

# **Academic Report: Building local resilience**

**Alternative Mobility Research Project  
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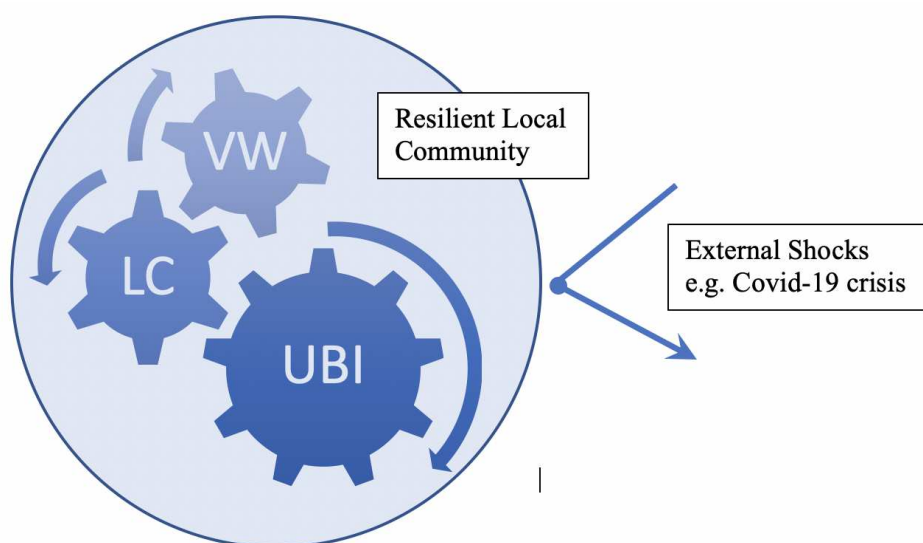
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# 1 Introduction

The Covid-Crisis proved us our vulnerability vis à vis external, hard controllable, impacts. We have learnt that a society is just that strong as its weakest members. In 2008 and nowadays a new multidimensional crisis like Covid-19 has proved the need to build more resilient communities. In times of such crises, a strong welfare state helping to mitigate the negative impacts and to build more resilient societies can be a resolute approach. We aim to address the problem by implementing a universal basic income (UBI) given partly in the form of local currency (LC) and supplemented by the promotion of voluntary work (VW). This scientific report examines evidence that the innovative proposal of combining these three different elements is a way to improve and tackle the lack of resilience at the local level.

Figure 1:



## **Why do we need to build local resilience?**

In 2008, a global crisis left most of the countries in a critical situation, not only economically, but also in other areas such as environmental programs, and public services. George Ross (2016) describes this as the first economic crisis of the 21st century comparable to the Great Depression of 1929. Currently, the coronavirus is raging around the world. Various sections of society and many people's lives are negatively affected and the economic, social, health and psychological consequences are still difficult to estimate. Furthermore, as it says, Peter Marbet, director of Caritas Switzerland: *"The social and economic costs of the pandemic are already high today; but the most serious effects are yet to come"*. Specifically spoken, the covid crisis had different impacts on both local businesses and globally connected firms. The latter that hold the most market power could face the economic shock more easily (Hyun et al., 2020). This is an example of the lack of resilience in local communities. Similarly, the fact that small and medium sized businesses (SMEs) were more likely to deal with liquidity problems than bigger, less local businesses - this also proves lack of resilience (Eggers, 2020; Bartik et al., 2020). Apart from businesses, micro-level economic resilience relates to households' ability to adapt their behavior to face the crisis (McDonald, 2018; Alfani et al., 2015). This is why observing data like the overall household debt or the kind of employment contracts provides us with a measurable variable to observe micro-level economic resilience (OECD, 2017; Fana, 2020). In fact, almost 10% of the Swiss households were indebted before the pandemic, with all the consequences it entails regarding resilience (The Local, 2020). Besides, sectors like retail or tourism, where people work under more precarious conditions are most affected by the pandemic, coinciding with the people that tend to have less resources to confront exceptional crises (Barrot et al., 2020). Thus, households, where its members work in these sectors, enjoy less resilience capacity.

Regarding these examples of need of resilience, we know that recovery of societies will be long and painful for all - as it was the case with the 2008 crisis. Therefore, societies and local communities must develop their ability to recover from the consequences of crises and prevent them, or in other words - being resilient. Not simply for their present well-being, but also for their future one.

In response to that, several academic debates have emerged lately, all pointing out different possibilities to reach resilience. Kousis and Paschou (2017) present a wide range of them:

- Economic solidarity: local exchange trading schemes. e.g., local currencies,
- Social Solidarity Economy (SSE): local market cooperative ethical banks cooperatives for the supply of social services and housing and anti-eviction citizen initiatives.
- Eco-solidarity: initiatives for alternative forms of production and critical consumption behavior.

These previously presented initiatives contribute to a more resilient society. Nevertheless, their small scope only allows them to tackle some parts of problems of resilient communities at a time. In addition, some of these previous, small-scale proposals take the individual purchasing power of citizens for granted, even though this is not the case. These initiatives also mention local currencies, but the impact of a local currency alone, without strengthening the economic power of citizens and without having support of territorial institutions, stays limited (Kalinowski, 2014).

This is what we want to change by creating a project which will promote resilience on a broader scale by considering the problems mentioned above. We affirm that our project can make a local community more resilient while boosting the previously mentioned initiatives. In this sense, our idea can be the engine for other smaller projects such as local markets, while keeping the main purpose in mind: strengthening the resilience of local communities.

### **How is our project implemented?**

We have presented our idea, to what problems we want to contribute and why we think this idea could lead to changes. In the following paragraphs we are going to explain its concrete implementation. The proposal would be implemented by a payment of an UBI amount in the form of the Leman local currency - a currency operating in the region of Geneva. At the same time, a campaign to promote voluntary work will be launched.

This proposal will first be tested with a city-based experiment in Geneva. The experiment would have the Geneva City Council as the main stakeholder, together with the Leman Currency Association and thirdly NGOs and entities will be involved. The Geneva City Council has already distributed financial support to the businesses participating in the Leman currency project and to citizens (Monnaie Leman, 2021). This shows that it is technically feasible to distribute the amount of money covering everyday expenses partly in the form of local currency. We set up an unconditioned welfare system, but at the same time encourage the community's engagement in volunteering in the city of Geneva. Finally, once tested in Geneva, this project can be implemented in other kinds of territorial communities (cities, regions, etc.) according to their characteristics (ex. existing local currency associations, existing community networks etc.).

In regard to similar experiences in the past, our idea is inspired by the 'Disaster-Basic Income'. As a reaction to the current pandemic situation, this DBI is distributed in the form of their regional currency in the South Korean region of Gyeonggi-do. However, this experience is too recent to provide us with enough information and conclusions. Though, some positive conclusions have already been drawn. Regarding Europe, the B-mincome project in Barcelona is probably the most similar, but still there are three main differences. First, the local currency through which the basic income was distributed, was specifically created for the project. This recent currency does not have the same influence that the Léman currency may have in the Geneva region. Second, its main objective was to reduce poverty and not to tackle local

resilience. This leads to the third difference: participants had to prove their precarious economic situation to receive it, so this income was not universal nor unconditional.

This context leads us to the following research question: How can a universal basic income distributed in the form of a local currency and combined with the promotion of voluntary work contribute to increase societal resilience at a local level?

The next step will be to describe the methodology of our project. It will be about defining the concept of resilience and how we operationalize it. This operationalization is necessary to select the scientific literature dealing with the different components of our project, namely universal income, local currency and voluntary work. The goal of this paper is to build our project on scientific evidence. For this reason, a literature review is done in order to present the current academic debate about our project and present scientific arguments that support our project. We will end with a conclusion which will take up the main developments of this work and its limits.

## 2 Methodology

### 2.1 Operationalization and data analysis method

To analyze our research question, we chose a deductive method of research. This means we want to link an existing concept/theory to reality. For this reason, we will operationalize the concept of resilience, a characteristic of society which we want to achieve through our proposal.

#### **Concept: Resilience**

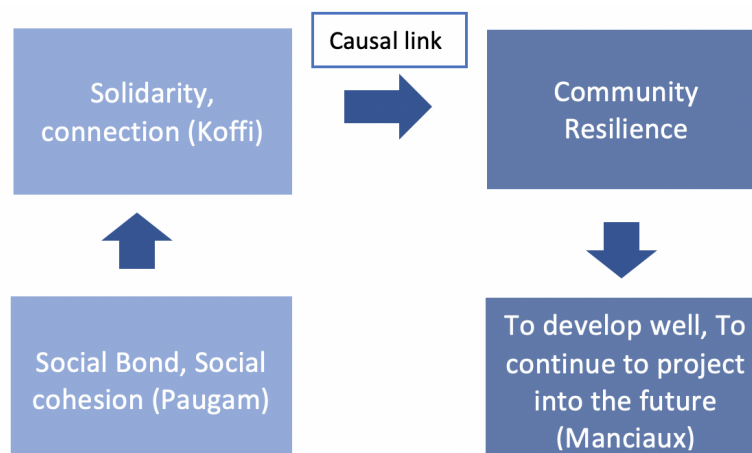
To illustrate resilience, we opt for the widely used definition of Manciaux: *“resilience is the capacity of a person or a group to develop well, to continue to project into the future, in the presence of destabilizing events, difficult living conditions, sometimes severe trauma”* (Manciaux, 2001, p.322). From this definition, in which the expression "developing well" occurs, comes the idea of a horizon of continuity and adaptability after shocks and / or destabilization. As a first step, however, we need to define the necessary characteristics of a society that wants to “develop well”, “continue to project itself into the future” - and in other words: being resilient.

For Koffi, social bonding is crucial to overcome shocks: *“Resilience, whether individual, relative to a group, a community, a society, or a system, describes a reality of life based on connection. [...] When the shock does not lead to an exit from the basin of attraction, the hope of being able to get out of it becomes in humans, a powerful engine of resilience”* (Koffi, 2014, p.12). Paugam explains that today we often hear about a “crisis of the social bond” and about the need to “reweave” the social bond (Paugam, 2018). This expression designates *“at the same time the desire to live together, the desire to connect dispersed individuals, the ambition for a deeper cohesion of society as a whole”* (Paugam, 2018, p.4). Thus, recreating solidarity and community cohesion is one of the essential elements to improve the resilience of a local community.

We argue that this aspect of solidarity can be achieved while having an impact on two levels: A) the individual level and B) the collective level. Within these levels we have different sub-fields. These sub-fields will be our indicators and allow us to measure our concept. In this sense, the idea is to improve these ‘fields’ with our proposal which leads then to a stronger social bond on both the individual and the collective level and therefore to a more resilient local community.

Figure 2: Causal Link and implications for the community

This causal chain follows the argumentation of Koffi and Paugam.



Solidarity and social links can be created and strengthened at different levels (individual and collective) and areas (economic, social and ecological) of society. That's why we take Economic- Solidarity as our first indicator. To weld economic ties from within a community

implies a higher resistance to the external economic shocks of the world economy. Economically, everyone, as a group or individual, can participate in the local and circular economy and in local events. This helps to “reweave” the social bonds of the community on a collective level. On the other side, supporting the purchasing power of individuals and lowering poverty also leads to more resilient communities on an individual level. In the end, strengthening local economies leads to a stronger social bond on both discussed levels and thus improves the resilience of this local community.

Solidarity can also be shown in the ecological area. Limiting the degradation of the environment can be seen as a way to think about the well-being of other members of the community and of future members and generations. Thus, individual and collective effort of caring about ecological issues is an indicator of solidarity. To sum up, we link a community with ecological practices and strategies to attach environmental issues to solidary and resilient societies.

Then, solidarity also plays a role in the social area. Social initiatives can enhance solidarity on a collective level by making up for the closure of the state during Corona. At the local level, these initiatives performed some of the essential functions of the society which had been put out of order by an external shock such as the Covid crisis. For this reason, solidarity in its social aspect can enhance collective resilience.

To make a local community more resilient and able to overcome external shocks, our project wants to strengthen social ties and solidarity at the collective and individual levels of the community - in different areas such as economic, environmental and social.

Figure 3: operationalization

Here is the entire operationalization of the concept of resilience.

Concept	Dimension	Indicators
Resilience	<i>A. Individual level solidarity</i>	Economic impact Social impact Ecological impact
	<i>B. Collective level solidarity</i>	Economic Impact Social Impact Ecological Impact

**2.2 Data collection method:**

In this scientific report we will study the scientific literature of our different components (UBI, LC, VW) through the prism of resilience and explain how their combination contributes to its improvement in the local community. We will start with the part concerning the universal income, then it will be that of the local currency, and we will end with the contributions of voluntary work.

## 3 Results

In this part, we identify academic literature on universal income, local currencies and volunteer work - which argue that this measure has a positive impact on solidarity, and therefore the resilience of the community. In all sections we have some aspects of individual and collective solidarity of resilience.

### 3.1 UBI and local societies

**UBI** - *a powerful idea for the twenty-first century.* (Van Parijs, 2004)

According to Philippe Van Parijs, “*A Basic Income is an income paid by a political community to all its members on an individual basis, without means test or work requirement*” (Van Parijs, 2004, p.7). This concept is today, more than ever, at the forefront of promising social policies which would respond on the one hand to the “*caution against a dire future of extreme inequality driven by both socioeconomic and technological factors*” (Chohan, 2017, p.1) and the challenge of recovery from the Covid-19 pandemic.

Several studies have attempted to implement this concept in order to study it empirically. But these tests have various shortcomings because universal income has never been implemented in such a way as to fully coincide with all of its basic characteristics (Gibson, 2020).

First, we realize that UBI is perceived as an elixir for a large diversity of problems in societies. According to Van Parijs, UBI is a powerful instrument of social justice. It can promote real freedom for everyone by providing the material resources that people need. He adds that this measure can help to solve the dilemmas of poverty and unemployment, and serve ideals associated with the feminist and green movements. (Van Parijs, 2004). In the following sections we analyse this ‘remedy’ more deeply.

According to an experiment carried out by the Finnish government in 2017-2018. The researchers are unanimous on the well-being outcomes of this project; “*the wellbeing of the basic income recipients was clearly better than that of the control group. Those in the test group experienced significantly fewer problems related to health, stress and ability to concentrate than those in the control group. According to the results, those in the test group were also considerably more confident in their own future and their ability to influence societal issues than the control group*” (Ministry of Social Affairs and Health Helsinki, 2019, p.30). These results imply that UBI improves mental and social well-being and physical health. Trust in society is essential to observe solidarity between members of the community.

#### **Economic Impact: (poverty and unemployment)**

One of the oldest claims in favor of UBI is the drastic reduction, if not the elimination of poverty. This improves economic resilience on an individual level. Indeed, by unconditionally giving citizens the minimum sum to cover their basic needs, this would allow them to get out of precariousness more easily without having the pressure of administrative procedures to receive some aid. Receiving a fixed amount of money each month at a fixed time interval reduces the psychological burden on people in precarious situations, “working poors” but also middle-class citizens. (Van Parijs, 2004)

People, thanks to this additional income, would reduce their working time, which would free up jobs (Parijs, 2014). The Netherlands has recorded the lowest unemployment rate in Europe in recent decades thanks to a restructuring of the work organization including a reduction in working hours per week and more people working part-time. This was made possible thanks to multiple universal subsidies - imitating the role of a universal income - such as universal basic pension, universal child benefits, and a universal health care system (Van Parijs, 2014)). According to Parijs, due to UBI, not only the unemployment rate would decrease but also, there would be an impact on the work market ; “*workers will start to take a job, only if they find it*



*suitably attractive, at the same time employer subsidies make unattractive, low-productivity jobs more economically viable” (Van Parijs, 2014, p.9).*

Tackling poverty, precariousness and unemployment is key to avoid an increase in the risk of social exclusion falling into marginality. Being on the social fringes means breaking social ties and disconnecting from the rest of society. Social ties are crucial for solidarity (our general dimension). In this sense, reducing poverty and unemployment helps to build a more resilient society, a society that cares about the well-being of each other through solidarity. Besides, the psychological inequalities resulting from the mental burden that the hard situation entails are alleviated.

Through what we have just presented, we can say that a universal basic income raises the standard of living of all citizens and that either economically, socially or psychologically, the well-being of the community is improved.

### **Social Impact**

According to Van Parijs, only a universal income would make it possible to give “*real freedom*” to all. The freedom to organize your time, work and life according to your needs and desires. He writes that a UBI makes it easier to take a break between two jobs, reduce working time, make room for more training, take up self-employment, or to join a cooperative (Van Parijs, 2014). If everyone finds themselves individually fulfilled (or almost) professionally and satisfied with their free time, they will have opportunities to start other projects. They are possibly more grateful to society and will be more inclined in achieving the best for their community. This is where we see potential for a bigger volunteer work engagement of everyone in the community - as a direct complementation of the implementation of the UBI.

Several studies focusing on effects of the UBI on gender equality (Mckay, 2001; Robeyns, 2008; O'Reilly, 2008; Alstott, 2013) reach beneficial conclusions. The introduction of a basic income would have beneficial effects on the emancipation of women, who, although the situation is improving, are still the main ones making professional sacrifices to take care of their families. The Division of housework leads to different problems of gender inequalities ; their access to the labor market and their choice of profession. Parijs wrote about this : “*Given the sexist division of labor in the household and the special “caring” functions that women disproportionately bear, their labor market participation, and range of choice in jobs, is far more constrained than those of men*” (Van Parijs, 2014, p.9). Furthermore, since women are the main keepers of the house and this work at home is unpaid, they are more dependent on the men’s salary. A UBI would allow women to become more financially independent while recognizing their work at home. Men, on the other hand, could also benefit from this income to free up their free time and spend more quality time with their families. Lastly, following the feminist argumentation, since one of the factors for sexist violence is the economic dependency of their abusers (Rodriguez-Menes and Safranoff, 2012), the UBI could present a way out by providing economic stability and independancy.

### **Ecological impact**

A resilient society necessarily needs to address the ecological crisis derived from the overexploitation of natural resources. In this case the UBI can be a framework within radical social and ecological transformations can happen (Van Parijs, 2013; Fitzpatrick, 2013).

UBI can also be seen as a tool to induce degrowth. One of the aspects of degrowth is the reduction of material output which is a consequence of the reduced amount of total worked hours. Some have considered reduction of labour force participation as a potential downside of adopting a UBI. But, from a different point of view, less labour can represent an ecological benefit thanks to UBI (Lawhon and McCreary, 2020).

Another issue tackled by UBI is the political conflict about “jobs vs environment”. There is often a political and social dilemma between the choice of shutting down highly polluting industries

(environmental measure), but which consequently creates a lot of unemployment (particularly in regions which are almost entirely specialized in polluting industries). This constitutes an obstacle to a rapid ecological transition. The introduction of an UBI could overcome this obstacle by giving these unemployed workers the economic means to retrain and to overcome their job loss in the short term. (Lawhon and McCreary, 2020)

It also shows that environmental resilience (greener policy) also depends on social resilience (job insecurity). Here, the element linking them is the solidarity brought by the UBI which would constitute a time patch until the local economy diversifies into greener industries.

### **3.2 Local Currencies and local societies**

After exploring the scientific literature that explains how the UBI contributes to resilience according to the indicators, we now turn to the local currency - which is the way we propose to distribute a part of the UBI. Local currencies are defined as currencies that can be spent in a particular geographical locality at participating organizations. Among the main objectives of the implementation of local currencies are economic stabilization, crisis resiliency and local community resilience (Bindewald, Place and Nginamau, 2013). For our proposal, we have divided the impacts of resilience in three different spheres, which coincide with the measures of the indicators we have chosen: the social, the environmental and the economic one.

#### **Social impact**

The main objective of all local currency projects is to have a beneficial social impact over their territory; promote social inclusion, support local SMEs, give residents the opportunity to take ownership of local development issues (Kalinowski, 2014), promote solidarity and relationships of trust between users (Blanc, 2006). On a larger level, they redefine the systems and practices of trade and consumption; more ethics, contact and solidarity (Blanc, 2012).

In addition, local currencies comply with the principles of the social and solidarity economy (SSE from henceforward) (Blanc, 2006). Referring to our particular case, APRÈS-GE, the social and solidarity economy chamber of Geneva - whose members employ 11% of the workers in the Geneva canton -, decided unanimously in 2013 to cooperate with the complementary currency creation process (Place et al., 2018; APRÈS-GE, 2015). For the social aspect this is relevant because working in the SSE sector also means to promote ethical values and humanize the working sphere, further improving social cohesion.

Local currencies also contribute to raise awareness over the relevance of local consumption as a research conducted in Geneva showed that 53.3% of consumers improve their consumption behavior thanks to the Léman - the major local currency in the area. Social connectivity is also enhanced as 66.7% of the users feel a sense of community (Raynard, 2018). A resilient society requires a strong community, and local currencies contribute to it.

#### **Environmental impact**

Local currencies' positive impact on the environment is primarily because they promote the local economy and short circuits (ADEME, 2016, p.137). This can generate a more responsible consumer behavior, which leads to a reduction of greenhouse gas emissions, circular economy, more responsible agriculture, etc (idem). Empirically, these positive environmental impacts of local currencies are difficult to verify since they are based on an incentive effect on users of local currencies to change their behavior. (ADEME, 2016). However, the French Environment and Energy Management Agency (ADEME) does not neglect this effect and recalls that local currencies "*can thus be considered as an additional tool for ecological and energy transition*" (ADEME, 2016, p.137). The economist Servet, draws conclusions going in the same direction ; citizen currencies of proximity "*intervene more like an instrument to sensitize in a perspective of a sustainable development to the need for short circuits and to a local dynamics of the activities than a tool directly and profoundly modifying consumption through their own use*" (Servet, 2018, p. 11).

### **Economic impact**

According to the literature, local currencies cause several beneficial effects on the local economy based on two principles (which are linked): the non-flight of money outside the local territory and the acceleration of the speed of circulation of the currency (Servet, 2018). As it has previously been mentioned, the SSE and local currencies are closely linked, since the latter enhance and multiply the positive effects of the SSE sector that enjoys highly resilient capacities (see Annex 2 for further information about SSE and local currencies).

Local currencies, once they have been acquired against national currency, can no longer in principle be reconverted by “client” users into national currency. Only businesses that receive them from their customers can convert the local currency back to the original currency (Servet, 2018). This characteristic results from the fact that local currencies *“aims to be spent and thus to circulate as much as possible, by bringing a virtuous liquidity to the generation of income in the local economy and also favoring short circuits and contributing at this level to production. the volume of liquidity necessary for the well-being of the community and through it of each of its members »* (Servet, 2018, p.8). The result is a stimulation of the economy and local production (Servet, 2018). Local currencies thus circulate between 4 to 6 times faster than national currencies. That means that the rate at which money circulates, changes hands, or turns over in an economy in a given period is higher. Higher velocity means the same quantity of money is used for a greater number of transactions which is reflected in a better performance of the economy (de la Rosa, J. L. and Stodder, J., 2015)

The second element, the leakage of money, refers to the distribution of the money within an area and the destination of that money, either reinvested in the region - in the form of wages for example - or extracted from it to tax havens. According to the Swedish International Centre for Local Democracy (2019) local currencies have succeeded in reducing money leakage [...] facilitating local exchange of products and services.

And finally, they have two main impacts that differ from the national currencies. First, they promote the local use of income derived from local production stimulated by this system; which means less middlemen and less transport. Second, they stimulate and encourage direct trade and limit the accumulation of capital and speculation, as they directly boost the real economy (Blanc, 2012).

All of these presumed (environmental) or actual beneficial impacts (social and economic) of local currencies contribute to build a resilient local society capable of overcoming external shocks.

### **Our project answers to the major limit of the local currencies**

For a local currency to achieve its virtuous objectives, it is essential that it circulate in large quantities and this often requires the support and commitment of a territorial institution (city, canton, etc.) to promote its use. For example, through an awareness campaign as it was the case for Eco Iris (Brussels), Sol-Violette (Toulouse) and Bristol Pound (Bristol) (Kalinowski, 2014). As the basic income that we propose in our project will be given by the territorial government, the issue of the sufficiency of local currency in circulation is resolved. Indeed, if each citizen receives a large enough amount of local currency to spend it in the community, the local currency will circulate in sufficient quantity to deploy its beneficial effects.

## **3.3 Volunteer work and local societies**

Finally, the last pillar of our project is voluntary work. We would like to encourage people to work voluntarily for the well-being of the local community; local education, training and skill sharing, visual and performing arts, environmental management, local food production and aged care or community safety etc. This part of voluntary work makes it possible to respond to certain weaknesses of the first two pillars of our project and to complete the overall mechanism

of our project, as we will explain later. At the same time volunteer work will balance the receiving part of our idea.

This last part of our project, volunteer work, was thought of as a kind of sponsorship from the local government to partly fund the UBI. Indeed, the local government would sponsor the volunteer workers by paying a certain amount per hour (lower than the hourly wage in force) to a UBI fund. Thus, volunteer workers could, while participating in the well-being of the local community, participate in the funding of UBI.

### **Volunteer work: Its theoretical justification in the concept of UBI**

The voluntary work part of our project can be justified by Mauss's theory of donation and counter-donation (Mauss, 1925). In his essay on the gift and its social practices, Mauss explains that the gift is a kind of social contract based on reciprocity (Mauss, 1925). According to his work, there would be a force in the thing given which would force the recipient to return the thing. This means that the fact of giving something provokes / induces the (conscious or unconscious) desire to give something in return.

By analyzing our project according to this theory of gift and counter-gift, we could see the UBI as a gift from society to the citizen (to an individual) and the individual will carry out his counter-gift through voluntary work. In a sentence relating to the work of Mauss, Florence Weber writes: *"it is a question of inventing or reinventing a system of benefits, which while correcting the market economy, does not return to charity"* (Olivier, 2008, p.3). This sentence coincides perfectly with the concept of UBI and the vision proposed in this project. The company gives a sum of UBI in local currency and the citizens make a counter-donation in the form of volunteering if they wish. Furthermore, proponents of a universal basic income often argue that citizens, by receiving a basic income, will be more involved in volunteering during their extra free time. By offering them a platform for community work, our project encourages volunteering and makes it more accessible.

The idea of creating a voluntary work sponsorship mechanism by the government to finance a UBI fund also responds to a finding made by local currency initiatives. The Eco-iris project consists of rewarding citizens' "eco-gestures" with an "green" local currency: eco-iris. However, citizens who were already involved did not want to be rewarded for their ecological actions and the incentive effect was not strong enough to change the behavior of others (Kalinowski, 2014). With our project, the voluntary work of people already involved in a form of volunteering would have a double beneficial impact. Firstly, it would contribute to the life of the community (like any voluntary work) and secondly this work could be compensated indirectly through this sponsorship mechanism of the UBI fund. For people not invested in volunteering, the incentive to receive a small amount of local currency (here, the eco-iris) may not be great enough, but we don't know the extent of the encouragement of the "counter-donation" (according to Mauss's concept) that a basic income could provoke.

### **Social impact**

Volunteer work, beyond that which has beneficial effects on the community, also provides beneficial effects for the individual volunteer. In this part we want to move from impacts on a larger scale to impacts for individuals. The literature comes up with two points, namely the strength of mental health and the increased personal social connectivity. Studies

and their results show that "volunteer work indeed enhances all six aspects of well-being and, conversely, people who have greater well-being invest more hours in volunteer service." (Thoits & Hewit, 2001)

Volunteer work can also enhance social connectivity and can serve as a way to build up a social network. In their paper, Prouteau and Wolf highlight that : *"Volunteering is seen as a way to build friendly relationships"* then they add that : *"results show that working as a volunteer in an association has a causal impact on the probability of making friends in that association"*

(Prouteau & Wolf, 2007, p.315). On their side, the authors Son and Wilson concluded that volunteer work has positive impacts on various facets of individual well-being. In this manner they affirm: *“results show that volunteering enhances eudemonic (e.g., purpose in life) and social well-being (e.g. feeling of belonging to the community)”* (Son & Wilson, 2012, p. 658).

Trust and feeling part of society is a key factor in creating solidarity. Volunteer work is therefore a way of reweaving the social bond essential for a community to be resilient.

### **3.4 Effects of the combination of our idea**

Each of the three pillars have been analyzed independently, proving their intrinsic value to build more resilient communities. Yet, the combination of them leads us to an innovative idea that has not been proposed before in these terms. Since the literature does not provide information about the combined effects of our pillars, we will examine the combined effect of what we think is logically possible.

Each component adds value to the other because they complement their major downsides and because their combined effects go beyond the individual positive effects. We will present some examples.

Giving a UBI partly in local currency allows additional money to be injected specifically into a local community. This makes it possible to further boost the local economy (according to our argumentation of the local currency above) and therefore the resilience of this community. As all citizens receive local currency, which is not the case with a local currency-only mechanism, they will have a strong incentive to spend it.

One of the most accepted flaws of local currencies is their lack of institutional support, which would first increase trust on them to be used and second would mobilize a bigger amount of money supply, second condition for local currencies to deploy their potential benefits. To distribute a significant percentage of the UBI in the form of a local currency would solve both aforementioned problems due to its volume and the fact that it comes from the state institutions. As all citizens receive local currency, which is not the case with a local currency-only mechanism, they will have a strong incentive to spend it and the beneficial effects of the local currencies - according to our argumentation of the local currency above - could be deployed. Finally giving a universal basic income partly in local currency allows additional money to be injected specifically into a local community. This adds a crucial element to boost the local economy and therefore the resilience of this community. Besides, as we explained above, the local currency would enable this huge amount of money to be held in the territory of the given universal basic income, so that it is not lost as some would argue but fostering the local economy and its jobs.

Our third pillar “volunteering work” can have many beneficial impacts on the community depending on which volunteering work the local State would promote. This could be beneficial for the environment ranging from awareness raising to litter collection campaigns. But it could be beneficial from a social point of view. An exhaustive list would be impossible, the possibilities are so many, but we give you a few examples here. Help older people or people with disabilities with housework or accompany them avoiding loneliness. Another option would be to help in schools and kindergarten as supervisors or assist pupils in difficulty.

We could also imagine another kind of volunteering work based on the skills of each person resulting either from their leisure time or from their professional activities. The state and / or accredited associations and firms could then draw on this stock of resources and knowledge to carry out public order tasks. Some of these tasks already carried out by state workers today would be carried out by volunteers. This would allow reductions in state spending since our state sponsorship system provides for remunerating this work in the UBI fund at an hourly wage lower than the market.

All this already exists to a certain extent, but our project wants to facilitate access to these structures and increase their visibility since the mechanism will be overseen by the state. The state is an important actor that can promote and stimulate these community practices through platforms, recommendations, or any other instrument it has control over.

Finally, the benefits of voluntary work are widely acknowledged, among them social cohesion or satisfying needs where the state does not arrive yet (and thus saving money in case the state had to pay more for them). Nevertheless, most of the people stop volunteering when they access the labor market or see drastically reduced engagement. The UBI, combined with the promotion of volunteering, could canalize the increased free time people would have once it is not necessary to invest so many hours in paid work to cover basic expenses.

### **3.5 How to finance the UBI?**

One of the biggest questions posed by the institution of a universal income is the question of its financing. This question represents a main obstacle for our idea and therefore to help create a more resilient local community. For this reason, we want to address this question.

Various scientific articles on UBI point to several different ways of funding it. Some complement each other and accumulate, and others provide for a remodeling of the monetary system at the state level. In this part, we are going to introduce you to these academic ways of funding the UBI as well as some personal ideas that we have gathered because of discussions and interviews.

#### **Financial transactions taxes (FTTs)**

Many are arguing for the possibility of introducing a financial transaction tax like the Tobin tax. Financial transactions taxes are already in place in Switzerland, that levy 0.15-0.30% the transfer of equities and bonds involving a Swiss securities dealer. However, there is still a wide gap to reach the taxation levels of countries like the United Kingdom or Finland, that reach up to 1.5% and 2% respectively (Bloomberg Tax, 2021). The technical feasibility to implement it lies in the fact that the system is already in place and the only change would be the amount. Apart from the money raised to cover part of the cost of our proposal, it is an interesting tool to partly control shadow banking and transfer money from the speculative markets to the real economy (Asen, 2021). Even if this tax on financial transactions is thought out and more efficient at the national level, it would be possible to implement it in a locality or an independent administrative region.

#### **Sovereign Currency**

In an interview about financing a universal income, economist Jean Michel Servet focused our attention on the concept of "sovereign currency" or "positive money". The sovereign currency system would allow the central bank to manage money creation itself instead of commercial banks as it does today. Besides other beneficial activities that do not fit the area we want to explore, the central bank would have the ability to inject money into the economy through donations (Lafay & Gomez, 2018). These donations would not constitute an increase in government debt or an increase in inflation as they would take on the role of monetary creation made by commercial banks through credit activity. Full money would allow *"Monetary financing of the budget deficit without any inflation, by making the resources available resulting from the desired increase in the money supply in circulation"* (Lafay & Gomez, 2018, p.31). The donations would therefore be: "a recovery of the seigniorage (monetary rent) by the community" and would result from this *"contribution of resources to the state budget without inflationary impact"* (Lafay & Gomez, 2018, p.31). This proposal is promising but it would require a restructuring of the banking system on a whole country scale. Our project is initially intended to be a local experiment so we cannot imagine a system of financing at the national level as long as our proposal has not been dispersed in several regions and / or cities. However, this concept of solid currency represents a feasibility horizon on a larger scale.

### **Replacement and administrative savings**

Several researchers explain that the universal income could be financed in part by the fact that it would replace already existing social assistance. Wright explains *“This means that in welfare systems that already provide generous anti-poverty income support through a patchwork of specialized programs, the net increase in costs represented by unconditional universal basic income would not be extraordinary”* (Wright, 2000, p. 151). This argument was also asserted in 2016 by the instigators of the Swiss Federal Popular Initiative *“For an unconditional basic income”*. In addition, the administrative management costs of these pre-existing aids would be considerably reduced since all citizens would be entitled to UBI without special conditions. The administrative procedures for obtaining social assistance would thus be virtually eliminated, which would save time and therefore money for the state administration (Wright, 2000). Let us recall that the consequent administrative procedures requires to obtain social assistance discourage *“[...] people who, under the old system, did not have recourse or renounced to apply for the social assistance to which they are entitled (i.e. until half of the population concerned, for certain aids)”* (Fleurbaey, 2017, p.3). Establishing a universal income without conditions would allow these citizens to receive additional income without going through long procedures.

### **Environmentally friendly taxes**

A series of green taxes could also be implemented to complement the funding of our proposal. First of all, a reduction of the fossil fuel subsidies together with Pigouvian taxes on landfills and water use. These taxes aim at private individuals or businesses for conducting economic activities that create detrimental side effects for the rest of the population. Adverse side effects are those costs that are not included as a part of the product's market price. Besides, a progressive tax increase to the most polluting energy sources such as coal could not only raise money for our proposal but also stimulate a transition to renewable energy sources.

### **Land tax**

Countries like Denmark, Taiwan or Singapore are pioneers in widely implementing this measure. While some cantons already apply it, if our proposal is to be implemented in any of the cantons where it is not currently imposed it is highly recommended to do so. Also known as land tax or real estate tax, It is payable by natural persons and legal entities who are recorded in the land register as the owners or users of a property (Confederation Suisse, 2021).

## **3.6 Complementary measures to our idea**

Our project does not aspire to address every problem regarding resilience but tries to contribute positively to the resolution of some of them. For the reason of this incompleteness, we want to propose a series of possible complementary measures that could improve our proposal and thus the resilience on a local level. In this paragraph we will present external factors that affect our proposal. Taking them into account could help to improve our mechanism and would indirectly help to contribute to resilience. If these effects are not considered, they can represent limitations for our mechanism.

As Vidal-Folch (2018) states, housing is one dimension through which capital is extracted from workers (surplus value from the workforce being the other). Thus, tension exists between the sector of the capitalists whose capital accumulation processes comes from the rents of real estate investments and the sector which is dependent on the workers salaries. Both sectors could take advantage from our proposal if adequate measures are not taken.

On the one hand, it is essential to ensure that the minimum wage is not reduced when implementing the UBI. If not, it would serve as an indirect complement to the salaries which would lead to a reduction of paid salaries by the private sector. This reduction would benefit the capitalists that rely on surplus value since they would save paying fair salaries as those are compensated by the UBI at the expense of taxpayers (Widerquist, 2013).

On the other hand, even if wage reductions are controlled, the UBI would just draw housing prices up unless the housing market is regulated and its prices limited. This phenomenon would particularly affect tenants, who are more exposed to the volatility of the housing market. Some kind of limitation on the housing market is needed to avoid that the purchasing power is not reduced by the increase in the prices set up by real estate shareholders.

This paragraph showed how other stakeholders perceive our proposal. This insight in other visions can help to come up with preventive measures which avoid potential abuse of our idea for other interests.



## 4 Conclusion

We started this paper by explaining the need to strengthen the resilience of local societies to face external destabilizations such as the Covid-19 crisis. This context brought us to our research question where we argue that our project could possibly be a solution to this lack of resilience. In the methodology, we explained how we want to measure our dependent variable of resilience. Then, to answer this research question, we decided to do a literature research to bring evidence to our claim. The link between the components of our project (UBI, LC, VW) and resilience was studied individually. While doing this research we identified a knowledge gap: the literature has not yet thought about the impact of the combination of them all. Thus, we contribute to this debate by augmenting that the combination of these three pillars can be more efficient and lead to more resilient societies as the individual alternative projects we have done so far.

The universal basic income was presented as the main engine of a more egalitarian and united community where the well-being of individuals would be just as important as the well-being of the community. The section on the local currency - the second pillar- demonstrated how the latter participated in strengthening the local economy while fostering the principles of the solidarity economy. This is done by accelerating the circulation of money and avoiding the flight of money outside the territory. We ended up justifying the proposal for a government sponsored voluntary labor mechanism that could partially fund universal income and channel the free time that UBI will make possible. We argue in the literature review that individually UBI, local currency and volunteer work contribute to resilient communities by having a concrete impact on our indicators (social-solidarity, economic-solidarity, ecological-solidarity). In addition to that we showed that their combination is more efficient. It's efficient because it contributes at the same time at several levels to a resilient society. It contributes to strengthening the individual resilience by strengthening their purchasing power for example, or it contributes to strengthening the collective resilience of a community by supporting solidarity and a stronger social bond.

As the success of the project depends mainly on the mechanism of UBI funding, this should be a key issue to be solved before we relate our proposal to resilient local societies. Then, our proposal faces the limit that it is possibly ideologically too closed and thus it would get only limited social support. If not a large majority of the population can identify themselves with our proposal, this could be a major obstacle to reach resilience. Thus, there is the need to do research about this dynamic to affirm with a bigger certainty that our proposal leads to resilient local communities. Furthermore, some general limits we faced doing this paper: We had difficulties to base our research on a larger variety of researchers. Most papers did not directly mention academic claims of e.g. the concept of local currencies and the impact on societies. For this reason, we don't have a large variety of sources mentioned. At the same time, regarding our literature research on UBI, there are a lot of studies about the UBI which are based on the assumptions on Van Parijs, thus it was difficult to select other sources since this one (Van Parijs) seemed to be the principal.

Future research can be conducted to find out to what extent a resilient society, as we describe it with our proposal, is able to fight future crises. (e.g climate change). We establish a link between our proposal and a resilient society, but it would be utterly important to find out whether this resilient society is resistant enough to fight another crisis. This is particularly important because it's just with the effective results of our proposal regarding future crises that our idea could be considered as a success.

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## 6 Annexes

### 6.1 Local Currencies

Like the concept of universal income, that of local currency is not new. Already in the 19th century in Europe and North America, local currency systems were tried in order to overcome the complicated context of the Great Depression as a result of its counter-cyclical characteristics. The early 1980s saw the emergence of a contemporary wave of local currencies. (Blanc). There are several types of local currencies which differ according to the means of creation of this local currency but they all correspond to the following definition; “These are local *exchange mechanisms for goods, services and knowledge, organized around a specific currency allowing both to evaluate and to regulate exchanges*” (Blanc & Fare, 2012, p. 67).

The concept behind the generic term of local currency can take other names that highlight a particular focus and a few differential features like; “community currency system” (CCS), “complementary currencies”, “social currencies”, “local exchange and trading systems”. From this broad terminology, it mainly emerges social, economic, solidarity and community characteristics. These so-called “local currencies” have three motivations which separate them from national currencies. First, they promote the local use of income derived from local production stimulated by this system; which means less middlemen and less transport. Second, they stimulate and encourage direct trade and limit the accumulation of capital and speculation, as they directly boost the real economy. And third, they redefine the systems and practices of trade and consumption; more ethics, contact and solidarity. (Blanc, 2012). Kalinowski summarizes the impacts claimed by local currencies in the following sentence: “*the impact [of local currencies] could be defined by the dissemination of projects in the territory, or by the ability to sow the seeds of new ways of living, to produce and consume, in other words by disseminating alternative or anti-establishment values [to the existing model]*” (Kalinowski, 2014, p.4)

Swiss federal legislation, by driving the development of a friendly regulatory environment, is favourable to monetary innovation because it accepts convertible currency, as a means of paying for goods and services (Place et al., 2018). Prove of it is that, either in the national, cantonal or local level, there are 15 issued currency systems and 49 mutual credit systems, for a total of 64 currency systems (Martignoni, 2012; ZART, 2013; SEL-Suisse, 2016; Matzat, 2016; EnLien, 2018). According to Place et al. (2018), there are 7 just in the Geneva canton. Among them, we can find different characteristics; melting or non-melting, electronic, by application, convertible into national currency or not etc. For the realization of our project, the Leman is the most appropriate mainly due to its size and institutional support. However, we think the Leman currency should be melting. This means that it should lose value over time if not used and / or have a deadline of use so that this sum is spent directly in the local economy and that its beneficial effects are deployed.

#### **Social and Solidarity Economy and Local Currencies**

APRÈS-GE, the social and solidarity economy chamber of Geneva, decided unanimously on 2013 to cooperate with the complementary currency creation process (Place et al., 2018). Two years later, the Leman was created, a tool that would enhance SSE’s positive effects. With a financial volume of CHF 400 million, the SSE represented 11% of the job employment in the Geneva canton in 2015 (APRÈS-GE, 2015).

The important role of the SSE in preserving employment is reinforced by the well-documented anti-cyclical nature of cooperatives and other SSE organisations, as evidenced by their resiliency in times of economic crisis. As the ILO report by Birchall and Hammond Ketilson (2009) shows, throughout their history, cooperatives have emerged during periods of economic hardship as one of the most effective ways to preserve incomes and employment (Borzaga et al., 2019).

The industrial restructuring brought about by the oil crisis of the 1970s and 1980s is a clear example of the cooperative's resilience, core of the SSE. The creation of workers cooperatives minimised job loss at those industrialised areas (Birchall and Hammond Ketilson, 2009). In fact, the Area of use of the Leman is highly industrialized both in the French side, where a mechatronics cluster and plastics hub resides and in the Swiss side, home of the watchmaking precision machinery and world financial centre (Place et al., 2017).

### **Monnaie Léman**

The Léman is one of the vehicles to implement our proposal and here can be found information about it. In 2015, in the Greater Geneva, including the Swiss cantons of Geneva and Vaud and the French departments of Haute-Savoie and Ain, was launched the Swiss-French cross-border currency entitled Léman, a physical and digital currency of mutual credit Lémanex and issued currency e-Léman at par with both Swiss franc and euro, with 150'000 units in circulation among a network of 460 organizations and 4'000 users in January 2018 (Monnaie Léman, 2018). It is important to note that its area of operation is, a developed cross-border region which encompasses almost 920,000 inhabitants, 400,000 jobs and 40,000 businesses as the second largest conurbation in Switzerland (Place et al., 2017).