and institutions. Although the idea of a bottom-up transition has a certain appeal, it has been shown  
515 that many proposals for achieving environmental and social sustainability require top-down action  
516 (Cosme et al., 2017). While worker cooperatives and not-for-profits do exist in the UK, they are  
517 currently the exception rather than the norm. Furthermore, as noted by Matthew Jackson, such  
518 operations require significant amounts of "social investment, funding, and resources to get off the  
519 ground".

520

#### 521 **4.3.4. Banks, money, and public goods**

522 The banking sector's role in allocating money in the economy was also raised as an important area  
523 for consideration by some interviewees. The UK's banking sector was criticised for directing resources  
524 towards speculative and environmentally destructive activities at the expense of local economies and  
525 public goods. As it is backed by sterling, the £B does not create any additional spending power. This,  
526 according to a number of interviewees, explains its lack of impact on local productive capacity.  
527 Although BCU said they had been able to increase lending as a direct result of the recently acquired  
528 deposits of £B users (Interviewee BCU), the scale of the increase was limited by the relatively small  
529 number of £B deposits. Bristol Prospects, the mutual credit scheme that is associated with the £B,  
530 could hold more promise for increasing local productive capacity. While Bristol Prospects could create  
531 new spending power for its members, the scheme's explicit support for local economic growth is  
532 problematic from a sustainability perspective. Thus, for Bristol Prospects to drive sustainable  
533 localisation, the £BIC would need to be very selective about the types of businesses that were  
534 allowed to participate.

535 Several suggestions were put forward by interviewees to reform money and banking. Some  
536 suggested a bigger role for public, local, and cooperative banking. Marco Passarella suggested  
537 nationalising and breaking up the big banks that currently dominate. Mary Mellor argued that  
538 government spending should play a bigger role in allocating money towards local economies and  
539 public goods. Again, all of these suggestions require political intervention at the national scale.

540

#### 541 **4.3.5. Culture**

542 Consumer culture was also highlighted as a huge barrier to localisation by a number of  
543 interviewees. Is the £B helping to reverse this culture? Molly Scott Cato noted that the Stroud Pound  
544 played an important role in getting people to think more about the nature of money and local  
545 economies. Similarly, according to a BCU representative, “anecdotal evidence [suggests] there are a  
546 growing number of people who have said that they now shop primarily in their local independent  
547 stores having previously shopped at supermarkets” (BCU Interviewee). While this may be true, it is  
548 also apparent that only a very small minority actually use the £B. A number of interviewees (both  
549 business and expert) expressed the view that the £B (and local currencies more generally) struggle to  
550 gain traction outside of educated, environmentally conscious, left-leaning circles:

551

552 [Bristol Pound users are typically] people who are maybe campaigning against big companies or  
553 against... I imagine it's that sort of activist person who wants to do something active to support the  
554 local economy... yeah, late twenties, thirties I'd say are the people that I see use it. People who like  
555 local farmers and who appreciate the impact it has on their personal business or the environment  
556 (Interviewee Q).

557

558 This view is reinforced by the fact that most business interviewees reported £B earnings of less  
559 than 2% of business turnover. Similarly, an email from a BCU representative confirmed that “at the  
560 end of July [2015] there were 1,277 individual [£B] accounts open, and 568 trader accounts”. As a  
561 rough approximation of regular users, this number equates to 0.4% of Bristol's population (or 0.2% of  
562 the currency's entire circulation area). Moreover, the £B700,000 currently in circulation accounts for  
563 only 0.007% of Bristol's gross domestic product.<sup>5</sup> If the £B's impact on localisation is dependent on its  
564 use becoming normalised, it still has a long way to go.

565

#### 566 **4.3.6. The internal (expansionary) logic of capitalism**

567 Perhaps the most daunting barrier to localisation raised during the interviews was the internal  
568 expansionary logic of capitalism, an issue discussed in detail by Mark Burton:

---

<sup>5</sup> Bristol's gross domestic product is approximately £10 billion.

569

570 I see the process [of globalisation] as part of an integral process of long duration whereby capital,  
571 and that's shorthand obviously, where the owners of capital which these days includes bodies like  
572 pension funds as well as individual capitalists, where capital seeks to maintain its profitability and  
573 to surmount the internal contradictions of the system. And it does that through the pursuit of new  
574 resources, so in order to extract raw materials it does that on an ever-increasing scale which  
575 transcends national boundaries. It seeks labour forces for whom it can expropriate surplus value  
576 more readily. And also it accumulates through dispossession, forcing people off the land and so on.  
577 And it does it through the pursuit of new markets. So it's dealing essentially with the process of  
578 stagnation which is inherent in its internal logic, like a contradiction in the system. So that kinds of  
579 leads us into a process of globalisation which of course has accelerated since the fall of the Soviet  
580 Union.

581

582 This argument is reminiscent of that put forward by Klitgaard and Krall (2012) (see Section 2) who  
583 also view the internal dynamics of capitalism as the main barrier to localisation. As with the other  
584 barriers mentioned previously, the £B does not pose a threat to the capitalist system. In fact, because  
585 CLCs are complementary (as opposed to alternative) currencies, it could be argued that they facilitate  
586 rather than undermine capitalist growth (Dittmer, 2013). While Burton accepts the argument that  
587 overcoming capitalist growth necessitates large-scale institutional change, he is also of the opinion  
588 that there is much that can be done locally to fight the system's tendency to globalise.

589 Burton is a founder member of Steady State Manchester, a grassroots collective which advocates  
590 and lobbies for an alternative approach to economic development in the Manchester city region "so  
591 that all can live well and within planetary limits" (Steady State Manchester, 2016). The group recently  
592 produced a report entitled "Policies for the City Region" (Steady State Manchester, 2017), aimed at  
593 the incoming Greater Manchester Mayoral administration (which will soon be given more  
594 responsibilities under a devolution agreement with central government). While the proposals in the  
595 report are concerned with the city-region scale, their focus on the political realm tends to support  
596 Dittmer's (2013) argument regarding the necessity for political engagement when the goal is to effect  
597 progressive change. Such engagement may prove to be a more effective route to localisation than the  
598 creation of CLCs.

599

#### 600 **4.4. Localisation by other monetary means**

601 As outlined above, the evidence suggests there are multiple barriers to localisation which, being  
602 political in nature, are unlikely to be overcome by a CLC such as the £B. While this does not necessarily  
603 mean that localisation cannot be pursued through some form of monetary innovation, it does suggest  
604 that, to be effective, any such innovation would require state backing and enforcement. With this in  
605 mind, it is worth briefly examining Hornborg's (2017: 627) proposal for a complementary currency  
606 that would be distributed by governments to their citizens as a basic income. Rather than being one

607 of many local currencies (as per the CLC model), this approach would be a “national, complementary  
608 currency for local use”.

609 Such a currency would have three significant advantages over CLCs *vis-à-vis* its likely impact on  
610 localisation. First, because it would only be partially convertible (at some percentage of total income)  
611 and at rates regulated by the government, there would be less financial leakage from local regions  
612 into global circuits of capital accumulation. As noted in the previous section, because they are fully  
613 convertible, CLCs are ill-equipped to perform this function. Second, because Hornborg’s currency  
614 could only be spent on locally-produced goods (certified by the authorities and defined in terms of  
615 transport distances), demand for such goods would likely increase, thus incentivising local production.  
616 Again, this is not the case with CLCs which can be spent on goods originating from anywhere in the  
617 world. Finally, because such a currency would serve as fiat money for local goods and services, local  
618 production and consumption would be further incentivised. This arrangement contrasts with CLCs  
619 which are only accepted by businesses on a voluntary basis.

620 While Hornborg’s proposal for a state-backed complementary currency addresses some of the  
621 problems that we have identified with CLCs, it would require a much higher level of political  
622 involvement than CLCs do. It therefore remains an open question whether such an initiative could  
623 survive the transition from a theoretically promising proposal to a practical solution for localisation.  
624

#### 625 **4.5. Limitations**

626 Our analysis of the Bristol Pound is largely based upon 27 semi-structured interviews with  
627 businesses in Bristol. While 27 is not an insignificant number, if time and resources had permitted, we  
628 would have spoken to a larger proportion of the 900 businesses who accept the currency. Although  
629 we do not believe a larger sample of business interviewees would significantly change our results, we  
630 recognise that it would make them more robust. In this regard, future studies examining this topic  
631 might employ questionnaires as well as face-to-face interviews. Similarly, if time and resources had  
632 permitted, we would have interviewed more expert interviewees. Again, while we do not believe this  
633 would significantly affect our results, a larger sample representing a wider spectrum of opinion could  
634 only have enriched the study.

635 While we question the notion that social science can ever be conducted from a position of  
636 disinterested neutrality (Söderbaum, 1999), we also acknowledge how subjectivity, though  
637 unavoidable, can contribute to research limitations. In this regard, we recognise that our analysis of  
638 the interview data was an (unavoidably) interpretive and subjective process. Although we doubt that  
639 others would have come to radically different conclusions given the same data, we recognise the  
640 possibility that they might.

641 Another possible limitation is related to the timing of the field work. When the interviews were  
642 conducted (in July 2015), the £B had only been operational for three years. Some might argue that we  
643 should give the £B more time to establish itself before enquiring into its impact on localisation — an  
644 argument that is not without merit. However, given the multi-scalar barriers to localisation identified  
645 in this study, we doubt whether there will be any significant change with the passage of time.

646 Finally, it is worth stressing that our study only analyses the relationship between CLCs and the  
647 goal of localisation. We do not attempt to analyse other suggested benefits of local currencies such  
648 as their ability to facilitate exchange in the face of economic crisis, increase the local economic  
649 multiplier, or foster social capital. While their backing by a national currency is likely to hamper the  
650 effectiveness of CLCs in times of economic crisis (Dittmer, 2013), there is some evidence that CLCs  
651 may increase the local economic multiplier (Michel & Hudon, 2015) and help build social capital  
652 (Seyfang and Longhurst, 2013). Indeed, this claim is supported by the results of a recent case study  
653 concerning the social effects of the digital technology used to facilitate electronic £B payments. This  
654 technology was found to foster social interactions which would not otherwise have occurred (Ferreira  
655 et al., 2015). Thus if community building is the main goal being pursued (as opposed to localisation),  
656 then a CLC might yet be a useful tool.

657

## 658 **5. Conclusion**

659 This article has presented original research on the Bristol Pound, a CLC based in the UK, and  
660 assessed its impact (or lack thereof) on localisation. In doing so, we have explored four research  
661 questions: (1) To what extent has the £B facilitated more local procurement by businesses that use  
662 the currency? (2) To what extent has the £B facilitated more local production? (3) What are the  
663 barriers to localisation, and are CLCs able to overcome these barriers? (4) If CLCs are not the answer  
664 to localisation, what other approaches could be pursued?

665 Overall, our findings suggest that the £B is an ineffective tool for localisation. The £B has not  
666 influenced the businesses who use the currency to procure more local products; it has merely replaced  
667 the unit of account in which (some) local trade is denominated. What is more, the £B has had no  
668 discernible impact on local productive capacity. These findings are important because CLCs have been  
669 advocated as a potential tool to drive localisation. This advocacy may be misplaced.

670 Although our case study has only focused on a single CLC, it is one of the best-known CLCs, and it  
671 has a number of important characteristics which advocates suggest are needed for success (i.e. it  
672 circulates regionally, it is administered by a credit union, and businesses can use it to pay local taxes).  
673 Our findings may therefore be applicable to CLCs more generally, particularly given that many of the

674 barriers to localisation operate across multiple spatial scales, from the local to the global (e.g. capital  
675 mobility, free trade, the power of global corporations, and the expansionary logic of capitalism).

676 CLCs pose little challenge to the dominance of general-purpose (conventional) money and its logic  
677 of virtually limitless commensurability between all manner of goods and services, regardless of the  
678 socioeconomic, political, and ecological context of their production. Challenging this dominance may  
679 require fundamental reform of financial and monetary institutions at both the national and  
680 international scale. Since many of the most difficult barriers to localisation are political in nature, and  
681 hence are a product of complex power relations, these barriers are unlikely to be overcome by what  
682 is essentially a technical solution acting at the margins. Localisation goals may be better served  
683 through political struggle and contestation.

684 Proponents of localisation often emphasise grassroots (as opposed to top-down) solutions to the  
685 problems associated with globalisation. We do not deny the importance of activism or its central role  
686 throughout history in driving progressive change. However, like successful activists of the past, those  
687 seeking to drive localisation will ultimately need to influence government policy, or better yet, gain  
688 control of government institutions.

689 We therefore argue that those trying to drive localisation should seek political change in order to  
690 achieve their vision of an equitable, sustainable economy that respects the finite nature of the planet  
691 and its resources. Such an economy represents a fundamental ideological shift. Future research into  
692 the prospects for localisation would therefore benefit from a greater focus on the political barriers  
693 identified in this study, and strategies to overcome them.

694

## 695 **Acknowledgements**

696 We would like to thank all of the interviewees who gave their time to contribute to this project.  
697 We would also like to thank Cathy Parker, Kristofer Dittmer, and two anonymous reviewers for  
698 providing insightful comments and suggestions on earlier drafts.

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