

different monies bring different results

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The Ecology Of Money

Richard Douthwaite
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'... due to the way money is put into circulation, we have an economic system that needs to grow or inflate constantly. This is a major cause of our system's continuous and insatiable need for economic growth, a need that must be satisfied regardless of whether the growth is proving beneficial.'

Money makes the world go 'round – but in a downward spiral it would appear. Poor countries are bled dry while banks can 'create' more money out of nothing. Life savings are devoured by inflation while speculators 'earn' billions. Whole regions are thrown into decline while multinationals shift plants around the globe in real time 'monopoly'. All this is facilitated through our monetary system.

But: 'There are, potentially at least, many different types of money, and each type can affect the economy, human society and the natural environment in a different way.' So says Richard Douthwaite in his book *The Ecology of Money*. It came out as No. 4 in the new series of 'Schumacher Briefings' – and that's what it does: briefs us on where money comes from, where it goes and what it does on its way.

'Certainly, if we wish to live more ecologically, it would make sense to adopt monetary systems that make it easier for us to do so.' It is the purpose of the book to explore these alternatives. After looking into the pros and cons of money produced by banks or states or people, Douthwaite arrives at a system of four different currencies for four different purposes: a LETS-type system for local trading; national/regional exchange currencies; 'store of value' currencies for savings; and *ebcus* (energy-backed currency units) as the international currency. This sounds complicated – and it is. But the 'Briefing' goes a long way to explain it – and anyway 'Readers should not feel that they need to understand every paragraph completely before moving on...'

Interesting to note is maybe how Richard's enthusiasm for LETS systems is a bit more muted here, compared to his 1996 book *Short Circuit*. The 'Celtic Tiger' has lowered the importance of local safety nets – for the time being... The emphasis here is more on the international system and 'ebcus' based on SERs (Special Emission Rights for CO2) – this would link the value of money to something tangible, the release of greenhouse gases, and thus help to meet one of humankind's biggest ecological challenges. This idea (first aired in Ireland by Douthwaite in *Earthwatch* #43) seems to be gaining momentum now.

Of particular interest for Irish readers will be the special two pages on Gerry McGarry's 'Roma' local currency-system that operates in Ballyhaunis - with the participation of 92 of the 95 local traders. It isn't just all theory – it's happening! But whatever the details - *The Ecology of Money* will show you that it is not just *how much* money we've got but maybe more so *what kind* of money.

Lothar Lüken is editor of *Earthwatch* magazine where this review first appeared. He lives in WestCork.



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