



## Case 32 Bristol, United Kingdom: Green Economy and the Bristol Pound (2012)

→Tool URR 1, →Tool URR 2

### Problem to resolve

Internationalization often removes decision making power, even on business matters from the local context and can lead to absurd situations or destroys the local economic base. An example would be if Portugal with a labour intensive traditional wine production was overrun with cheap industrially produced wine from California or from South Africa and local producers cannot compete. →Tool URR 2

### The response strategy:

An obvious solution would be some kind of exchange economy for local goods whose values represent the true labour input. →Tool URR 2

Bristol, a European Green Capital Finalist in 2014, suffers from the devaluation of its own labour force after the closing down of its conventional industries. Having lost its stake in the international economy, the city decided to rely on the green economy, and has initiated the Bristol Pound,<sup>1</sup> a local unit of currency, which is available both on paper and electronically. By encouraging people to use this local form of payment (e.g. via mobile phone), the city gives residents a collective sense of their own city, thus strengthening the local economy. →Tool URR 1 Its primary aim is to support independent traders in order to maintain diversity in business around the city. The scheme is a joint not-for-profit enterprise between Bristol Pound Community Interest Company and Bristol Credit Union.



If a person spends Bristol Pounds at a local shop, the owner of this shop can respond them by using them to buy supplies from another local business, or pay local taxes (Business Rates or Council Tax) to Bristol City Council. The business can for instance use their Bristol Pounds to pay a farmer in the Avon area for fresh fruit and vegetables. This farmer can pay a local architect, which accepts Bristol Pounds, to renovate a part of his farm, and so on. In this way money keeps on circulating locally to benefit local independent businesses in the area; this is called the **local multiplier effect**. If the person had spent Sterling Pounds at a supermarket chain instead, for example, more than 80% of their money would have left the area almost immediately. Use of a local currency thus increases cash flow between businesses that use the currency and stimulates local economic development. Moreover, buying locally decreases emissions through reduced transportation externalities. Generally, internal trade through the use of complementary currencies is a resilience strategy, which reduces the impact of national economic crises and dependency on international trade (such as fossil fuels, food, etc.) by enhancing self-sufficiency. Finally, the use of a local currency increases the awareness of the impact of one's economic activity.<sup>2</sup>

Bristol Pound contributed to Bristol being awarded the title of European Green Capital 2015.<sup>[12]</sup>

### The Bristol Pound



*The Bristol Pound has gained international attention as a flagship local currency, with the aim of keeping money within the city, and supporting the local community.<sup>3</sup>*

### Credentials

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### References

<sup>1</sup> <http://bristolpound.org/> viewed 30/05/2015

<sup>2</sup> [https://en.wikipedia.org/wiki/Bristol\\_Pound](https://en.wikipedia.org/wiki/Bristol_Pound)

<sup>3</sup> Source: <http://www.thebristolshop.co.uk/products/bristol-pound-souvenir-paper-full-note-set>