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► To cite this version:

Dante Edme-Sanjurjo, Mathilde Fois Duclerc, Yannick Lung, Julien Milanesi, Fabienne Pinos. The Eusko's trajectory. Hypotheses to understand the success of the complementary local currency of the Northern Basque Country. *International Journal of Community Currency Research*, 2020, 24 (2), pp.14-29. <10.15133/j.ijccr.2020.009>. <hal-02986127>

HAL Id: hal-02986127

<https://hal.science/hal-02986127v1>

Submitted on 7 Jan 2022

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International Journal of Community Currency Research

VOLUME 24 (SUMMER 2020) 14-29

THE EUSKO'S TRAJECTORY. HYPOTHESES TO UNDER- STAND THE SUCCESS OF THE COMPLEMENTARY LO- CAL CURRENCY OF THE NORTHERN BASQUE COUN- TRY

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ABSTRACT

Launched in January 2013, the Eusko (a complementary local currency of the Northern Basque Country in France) would become the foremost local currency in Europe. Five years later, with the equivalent of more than one million euros in circulation, it duly surpassed the Chiemgauer in Germany and the Bristol Pound in England.

This paper aims to explain the development of this complementary local currency and to formulate hypotheses about the factors for its success. Part 1 gives a statistical overview of the Eusko's trajectory, analysing the distribution of this currency in its chronological and spatial dimensions. Part 2 focuses on the specificity of the territorial context, which is characterized by a high density of associational and cooperative movements. Part 3 details the mobilizing organizational devices that have contributed to the Eusko's success.

KEYWORDS

Basque country, complementary local currency, digitalization, Eusko, France.

ACKNOWLEDGEMENTS

This contribution is based on the results of the ongoing research project on local currencies in the Nouvelle-Aquitaine region (MoLoNA, 2018-20) of the Maison des Sciences de l'Homme d'Aquitaine (MSHA), supported by the Conseil Régional de la Nouvelle-Aquitaine.

1. INTRODUCTION

Since 2010, a new generation of complementary local currencies - or fourth group (Blanc, 2018) - has been rapidly growing in France (Blanc, Fare, 2018). These currencies are all based on a par between the euro and the local currency; they circulate in a restricted territory and are managed by associational structures. In France, these currencies have been legally recognized through the social economy law of July 2014¹. In 2018, there were 75 complementary local currencies circulating in France representing the equivalent of 3.3 million euros with more than 37,000 private users who could pay their expenses in one of these currencies to 10,000 businesses, companies, associations or local authorities (Blanc, Lakócai, 2019). Among these currencies, the Eusko holds a special place. Launched in 2013, in the Northern Basque Country², it quickly became the leading French local currency. With the introduction of digital payment (euskokart) for individuals in March 2017 we observed a rapid acceleration of the Eusko's money supply, which enabled it to take the lead in Europe, surpassing the Chiemgauer in Germany and the Bristol pound in England. In terms of capitalization, the Eusko has become the greatest local currency in Europe, with the equivalent of 1.5 million euros in circulation at the end of 2019³.

This contribution describes the trajectory of this complementary local currency and aims to formulate hypotheses regarding its success factors, thus placing the transition to digital money in a broader interpretative context. The paper documents a work-in-progress result from an action research collaboration by academic researchers with Euskal Moneta, the association that manages the Eusko. It is based on the analysis of information collected from Euskal Moneta over several years: financial data, website, internal documents (association's internal rules, minutes of general assemblies and board meetings). We also used the results of regular surveys made by Euskal Moneta among its professional members (firms and associations). A dozen expert in-depth interviews with Euskal Moneta leaders and other Basque associations leaders have been conducted, and 20 interviews with individual and professional users of the local currency. This has been complemented with information collected from several Master theses on the Eusko (indicated in the bibliography). The description of the Eusko trajectory and elaboration of hypotheses to explain the success of the Basque local currency has been discussed between academics and Euskal Moneta leaders⁴.

The first part of the paper overviews the trajectory of this local currency through statistical indicators that describe this exceptionally rapid growth. To explain this dynamic, two factors are underlined: the specific institutional context of the Basque Country, characterized by a high density of associations and cooperative movements, which create conditions favourable for the local currency (Part 2); the mobilizing organizational devices developed by Euskal Moneta to make use of these institutional opportunities (Part 3).

2. THE RAPID GROWTH OF THE EUSKO

Launched in January 2013, the Eusko became the top 1 among complementary local currencies in France at the end of the same year: as of 31 December 2013, there were 245,000 euskos in circulation used by 3,245 members, including 445 "professionals", i.e. members (mainly companies, associations, and local authorities) who accept local currency payments (Figure 1). The increase in the volume of euskos in circulation continued the following year (Figure 2). This rise was despite a decline in the number of individual members, as many support memberships issued at the beginning were not renewed⁵.

After the first two years of rapid growth, there was a relative slowdown in the growth of the amount in circulation in 2015-16, although the rate remained high (around 20% per year). Since 2014, Euskal Moneta has offered the possibility for professionals who carry out major transactions in eusko to make electronic transfers from account to account. The digitalization of the eusko was accelerated with the introduction of a payment card for individuals, the euskokart, in March 2017. Contrary to other local currencies, which introduce electronic payments by mobile phone or smartphone (with SMS or QR code), Euskal Moneta chose to use a specific payment card: professionals must have a dedicated electronic device (terminal) to accept payments with the euskokart.

It seems that the introduction of this euskokart boosted the total volume of euskos in circulation (digital and notes), with a doubled annual growth rate reaching almost 40% in 2017-19. While the digital eusko -used then by professionals alone- accounted for 27% of the total number of euskos in circulation at the end of 2016, it accounted for 69% in December 2019. The growth of notes in circulation has been limited to 22% during the last 3 years,

while the digital euskos have been multiplied by a factor of 7 (Figure 2). Most of the increase - which enabled the Eusko to exceed the threshold of 1.5 million on December 2019 - is associated with the widespread use of digital technologies.

At the end of 2019, 62% of individual members and 72% of professionals had a digital account in eusko, which can be used for electronic transfers, payments with euskokart or cash withdrawals (eusko notes) at exchange counters. While only 26% of professional have a digital device for the euskokart, 36.8% of individuals have used this payment card during the year, and a total of 16,510 payments have been made in euskokart for a total of 442,000 euskos (26.5% of the total payments in eusko in 2019).

The average monthly amount of conversion from euros into euskos was 96,000 euros in 2019 (75% in digital euskos, 25% in notes). In addition, the rate of reconversion of euskos into euros by professionals has decreased since the euskokart’s introduction: it rose to around 80% in 2016 but has now stabilized to about 60% (Figure 3). This indicates a greater use of euskos by professionals, and probably a greater density of exchanges between them.

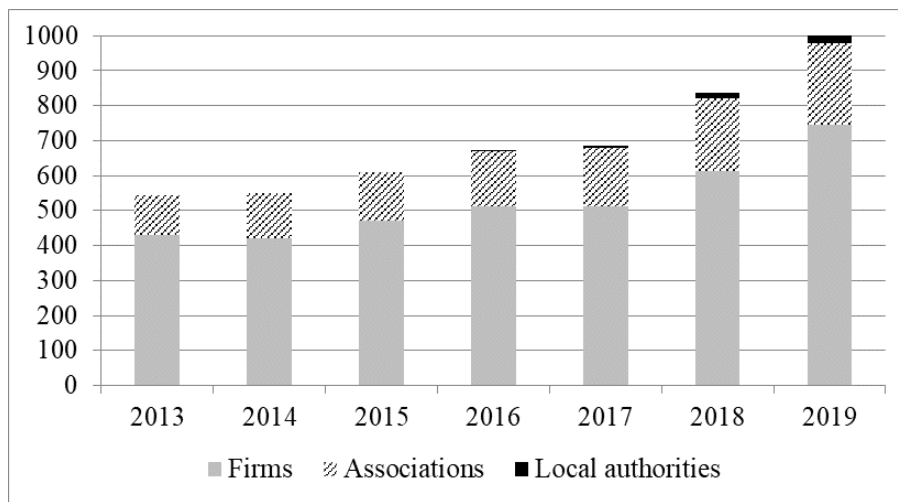


Figure 1 – Number of professional members.

Source: Euskal Moneta.

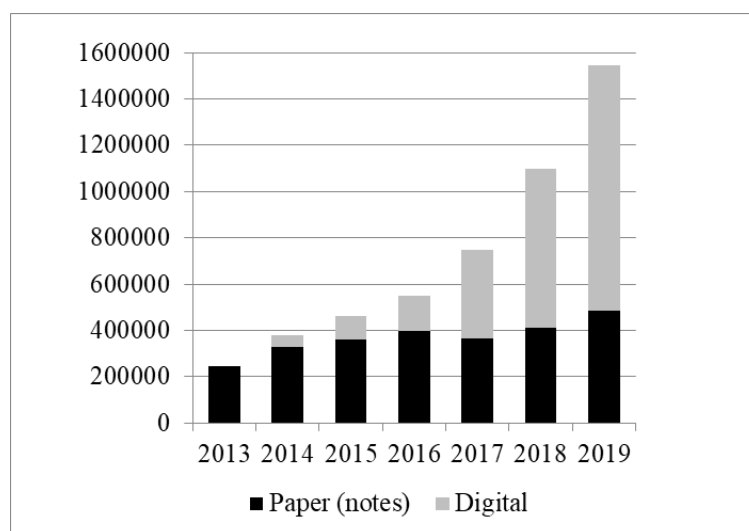


Figure 2 - Evolution of the volume of euskos in circulation at year-end (2013-19).

Source: Euskal Moneta.

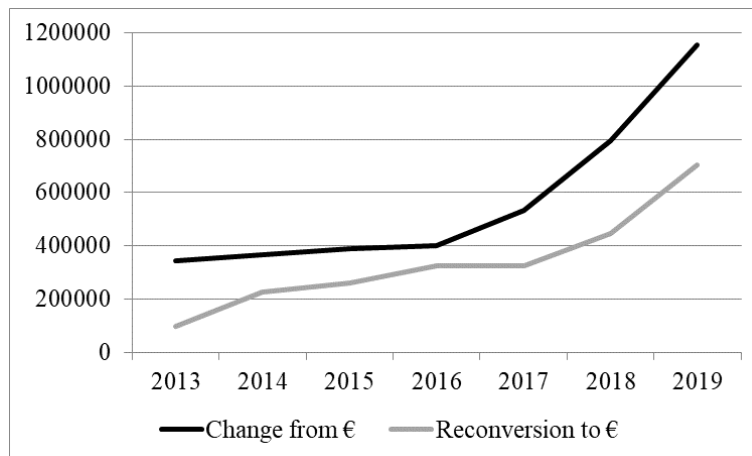


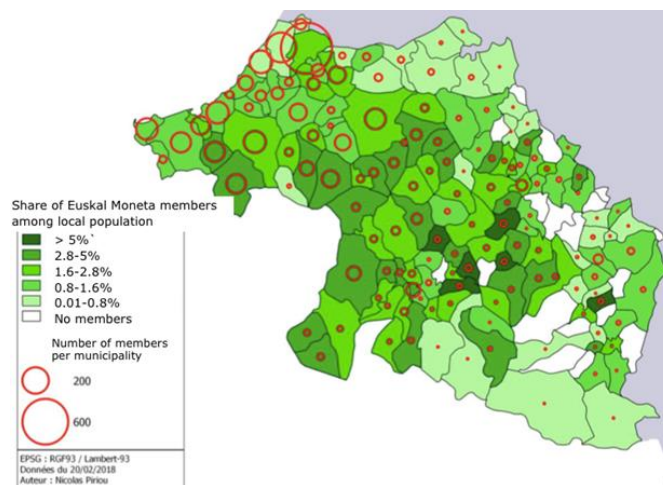
Figure 3 - Annual amount of change from euros to euskos and reconversion.

Source: Euskal Moneta.

Beyond the global data, the diffusion of the local currency in the Northern Basque Country remains uneven, revealing significant geographical disparities in the use of the eusko. Whether we look at the geographical distribution of individuals or that of professionals in 2017 (Maps 1 and 2), we observe two phenomena:

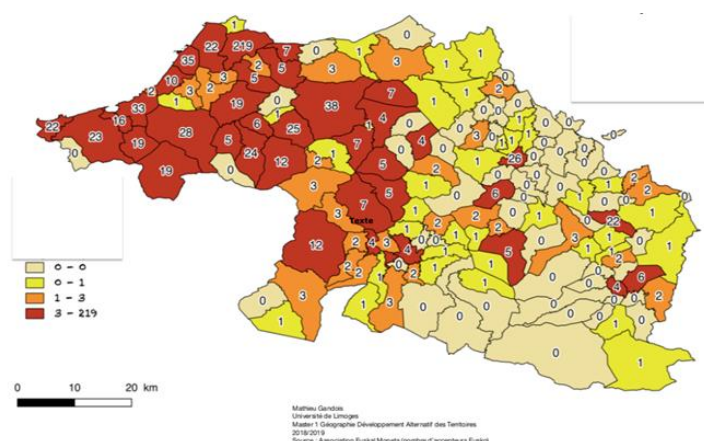
- Not surprisingly, there is a high concentration of Eusko users in the urban agglomeration of Bayonne-Anglet-Biarritz (BAB), which groups 42% of the population of the Northern Basque Country but only 30.7% of Euskal Moneta members (almost 20% for the city of Bayonne alone).
- Beyond the absolute number of the population, if we look at the diffusion rate of local currency among the population (the density of individuals or companies using the eusko), it appears much stronger in the mountains or valleys of the Basque Country than in the urban areas. While barely 1% of the BAB population is member of Euskal Moneta, this rate can reach up to 12.4% in the rural commune of Gamarthe, which has just over 100 inhabitants (Piriou, 2018). This reflects a greater adoption of the local currency by the population in some rural areas than in urbanized areas.

To understand this rapid Eusko take-off and its continuous growth, we need to analyze the social and organizational conditions which lead to activist and volunteer practices supporting this dynamic. We have to go back to the Eusko’s political and social genesis.



Map 1 - Number and share of Euskal Moneta individual members in the population by municipality.

Source: Data from Euskal Moneta. Map prepared by Nicolas Piriou.



Map 2 - Number of professional members accepting payment in eusko per municipality.

Source: Data from Euskal Moneta and INSEE. Map prepared by Mathieu Gandois.

3. THE EUSKO'S POLITICAL AND SOCIAL EMERGENCE

The Eusko was born in a fertile social soil with an organizational ecosystem rich in human, material and monetary ties driven by a political and social history that brought ethical trust, symbolic strength, and diverse know-hows to this monetary initiative

3.1. An ecosystem that generates community trust

3.1.1 The alternative ecosystem in which the Eusko evolves

In addition to the favourable national context, several factors – specific to the Basque Country – can explain the attention paid to the Eusko from its emergence phase. To understand them, it is necessary to review some historical elements related to social economy in this territory (Itçaina, 2010a). From the mid-1960s onwards, local development "was a new priority for Basque nationalist and regionalist militant circles that had hitherto focused mainly on institutional, linguistic and cultural demands". The Basque nationalist movement "took a self-management turn in the early 1970s", which encouraged the emergence of production cooperatives. For Itçaina (2010a), "the structuring of the Basque social economy ("économie sociale et solidaire") ... results from an original alliance between a high degree of community trust (Basque territorial belonging) and organizational trust (the choice of the cooperative form)" (Dupuy and Torre, 2004). For this author, the Basque country is a "case of a territory with a strong "civic capital" in the sense of A. Evers⁶, in order to insist on the social and strictly political interweaving of these economic initiatives". The objectives of relocating the economy, revitalizing the territory, reappropriating exchanges by citizens or solidarity of a local currency could only find a favourable response in a context historically marked by the defense of an economic and cultural identity.

Euskal Moneta is definitively part of a dense network of organizations with associational or cooperative status working to promote the ecological transition and to support the local economy in the Northern Basque Country. Three components can be identified historically in the development of this alternative ecosystem.

The older subsystem constituting this alternative ecosystem shows that the density of mobilization in the economic field has been a specific feature of the local context for several decades. This "first wave" of economic and social innovations, centred on the ideal of endogenous economic development at the local level, took shape in the 1970s on the initiative of activists close to nationalist circles. Drawing on the experience of the Mondragón cooperative complex, which had existed since the late 1950s in the Southern Basque Country (Spain) and had tens of thousands of employees, they initiated a movement to create workers' cooperatives (SCOP, Société Coopérative Ouvrière de Production) in the Northern Basque Country (Itçaina, 2010b). Examples such as the cooperative Copelec (for the construction of power lines) founded in 1975, Berria (cheese production), or COREBA (building

and civil engineering) created in 1983, illustrate the diversity of the sectors concerned. It was at the same time, in 1980, when local entrepreneurs who were gathered in the Hemen association ("Here" in Basque language) founded the venture capital company Herrikoa ("what comes from the country or the people") to support job creation in the Basque Country by relying on local saving. It is particularly through this structure, which is now an example of success and longevity in alternative finance in France, that links are forged between this "first wave" and the third, to which the Eusko belongs. Herrikoa has provided financial support for some of the recent initiatives (including I-ENER, Enargia and Lurzaindia), and has worked to create the Eusko by inviting its members to the first public meetings to prepare the local currency and by providing financial support for its launch. Euskal Moneta has since taken a stake in Herrikoa⁷, while Hemen is a member of the Euskal Moneta College Committee.

The second component is agricultural and is organized around Euskal Herriko Laborantza Ganbara (EHLG), the alternative agriculture chamber created in 2005. As an association, EHLG offers technical support and local services to farmers in the area. Its creation was an important event in the recent social history of the Basque Country, due to the tensions that this initiative has created between representatives of the State and its initiators (Itçaina, 2009), but also to the important social mobilization it has generated. Bizi! was created as a result of this mobilization, partly by activists who contributed to it, and this association, like the structures it initiated, now maintains close links with agricultural organizations defending peasant agriculture in the territory. EHLG, such as the Inter-AMAP⁸ of the Basque Country, the federation of agricultural associations Arrapitz or the CIVAM bio (organization supporting organic farming) are thus beneficiaries of the reversal of 3% of the sums converted into eusko (3% Eusko, see below), and it is possible to participate through the use of eusko in the agricultural land company Lurzaindia created in 2013. EHLG, Arrapitz and Inter-AMAP sit on the Euskal Moneta College Committee.

The most recent component emerged, like the Eusko, in the 2010s. There are structures specialized in energy (Enargia for distribution, I-ENER for financing and production), urban mobility (Txirrind'ola), and waste (Konpon Txoko) as well as citizen mobilization organizations such as Alternatiba or Action Non Violente COP 21. All these structures have in common that they were created in connection with the Basque alter-globalization organization Bizi! ("Alive!") which claims 600 members and celebrates its 11th anniversary this year. They thus share a set of values, political objectives, organizational methods and maintain important material links between them. For example, the Eusko is accepted as a means of payment in all these structures, Euskal Moneta is a founding member of Enargia, while Bizi! and Txirrind'Ola benefit from the 3% Eusko and also sit on the Euskal Moneta College Committee, the association's decision-making body.

Last but not least, all these organizations share the objective of defending the Euskara, the Basque language. The creation of the Eusko was thus the result of a meeting between members of Bizi! who saw in local currency a tool for relocalizing economic activities, and Dante Edme-Sanjurjo (the current director of the association), who wanted to make it a tool for promoting Euskara. The Eusko now has links with SEASKA, the Ikastola⁹ federation, which also sits on the committee of the Euskal Moneta colleges - as well as AEK, an adult education organization for the Basque language and Euskal Irratiak, a federation of radios broadcasting in Euskara. The parents of the approximately 3,600 students who attend these schools, colleges or high schools in Euskara increasingly pay their contributions to school fees in local currency, while SEASKA is a beneficiary of the 3% Eusko, as are several Ikastola. Beyond the material link, the success of the Ikastola, who were born from the will of a few parents in the early 1970s, is an example on which the leaders of current initiatives regularly rely to defend their projects, proof in action, in a way, that it is possible to rely on one's own strengths.

The Northern Basque Country is therefore the place of a relatively old and dense dynamic of mobilizations expressed in the economic field, in the form of "discreet mobilizations" (Itçaina, 2006) located at the borders of politics. How can this density of cooperative and associational movements be a relevant factor in illuminating the success of the Eusko?

3.1.2 Building trust and readiness to act

The detour through the history of social economy dynamics in the Northern Basque Country makes it possible to understand the construction of dispositions to cooperate on the territory. Indeed, since the late 1970s, there has been a process of "social construction of territorial trust". It can be assumed that the existence of a sense of trust based on shared values and strong social cohesion at the territorial level is a key factor in the success of a local

currency. Indeed, Simiand had already pointed out that money is "a matter of trust". Aglietta and Orléan (2002) distinguish three forms of trust: methodical trust, hierarchical trust and ethical trust. The latter "refers to the symbolic authority of the system of collective values and norms, consensually accepted, which underlies social belonging" (Théret, 2008). The first hypothesis would therefore be that the Eusko has been able to benefit from the existence of an ethical trust previously established in the territory, in particular between networks of actors in the economic field and social economy.

These dense interconnections lead to the accumulation of significant social and activist capital in the territory. In other words, it is assumed that the success of the Eusko is partly due to a strong capacity to activate pre-existing networks and to get partners (companies, associations and solidarity financial institutions) to join the project. In doing so, we highlight the role of political culture, understood as a set of representations (knowledge and beliefs) able to constitute a foundation of shared values that can crystallize in territories (Itçaina, 2010a), as a constituent factor of a territorial "social capital". Thus, from the design phase of the Eusko, the project leaders, in addition to their own voluntary commitment and the skills they attracted and retained in their group, were able to rely both on the resources (human, material, monetary, etc.) of an existing informal but strong institutional ecosystem of organizations and on the strength and symbolic trust created by the successes of initiatives such as the Ikastola or Herrikoa.

In addition to this territorial social capital, there is also activist human capital¹⁰ "incorporated in the form of techniques, dispositions to act, to intervene" accumulated through the various mobilizations preceding the Eusko (Matonti and Poupeaud, 2004). This capital is particularly visible in what is called "the Bizi! method", established and fixed by the alter-globalization organization (Bizi!, 2019). It contains principles of action defining the "radicalo-pragmatism" to which the movement refers and is also reflected in a set of operating and organizational rules aimed at efficiency (Laidet, 2019).

Thus, we find this pragmatism in the Eusko's discourse: unlike many other citizen local currencies, it is not "against" (against supermarkets, against finance and others) but "for" (peasant agriculture, employment, local trade, etc.), which facilitates the support of people and companies who do not see themselves as activists. In addition, professionals can enter the network without being ethical in their practices, but they must commit themselves to concrete challenges. It is therefore in a process of progress for all (excluding supermarkets and industrial agriculture) and not in the constitution of a network of virtuous professionals (farmers and organic shopkeepers, alternative medicine practitioners, etc.).

3.2 A large citizen engagement

The idea of creating a local currency in the Northern Basque Country¹¹ came from a discussion and action committee within the alter-globalization movement Bizi! created in 2009 (Bizi, 2019). In particular, this group conducted information campaigns on the practices of commercial banks, denouncing the use of their power of money creation to finance projects that were not ecologically and/or socially sustainable. The group had already published bank rankings based on their practices on several occasions. Its members worked closely with the ATTAC movement¹². In 2010, these alter-globalization activists participated in the Cancon¹³ counter-summit and discovered the Abeille, a complementary currency that had just been launched in the Lot-et-Garonne department. For these activists, looking for an alternative that could be transposed to the Basque Country, it was a revelation.

After an exploratory research phase on complementary local currencies, the small group decided to embark on the project. During the group's first meeting, on 15 June 2011, the question of the Basque language (Euskara) was raised and it was decided that the currency would have two objectives: the relocalization of the economy and the defence of the Basque language. From the outset, it was therefore a political project for the environment, autonomous territorial development and the Basque language. Afterwards, the group invited about forty associations from the territory and trade unions to present the project on October 2011. About twenty of them came, thanks to the existing links between activists and movements. The group has expanded to include volunteers working on the local currency project. An intermediate association, the AMBES (Association for the creation of an Ecological and Solidarity Basque Currency) was formed to carry out the pre-project. AMBES members have continued to deepen their knowledge of the mechanisms of local currencies, expanding their network while gradually mediatizing the intention to create the local currency. On October 2011, they participated in the biannual meeting of the

Network of Complementary and Citizen Local Currencies (MLCC) in Villeneuve-sur-Lot where the Abeille was created in 2010. They went to Toulouse in December to study the Sol Violette, the most important local currency in France at that time, and then to Bavaria on January 2012 to study the Chiemgauer, which was then the most important local currency in Europe and a reference for AMBES. The Chiemgauer was taken as an example because it circulates on a territory that shares several characteristics with the Northern Basque Country (demography, associational fabric, local development, mix of small towns and countryside...).

Based on these lessons, the association entered a phase of public meetings (about twenty) and actions that could be qualified as "educational promotion" in order to democratize the concept of complementary local currency. The objective was to make the approach known to as many people as possible and to initiate a real appropriation of the new exchange tool proposed by the inhabitants of the territory. It was also a question of integrating the feedbacks of citizens, activists and a few business leaders on the preliminary project, which led in particular to the abandonment of the Gesellian regular depreciation of face-value (Blanc, 1998). This co-construction approach resulted in the drafting of final statutes and regulations (still in force today) and the creation on 26 January 2013 of Euskal Moneta (EM), an association dedicated to the management of the Eusko, the local currency entered on circulation on the 31 January 2013.

Since the conception of the project, the AMBES has sought to generate a strong participatory dynamic among the inhabitants of the territory: in 2012, a cycle of around twenty presentation-debate evenings was organized throughout the Northern Basque Country and attracted hundreds of people. For the association, it was a matter of communicating and informing about the preliminary draft and amending it according to the feedback of the inhabitants, shopkeepers, company managers, association activists, etc. The AMBES activists then wished to encourage the participation of the inhabitants in order to co-construct the local currency by involving them in strategic decisions.

Thus, at the end of the many meetings that had been organized, it was decided not to retain the Gesellian principle of regular face-value depreciation for the future currency due to the reluctance of many participants to agree to such a mechanism. This same approach was adopted for the choice of the currency's name, through a participatory campaign entitled "it is your currency, you choose its name!". In the spring of 2012, the AMBES launched a public call for proposals, which saw the emergence of approximately 380 names. Then a jury composed of emblematic personalities from the Northern Basque Country representing different sectors (business leaders, artists, association presidents, etc.) pre-selected seven proposals, which were submitted to a vote that mobilized around 2,000 people (Poveda, 2015). On the occasion of Herri Urrats, the great annual celebration of the Ikastola's federation, the association unveiled the name chosen by voters for the future local currency: "Eusko", an adjective that means "Basque" in Euskara.

During the last months before the launch, a new call for participation attracted some 40 additional volunteers to carry out various tasks, related to "the design and printing of the 1, 2, 5, 10 and 20 eusko note coupons, [...] other logistical aspects including the secure currency distribution and tracking system, [...] the necessary IT tools, communication documents for individuals and companies, translation tasks [...], the recruitment of future users and professionals, etc."¹⁴.

Finally, the participatory dimension must be maintained over time. Faced with the risk of gradual demobilization of members, Euskal Moneta regularly organizes popular events such as the Eusko Eguna (Eusko Day) every year in March since 2017, or the Eusko Week in Ciboure, small city close to Biarritz, in the spring of 2018. The aim here is for the association to anchor its presence in the calendar of local popular celebrations, in order to extend its visibility, to periodically mobilize volunteers and to broaden their recruitment.

3.3 The Eusko's values in line with its territory

Most complementary local currencies in France support the vision of an alternative economic and social model and deploy a discourse full of promises of change. In the case of Euskal Moneta, this discourse is reflected in official documents such as the statutes, or more informative and explanatory materials such as the association's website.

3.3.1 Euskal Moneta's objectives

Euskal Moneta's statutes reflect the initial objectives set by its founders in January 2013. Article 2 specifies that the use of a complementary local currency in the Basque Country is intended to:

- Relocalize the economy,
- Promote the use of Basque language (Euskara),
- Strengthen ecological and solidarity practices and social cohesion

In line with these objectives, the missions entrusted to the Euskal Moneta association are divided into 11 points (article 3). We highlight here those that are most directly related to the objective of the economy relocalization, namely:

- "to put the economy back at the service of the local, the social and the human, within a respect for nature, instead of an economy that simply encourages speculation and consumption";
- "to strengthen the Basque Country's associational life by structuring a regular and sustainable source of funding for local associations";
- "to be an organization providing support, management and research in any field concerning the sustainable, social and solidarity economy of the Basque Country, either on its own behalf or on behalf of third parties (local authorities and their groupings, public authorities, associations, companies...)".

These associational goals are relayed by an explanatory approach on the association's website¹⁵. Support for associations in the Basque Country is important, as 3% of the amounts converted into euskos ("3% Eusko") are donated to them (see below). For professionals, the system of "challenges"¹⁶ obliges them to take action in favour of the environment and/or the Basque language¹⁷. These examples illustrate the desire to make the Eusko vision a reality as "a tool that promotes the emergence of an economy that is more respectful of human beings and their natural environment". In summary, the main message is stated as follows by Euskal Moneta: "The Eusko is above all a means for everyone, professionals and individuals alike, to participate in a collective project for the harmonious development of the Basque Country, for the defence of the environment, the Basque language, local trade and peasant agriculture".

These objectives, in conformity with the spirit of complementary and citizen local currencies, are also in accordance with the orientations of the historical associational and cooperative movements in the Basque Country. One of Euskal Moneta's strengths is that it has been able to implement them into concrete action modalities whose links with the goals pursued are easily identifiable. The association was able to communicate on the vision: "What is the purpose of the action?" but also to strengthen trust in its action by proposing a coherent and credible "How" to act.

3.3.2 Operating rules at the service of the Eusko's promises

The operating rules of Euskal Moneta describe the actions by which the association proposes to achieve its aims¹⁸. In order to illustrate, we will limit ourselves here to the study of actions relating to economic objectives.

(i) Promote the consumption of locally produced goods and services

For individuals, euros converted into euskos cannot be exchanged back into euros¹⁹ (GP-rule 11)²⁰, nor re-deposited on a digital eusko account (GP-rule 18). These eusko notes are intended to be spent with professional members, legal entities (GP-rule 7) having their registered office in the Basque Country and approved by the Euskal Moneta accreditation committee (GP-rule 10).

For professionals, the conversion fee is 5% of the changed amount (GP-rule 12). To date, they are obliged to accept payments in eusko between themselves up to €500 per month (GP-rule 13) but remain free to impose thresholds above this amount. To strengthen relations between professionals, when they first become accredited, they agree to take up a challenge in favour of the relocalization of the economy (PA-Rule 2). To meet this challenge, which ideally consists of integrating local suppliers, Euskal Moneta offers specific support (PA-rule 4).

These provisions clearly aim to promote the economic activity of legal entities located in the Basque Country²¹ by directing private expenditure such as inter-company trade.

(ii) Promote investment and ethical activity in the territory

In order to comply with French law, any eusko issued must find its euro counterpart in a regulatory reserve fund, i.e. a financial account whose balance reflects in euros the amount of euskos in circulation. For Euskal Moneta, it is "placed with a financial institution that is socially responsible or ethical" (RF-rule 1). In addition, Euskal Moneta signed in 2013 a partnership agreement with the Basque venture capital company Herrikoa to set up an investment fund for local projects (RF-rule 2) which is not active yet. These provisions are intended to encourage investment in the territory and the development of local activities.

(iii) Fostering associational activity in the territory (3% Eusko)

Non-profit associations that are members of Euskal Moneta (IB-rule 2), chosen by at least 30 individual members, can benefit annually from a donation in eusko equal to 3% of the sums exchanged by the members who chose it over the period (IB-rule 1). This measure is intended to assist associations collectively.

Through these examples, both the objectives and the operating rules of the Eusko reflect the values promoted by the Euskal Moneta association and to which its members subscribe. On the one hand, it is a question of highlighting the importance of the awareness that other modes of action are possible and that these alternative or complementary modes of action influence the direction of a community's economic and social development. But, beyond awareness, a value of individual responsibility also emerges: everyone, through his consumer choices, participates in the responsibility of this orientation. On the other hand, it is about values of commitment and solidarity: Euskal Moneta aims to build a solidarity network in the territory involving all stakeholders. Citizens, private companies, associations but also public authorities are invited to join an open, independent of any political party movement, but with a political vocation as much as it concerns the affairs of the city or of the territory. These values are embodied in the coherence of the approach implemented from the very beginning of the project: pedagogy, inclusion, openness, cooperation with all stakeholders in the territory to influence institutional practices.

In addition, Euskal Moneta's statutes seek to include these operating rules in the association's governance structure: the different types of members are represented in colleges (Active members college, Users college, Professionals college, College of associations receiving the 3%, College of core values, College of territorial authorities) composing a Committee of colleges, which meets to discuss and set the strategic orientations of the Euskal Moneta association, and to elect the Steering Committee and the Accreditation Committee.

If the Eusko's success is largely based on the high density of associational and cooperative movements, which is a remarkable characteristic of the Basque country, such a context does not explain fully the success story. It is a necessary but not sufficient condition. Another key factor of this dynamic is relative to the development of organizational devices which can mobilize activist and citizen energies to realize the territory's potentialities.

4. MOBILIZING ORGANIZATIONAL DEVICES

Three organizational devices seem decisive: the early professionalization of Euskal Moneta; the commitment of public local authorities; and the introduction of digital innovations.

4.1. Professionalization as an institutionalizing process

In parallel with the very strong mobilization of activists and volunteers gathered within AMBES, the design of the Eusko project was accompanied by a very early professionalization of the team: even before the launch of the currency, five people were already in place to carry out the work defined by the Steering Committee - a coordinator, three professionals' network development officers in charge of canvassing companies and associations, as well as a users' network development officer whose mission is the awareness and recruitment of eusko users. From the outset, this professionalization was largely based on "atypical" forms of employment, such as the internship, which then concerned the position of coordinator, or the use of national employment schemes supported by the State such as the Employment Support Contract ("Contrat d'Accompagnement dans l'Emploi") for the four

network development positions. Thanks to these arrangements, Euskal Moneta has sought from the very beginning to rely on an entrepreneurial approach that consists of creating positions that can generate income to finance themselves, in particular through the contributions of professionals. In May 2019, after six years of experience, this characteristic remains present at Euskal Moneta, which, alongside the team's 10 employees, mobilizes three volunteers in civic service for communication and social network management missions, as well as missions related to events. This "atypical" professionalization of Euskal Moneta²² is reflected in a model of the "activist employee" (Hély, 2005), which seeks to favour workers whose involvement in the association (often first in the form of unpaid volunteering) can go as far as "a constant presence within the structure" which can lead to confusion regarding the roles of team members. Camino, the association's coordinator until July 2016, points out that "it has sometimes been difficult to differentiate between my position as coordinator and my involvement as a volunteer and activist" (Camino, 2013).

The professionalization of Euskal Moneta is also part of a genuine strategic approach to developing the total payroll: in mid-2013, very shortly after the introduction of the Eusko, two additional recruitments were already planned. Between 2013 and 2019, the size of the salaried team doubled. Indeed, the challenge set out by management from the outset is to "create a team, train it and then sustain it" (Camino, 2013).

Today, there is a functional division of labour within the team, since, in addition to the position of general manager, employees are divided between a team focused on the network's development (four employees), a communication team (two employees), a position dedicated to the promotion of the Basque language and two administrative positions. In order to ensure a continuous dynamic of spreading over the territory, the various "development officers" are also organized according to a spatial division of labour, each being a reference for a specific geographical area.

Nevertheless, the professionalization of Euskal Moneta must not hide the importance of unpaid volunteers' mobilization, which also contributes to the remarkable success of the local currency. This mix is observable in other French local currencies as concluded Blanc, Fare and Lafuente-Sampietro after their survey: "The number of volunteers is positively correlated with the presence of salaried employees and the structure budget" (Blanc et alii, 2020, p.13).

But beyond the participation of volunteers and the various "traditional" categories of members - individuals, professionals and associations - one of the most remarkable aspects of the mobilization dynamics generated by Euskal Moneta is the growing participation of public institutions within the Eusko network.

4.2 The public authorities' involvement

The commitment of public authorities to the dynamics of a local currency appears to be a favourable condition for its development, through several levers, including the use of local currency for local public services (swimming pools, public transport, etc.) or for local authority expenditures such as allowances for local elected officials (Cauvet and Perrissin-Fabert, 2018). In this respect, Euskal Moneta has distinguished itself from most of the complementary local currencies in circulation in France by its ability to involve local authorities in the dynamics of the Eusko²³. Throughout its history, the Basque Country's local currency has received increasing support from local authorities, first in the form of public aid: since the beginning subsidies from local authorities represent more or less 25% of the annual resources of the Euskal Moneta association. In addition to simple financial support, these local authorities have gradually become more actively involved: as of 2016, three municipalities were members of the association²⁴ and their number has been growing rapidly since in 2019, 19 municipalities representing about one third of the population of the Northern Basque Country are Euskal Moneta members.

In addition, in July 2018, the Basque Country Agglomeration Community - an inter-municipal cooperation structure that brings together the 158 municipalities of this territory - also joined the Eusko following a unanimous vote by its Permanent Council. Membership includes simple reciprocal commitments (information, participation in events, ...), and the possibility of varied uses for member municipalities and local authorities: those with local public services - swimming pool, canteen, nursery, media library... - have the possibility to receive payments in eusko.

As for the use of the Eusko by local authorities to pay part of their expenses, the issue is relatively complex under French law. The central government opposed the first attempts, which led to a legal dispute that resulted in a compromise solution allowing partner authorities to use local currency for expenses such as allowances paid to elected officials.

If, the 2014 law fully recognized complementary currencies, nevertheless, it remained unclear whether it was legal for a public entity to use them for its expenditure. At the end of a highly publicized judicial episode, including at the national level, a compromise was reached in June 2018 between the City of Bayonne - which wanted to settle certain expenses in eusko -, Euskal Moneta and the prefecture of the Pyrénées-Atlantiques (representative of the central state), which considered this practice illegal. The agreement between Euskal Moneta and a local authority must not mention the terms "payments in eusko" but it will be possible to make payments to elected representatives²⁵, associations or companies through accounts opened with Euskal Moneta. The local authority ensures the Trésor Public (which manages the local authority's accounts) pays Euskal Moneta the euros corresponding to the claim, the association places these euros in reserve and credits the recipient's eusko account with an equivalent amount. These modalities of action are in accordance with the values promoted by the association and allow an even wider opening to cooperation between actors in the territory.

If it was not the first local currency accepted for payment of services to local authorities in France, the Eusko has been the first used by local authorities for some of their expenses. Other local currencies have now followed suit. But this remains limited (6.5 to 8% indicated Blanc et alii, 2020).

If the entry of several institutional actors into the Eusko system should lead us towards an analysis in terms of institutionalization, we may nevertheless wonder whether, unlike the situations traditionally studied by the sociology of social movements (with an "integration" of movements into the arenas of public decision-making), we would not be dealing here with a "descent" of public institutions into the space of mobilizations - through the formal membership of municipalities and partner communities in the Euskal Moneta association - i.e. a transformation through social mobilization of the institutional system itself. Thus, local authorities pay a contribution on the same basis as any member, and municipal authorities must meet challenges for the environment and the Basque language, as do professionals.

4.3 The Eusko's digitalization

We cannot seek to understand the development of the Eusko without analyzing the specific role that digitalization process has played in this dazzling success. The Eusko was one of the first French local currencies to shift to digital money, but, unlike the processes initiated by others, such as the Bristol Pound in England or more recently the Cairn in Grenoble, users do not carry out transactions via their mobile phone (by text message) or smartphone (through an application), but with a payment card similar to credit cards (Visa, MasterCard, etc.): the euskokart.



Figure 4 - The euskokart.

Source: <https://www.euskalMoneta.org/2017/08/08/7-astuces-pour-bien-utiliser-son-euskokart/>

Since 19 March 2017, Euskal Moneta has opened an online eusko account system for individual members: they can credit in digital euskos against euro payments to Euskal Moneta. Participants can then make transfers be-

tween themselves free of charge²⁶. They also receive a payment card, the euskokart, which allows them to pay in network shopkeepers that have been equipped with a eusko payment terminal made available free of charge by Euskal Moneta. Merchants can thus collect payments in eusko, with eusko then being transferred directly from the customer eusko account to the professional account.

The "digital shift" was accompanied by a major participatory fundraising campaign that raised €30,000 in the first quarter of 2017 (in two months). This campaign was part of a major communication campaign that mobilized Euskal Moneta employees and volunteers in the months leading up to the launch of the euskokart (March 2017). Such a dynamic has culminated in the Eusko Eguna (first edition), a major celebration organized for the occasion, which has enabled members to adopt this new tool on a massive and rapid scale. In this case, after one year of existence, half of the active individual members (who changed euros for euskos at least once in the year) had used digital money (Piriou, 2018).

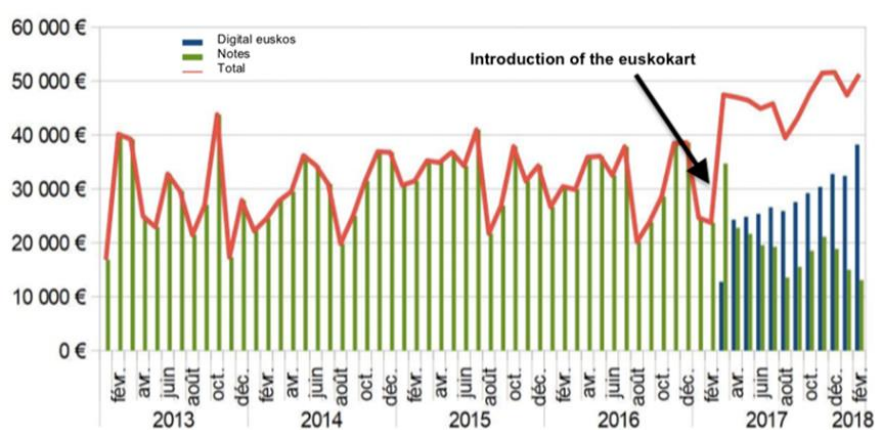


Figure 4 – Monthly change of euros into euskos (2013- Feb. 2018).

Source: Piriou (2018).

The introduction of the digital eusko has revitalized the increase in the money supply in circulation, in particular through the mandatory monthly automatic exchange, which leads all holders of an online account to convert at least 20 euros per month into euskos. In this context, it can be seen that the mass of euskos in paper money (notes) is stabilizing, while the mass of digital euskos in circulation has been growing rapidly and continuously since 2017 (see above Figure 2). At this stage, the effects of digitalization on the dynamics of the Eusko seem effective as the monthly change of euros into euskos, which has been stable during the first years (about 30,000 € in yearly average in 2013-16), started to rise regularly since the introduction of the euskokart (Figure 4): the average monthly change jumped to 44,000 in 2017, and reach to 96,000 in 2019. Firstly, the shift to digital money has enabled Euskal Moneta to send a message to users who only follow the project from a distance: the Eusko is on the rise. This is a sign that the project is progressing and becoming sustainable. Secondly, in the use of currency, many users prefer electronic payments (with card or smartphone) and transfers. For them, the development of the digital eusko is an upgrade of the eusko against the euro. It is a way of reaching a wider audience, perhaps people who would not have been interested in a currency available only in physical form. Finally, the contradictory aspects of digital technology, and in particular the opposition between local and global, are not relevant to users. Since the notes system always exists in parallel with digital money, users can choose which one to use. Those who prefer notes have not had to change their habits and can continue to use euskos as they have always done (Piriou, 2018).

Euskal Moneta will continue to introduce new technological innovations in this digitalization process. If the introduction of a blockchain technology is not a topical issue for the Eusko (Pinos, 2019), two main innovations support the continuous growth in 2020. The first one is the possibility for the Eusko's users to pay with their smartphone. The use of a euskokart needs a specific device (terminal), which means an investment (about ¾ of professionals do not have such devices), and some technological difficulties (for example, if devices are not charged, they don't work and the user needs to pay with Euskoa notes). Most of the French local currencies that are presently engaged in a digitalization process will use a mobile phone (sms) or smartphone (QR code), and this

new way of payments is rapidly growing (Lung et alii, 2019). A new application (euskopay) has been developed, and since June 2020, the eusko's users have the possibility to pay in euskos with their phone. Notes and euskokart will continue to be used.

The second innovation is the possibility for tourists, who stay in this region to have access to this facility, within a broader project of "participative tourism". The Basque country is a region of mass tourism, particularly during the summer, and the idea is to associate people visiting the region with participation in Euskal Moneta's objectives: supporting the local economy, having more ecological expenditure and exploring the Basque language. Such a solution with a reduced fee for membership and the digital application euskopay has been proposed in tourist offices since the summer of 2020.

5. CONCLUSION

The various hypotheses explored here lead us to consider the success of the eusko as a resolutely multifactorial phenomenon. More than just an "identity factor" with ill-defined contours, it does seem to be linked to a fertile socio-political ground, marked by decades of economic, environmental and cultural mobilization and initiatives that have generated significant territorial trust. This place-based identity construction hypothesis should not lead to us underestimating the major role of the Euskal Moneta team in steering a sustained growth dynamic over time, particularly through the involvement of public authorities and the shift to digital technology.

The exceptional success of the local currency of the Northern Basque Country, the eusko, seems to have its origins in the density of the activist associational network of this territory and the effectiveness of this associational network (ethical trust). Within this milieu of associations Euskal Moneta prepared the launch, organization and first few months of development of this currency with consummate professionalism. After this it remained to go beyond this early adopter first circle of activists and sympathizers so that a larger part of the population could appropriate the use of this currency. With the introduction of the euskokart and concomitant digitalization of the eusko this enlargement has been facilitated and thus given a new impetus to the spread of the eusko in the northern Basque territory. Yet this is not the end point, and Euskal Moneta's ambition, expressed in its 2018-2021 strategic plan, is to continue such dissemination to irrigate the entire territory via the introduction of new monetary innovations while maintaining the focus on the fundamental values of the currency, in particular the ecological transition and the defence of the Basque language.

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ENDNOTES

¹ Loi n° 2014-856 du 31 juillet 2014 relative à l'économie sociale et solidaire (article 16).

² The Basque Country is a territory that shares a common history and a living language, Euskara, divided in two between Spain and France. The Northern Basque Country (Iparralde in Basque) is the French part. It is one of the territories of the Pyrénées Atlantiques department (administrative division in France). The other territory is Béarn with another complementary local currency: the T!nda.

³ Are not include local currencies based on mutual credit (barter), such as WIR and Sardex, which have different dynamics compared with complementary local currencies.

⁴ One author of the paper is Euskal Moneta's Managing Director.

⁵ Only a member of Euskal Moneta association can use the local currency and this member has to renew his/her membership each year. The number of individuals who paid their annual contribution dropped by more than 50% between the launch year (2013) and 2014. At the end of 2019, this number has risen to 2,998.

⁶ "Social capital is then to be understood both as an indicator of the degree of development of a civic society (constituted both by social and political action) and a way to debate civic commitment with an eye on economic development and governance." (Evers, 2001, p. 299).

⁷ Even if this presence is very weak, symbolic.

⁸ An AMAP (Association for the Defence of Farming Agriculture) is an association organizing the direct distribution of agricultural products in "circuits courts" (short circuits) from peasant to consumer.

⁹ An Ikastola is a school of associational status where education is taught in the Basque language.

¹⁰ Activist human capital refers to all "learning acquired through activism, [...] skills imported from outside, as well as those learned on the job" (Matonti and Poupeaud, 2004).

¹¹ More details on the Eusko emergence in Poveda, 2015 (pp.35 et seq.)

¹² The Association for the Taxation of financial Transactions and Citizen's Action (ATTAC) is an alter-globalization organization created in France in 1998. It develops its activities in 38 countries.

¹³ Municipality of 1500 inhabitants of Lot-et-Garonne, Nouvelle-Aquitaine. The choice of the place echoed the Cancún summit that received the United Nations Framework Conference on Climate Change (UNFCCC) in late 2010.

¹⁴ <https://www.euskalMoneta.org/faq-items/lorigine-de-leusko/> Last accessed: November 28, 2018.

¹⁵ <http://www.euskalMoneta.org/le-projet/>. Last accessed: November 29, 2018.

¹⁶ <http://www.euskalMoneta.org/les-defis-de-leusko> Last accessed: November 28, 2018.

¹⁷ There is an obligation to take up a challenge for the environment, and one for Euskara, but if there is a challenge in one of these areas, there is no need to start a new one in this area.

¹⁸ These rules are published on the association website.

¹⁹ This is the rule for all complementary local currencies in France: only, professionals can exchange back local currencies into euros.

²⁰ The operating rules are divided into 5 sections: General Principles (GP), Reserve Fund (RF), Professional Accreditation (PA), Issue Bonus (IB), Organization of Exchange Offices (OEO).

²¹ Exceptions are possible (PA-rule 6).

²² The average number of employees in French local currencies is 1.7 (source: Blanc, et alii, 2020).

²³ In some cases (8% in Blanc et alii, 2020), local authorities have been at the initiative of local currencies such as the Municipality of Nantes (SoNantes) or the Regional Council of Normandie (Rollon). In the case of the Eusko, the local authorities' involvement occurred after its success.

²⁴ The first such partnership was signed between Euskal Moneta and the Ustaritz municipality in November 2016, so as to allow the use of eusko as a means of payment to enter the municipal swimming pool. This was the first public service in the Northern Basque Country to accept the local currency.

²⁵ This possibility materialized in Bayonne at the end of 2018 when the elected officials Martine Bisauta, Deputy Mayor in charge of Sustainable Development and Jean-Claude Iriart (elected abertzale opposition) were paid, at their request, respectively a part and all of their compensation in euskos.

²⁶ This was possible since 2014 for professional members with significant amounts of trade in eusko.