

## Currency-Innovation as an approach to the Euro-Crisis

### An introduction to promising new proposals for the situation in Greece

Greece is trapped in its debt crisis. All measures of the European authorities were restricted to the financial markets and the debt handling. Still the situation remains difficult. Without giving additional attention to the situation in Greece itself, there will be no solution. The Greek economy, as the foundation of existence of people and companies, must regain its function to allow any repayment of debts. Monetary interventions at the Euro-level alone cannot guarantee this or even prohibit a raise of the economy. What to do?

#### Thinking out of the box: Currency-innovation!

The discussion about the Euro seems polarized between the call for an *exit* of Greece or the call for “a *remaining* under all circumstances“. But it is not just that! By thinking out of the box, new promising concepts have been developed which unite both the *exit* and the *remaining* scenario. These innovative proposals do come from alternative masterminds as well as from renowned scientists and are based on parallel or complementary currency.

#### What is a parallel currency?

It is basically a specially designed additional currency that is used together with the official Euro-currency filling the task of feeding a troubling economy from the bottom line. From an economic point of view, parallel currencies are able to decouple regional, national and international systems, stabilize them and allow a much better regulation by control of the different dynamics. The stabilizing effect of such multi-level-currencies is well known e.g. at the Swiss WIR-Franc or during the Argentine economic crisis which was buffered by many small complementary currencies. In Greece a “New Drachma” could be issued as such an additional currency.

#### How is it designed?

Complementary currencies do exist in many forms and a New Drachma can be tailor-made after the specific needs. Respected economists and leading practitioners of alternative money systems have already suggested a number of reasonable possibilities (see following section). They can rely on small but tried and tested solutions and at least 80 years experience in the field. Cost effective and flexible solutions are possible. Yet which design will serve as an appropriate aid for the Greek problem has to be found out by enhanced research.

#### How could it be implemented?

The different proposals show how a parallel currency could get into function:

- Issued as a part of wages and salaries of the public staff (Gahrmann)
- Foreign trade by Euro, domestic trade by parallel currency (Schuster/Kennedy)
- Got a demurrage in favour of a faster circulation (Behrens, Gelleri/Mayer)
- Allow devaluation and therefore an adjustment of the Performance of the economy (Bossone/Sarr)
- Collected as a part of the taxes (Buiter/Rahbari)
- Non-Government-System by mobile-phones, gradually increase of transactions (Andresen)

The list on page two shows a selection of the fully up to date innovation approaches as far as they were published. Further possibilities may be found or specifically developed soon.

#### Summary

The situation in Greece is at a critical point. Currency innovation could be an effective way and it looks like a very successful one. Together with EU and Greek authorities a council of beneath indicated scientists and practitioners could work out a negotiable proposal. This chance to find crucial measures of discharge should be taken soon.

**List of proposals by author(s)**

<b>Autor(s)</b>	<b>Title</b>	<b>Source</b>	<b>Web</b>	<b>Date of Publication</b>
Andresen, Trond	What if the Greeks, Portuguese, Irish, Baltics, Spaniards, and Italians did this: high-tech parallel monetary systems for the underdogs?	real-world economics review	<a href="http://p.feedblitz.com/t2.asp?/332386/8349796/4152457/http://www.paecon.net/PAERew/issue59/Andresen59.pdf">http://p.feedblitz.com/t2.asp?/332386/8349796/4152457/http://www.paecon.net/PAERew/issue59/Andresen59.pdf</a>	12.03.12
Behrens, Eckhard	Griechenland braucht Regiogeld	Humane Wirtschaft	<a href="http://www.humane-wirtschaft.de/2011_06/HW_2011_06_S02-06.pdf">http://www.humane-wirtschaft.de/2011_06/HW_2011_06_S02-06.pdf</a>	June 11
Berger, Wolfgang	Greece as special economic area of the European Union? Stabilising Greece with "flowing money" and saving the euro as "flowing money"	Lust auf neues Geld: Neues Geld gemeinnützige GmbH	<a href="http://www.lust-auf-neues-geld.de/index.php?option=com_content&amp;view=category&amp;layout=blog&amp;id=21&amp;Itemid=188(German%20only)">http://www.lust-auf-neues-geld.de/index.php?option=com_content&amp;view=category&amp;layout=blog&amp;id=21&amp;Itemid=188(German only)</a>	Feb. 11
Bossone, Biagio; Sarr, Abdourahmane	Greece Can Devalue AND Stay in the Euro	EconoMonitor	<a href="http://www.economonitor.com/blog/2011/07/greece-can-devalue-and-stay-in-the-euro/">http://www.economonitor.com/blog/2011/07/greece-can-devalue-and-stay-in-the-euro/</a>	07.11.11
Buiter, Willem; Rahbari, Ebrahim	The future of the euro area: fiscal union, break-up or blundering towards a 'you brake it you own it Europe' (3 scenarios)	Citigroup, London	<a href="http://www.willembuiter.com/3scenarios.pdf">http://www.willembuiter.com/3scenarios.pdf</a>	09.09.11
Gahrman, Arno	Euro und Drachme	taz	<a href="http://www.taz.de/1/archiv/digitaz/artikel/?ressort=me&amp;dig=2011%2F09%2F29%2Fa0137&amp;cHash=386e787ad0">http://www.taz.de/1/archiv/digitaz/artikel/?ressort=me&amp;dig=2011%2F09%2F29%2Fa0137&amp;cHash=386e787ad0</a>	29.09.11
Gelleri, Christian; Mayer, Thomas	Express Money: Economic Recovery in Debt-Ridden Countries via Fast-Circulating, Slow-Leaking Regional Money	<a href="http://www.eurorettung.org">http://www.eurorettung.org</a>	<a href="http://p24177.typo3server.info/fileadmin/media/Eurorettung/2012_02_21_Express_Money_Avoiding_the_Eurozone_Breakup.pdf">http://p24177.typo3server.info/fileadmin/media/Eurorettung/2012_02_21_Express_Money_Avoiding_the_Eurozone_Breakup.pdf</a>	Feb. 12
Huth, Thomas	Nationale Parallelwährungen in der Euro-Währungsunion	conference of the Seminar für freiheitliche Ordnung, SffO	<a href="http://sffo.de/sffo/TB_20111119_Nationales_Parallel_Geld_02.pdf">http://sffo.de/sffo/TB_20111119_Nationales_Parallel_Geld_02.pdf</a>	19.12.11
Schuster, Ludwig; Kennedy, Margrit	With a complementary currency, Greece can devalue - and remain in the Euro	???	<a href="http://www.ethicalmarkets.com/2011/09/05/with-a-complementary-currency-greece-can-devalue---and-remain-in-the-euro-area/">http://www.ethicalmarkets.com/2011/09/05/with-a-complementary-currency-greece-can-devalue---and-remain-in-the-euro-area/</a>	05.09.11
Skinner, James	Greece can have both the Drachma and the Euro	Financial Times	<a href="http://www.ft.com/intl/cms/s/0/34bbef12-af40-11e0-914e-00144feabdc0.html">http://www.ft.com/intl/cms/s/0/34bbef12-af40-11e0-914e-00144feabdc0.html</a> OR <a href="http://www.neweconomics.org/blog/2011/07/19/greece-can-have-both-the-drachma-and-the-euro">http://www.neweconomics.org/blog/2011/07/19/greece-can-have-both-the-drachma-and-the-euro</a>	16.07.11
ten Dam, Andre	The Matheo Solution: A "common sense" approach to the Euro-crisis	INMAXXA	<a href="http://www.inmaxxa.nl/file_library/The%20Matheo%20Solution%2023%20maat%202011%20English%20version.pdf">http://www.inmaxxa.nl/file_library/The%20Matheo%20Solution%2023%20maat%202011%20English%20version.pdf</a>	21.03.11