

Quartierwährung (Quarter-Currency, City-District-Currency) - A model for resource mobilization for construction and housing cooperatives and neighbourhoods

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Abstract of a working paper out of a research project on currencies for cooperatives (PN147)

Introduction

The idea of cooperatives is democratic and based on a pooling of the cooperative attitude of the people involved. These include a strong commitment to achieve common goals, which can be difficult or impossible to achieve as an individual. In the particular shape of the building, residential or housing cooperative the goal is "creating affordable housing space and the integration in a socially and culturally functional living environment ..." (Michelsen, 2007: pp 283ff.). In this case, an affordable rent might be achieved by "self-help", i.e. substitution of paid work through the direct participation of cooperative members in the construction, operation and maintenance of buildings and real estate, as well as in the administrative work of the cooperative. This type of cooperative had a peak after 1918 were workers and little well-off people founded many housing associations, "which resorted to self-help to keep construction costs low and to make such housing at all feasible" (König, 2004: 30).

A few housing cooperatives kept that commitment in the form of *Pflichtstunden* (duty hours) until today. For example, to the annual maintenance, cleaning or additional benefits such as playground will be made in self-help. The implementation of such an obligation is not always easy. A particular difficulty arises in large organizations: Anonymity and vagueness take over, which may decrease identification and active participation. Another argument today is the latent rejection of regulated 'duties' or institutionalized "sense of duty" in society, particularly among younger people. A new approach to deal with this situation is to encourage participation and exchange through the use of a complementary currency. Additional potential of a complementary currency is the reduction of neighbourly anonymity and the ability to build up local economic cycles and support. These and other considerations formed the starting point for the development of a suitable complementary currency especially for housing cooperatives. The model which was designated by the name *Quartierwährung* (quarter-currency, city-district-currency) was developed by FleXibles Economic Research & Development, Zurich in partnership with the University of Applied Sciences of North-western Switzerland (FHNW).

Research situation

The actual reason for the creation of the model was a request for new cooperative development "Hunziker-Areal" of the cooperative "mehr als wohnen" (more than living) in Zurich. This cooperative follows strong ideals and would like the construction and operation of the new settlement, towards the objectives of a 2000-watt society (a concept for sustainable energy consumption, City of Zurich, 2011). At the same time they like to provide a high quality housing at affordable rents. The "Hunziker-Areal" is an area of 40'000m² in Zurich Nord where 13 buildings at a cost of around CHF 185 million form an entire city district with living and working space for about 1,100 people. It is a well mixed population with families, old-ageers and singles of all classes. There are shared apartments which include new forms of living, such as satellite apartments. The infrastructure includes reception and service offerings, a guest house, a restaurant, a neighborhood store, a car-sharing station and of course the usual facilities of a large cooperative settlement. Participatory processes were supported and coordinated from the beginning of the planning. The goal for the new district is not less than to become a "beacon" of sustainable housing to Europe (see www.hunziker-areal.ch and www.mehralswohnen.ch).

For the situation of this cooperative the *Quartierwährung* model was developed as method for resource mobilization and coordination of activities. The possible implementation will be examined after the settlement has received all its planned inhabitants.

Functions of the model

The money creation of a the new currency is done centrally by the cooperative in the form of fees or recognitions for community services. The currency can then be used for other purposes and capitalize talents and skills of its members. After specified periods, a part of the currency in the form of taxes or a part of the rent is returned to the

cooperative. Thus, a constant and controllable circulation of currency arise, which also has the potential to replace a (limited) portion of the revenues in local currency (eg Euro or Swiss Francs).

The basic model for a quarter currency thus comprises roughly the following:

- A housing cooperative decides to introduce Quartierwährung and opens a participatory process to establish the conditions with its members.
- In another process, all tasks are identified which in the cooperative or in the neighborhood are important or desirable and could be rewarded with Quartierwährung. Examples: Cleaning, gardening, guided tours with guests, assistance in administration etc., but also initiatives such as: A cultural group that organizes theater, an initiative which organized child care, etc.
- This work will be posted at a special job market among the members. Those who bring desire, time and skills might apply and do the jobs. The compensation for the work is in Quartierwährung.
- The total of all expenditures in Quartierwährung which has to be paid for the work done, must also be retaken again. For this, a tax is levied, which must be paid by inhabitants and commercial operations periodically (eg, similar to a tourist-tax or as incidental expenses in the rent). The tax represents the duty hour part that needs to be done by the inhabitants for the Community.

In order to implement a Quartierwährung, appropriate bodies, committees, rules and regulations made by the cooperative has to be created.

Conclusion and further research

Within less than a year a plausible currency model was developed as a tool for resource mobilization for housing cooperatives. Many questions are still open, some of which can be solved only by a pilot test.

Further research priorities and procedures therefore include:

1. Processing of research questions of a theoretical nature for example: Which parameters and indicators are to be selected for a stable and controllable system (simulations)? How the model is anchored properly within the cooperative and its members?
2. Search for housing cooperatives that want to tackle for a pilot.
3. Establishment of additional research collaboration for the various aspects that must be considered in the implementation.
4. Applying for and seeking resources for the further development of the model and the accompanying tests for the pilot projects.

The aim is to provide an easy applicable and effective tool available to all interested housing cooperatives and neighbourhoods. Later it could be supplemented by an additional step, in which the currency effectively comes into effect for an entire city-district by incorporating non-members.

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