

# Expanded abstract

## Social currencies and circular economy. Synergies, challenges and opportunities for Spain

Social currencies are community mechanisms that stimulate the exchange of goods and services among their users and try to invigorate the local economy. These currencies frequently try to reduce the ecological footprint of their users.

The aim of this piece of research is to understand to what extent social currencies can contribute to promoting the strategy *2030 Circular Spain*, analysing the synergies, challenges and opportunities that may exist between these initiatives. This is an unprecedented area of research, as social currencies have been disregarded in the European and the Spanish circular economy strategies.

We analyse the objectives that characterize both social currencies and the circular economy. With this information, we organized a series of in-depth interviews with managers of social currencies, scholars that are specialized in circular economy and social currencies, and public administrators related to these two areas. Our main seven findings are:

1. We identified a set of 15 objectives for social currencies and another 15 for the circular economy. The interviewees considered that these 30 objectives were highly relevant, although they highlighted the relevance of promoting the local economy (which received the highest rating from all the interviewees), followed by consuming responsibly and promoting the values of solidarity, trust, reciprocity and plurality. Likewise, the dispersion analysis reveals that there is a high homogeneity in the opinions of the interviewees.
2. Regarding the possibilities of integrating social currencies into the strategy *2030 Circular Spain*, an outstanding fact is that the Public Administration is unaware of the existence of social currencies and there is no unit that analyses these currencies. However, the interviewees who were familiar with social currencies (managers and academics) pointed out that Spain should contemplate the contribution of these currencies, since they are already helping to create a more sustainable economy.
3. Social currencies have a series of features that may contribute to build a circular economy in Spain, such as their ability to promote local sustainability within “bioregions”, the generation of networks of trust that favour environmental awareness, and the incentive to carry out environmentally responsible actions.
4. The interviewees agreed that public administrations should work to integrate social currencies in the circular economy strategy. At the state level, the Ministry for the Ecological Transition and the Demographic Challenge, and the Ministry of Labour and So-

cial Economy should learn more about the role played by social currencies and study possible ways of collaboration.

5. Managers of social currencies and academics identified nine examples of social currencies (within and outside of Spain) that contribute to the circular economy.
6. In Spain, the main reason that explains the weak link between social currencies and the circular economy is the lack of knowledge about these currencies and their potential contribution to sustainability. This lack of knowledge is especially palpable in the central State, as there is no ministry that coordinates the social currencies that operate in the country.
7. The weak social demand for social currencies in Spain is due to the lack of coordination that exists between these currencies, the lack of professionalization of their managers, the absence of an adequate legal framework and the lack of confidence in these alternative economic experiences.

Therefore, our research reveals that there are important opportunities to reinforce the circularity of the Spanish economy by promoting the use of those social currencies that promote sustainability. We recommend three initiatives in order to progress on this path are:

- i. The Ministry of Labour and Social Economy should bring the social currencies up for discussion in the inter-ministry commission on circular economy, where 14 ministries take part.
- ii. The existing social currencies that operate in Spain should organize themselves to create a coordinating entity that generates information on the activities that they carry out. This would strengthen its institutional framework, increase its visibility and generate trust among users and potential allies (associations, companies, universities and public administrations).
- iii. An interesting way to promote the development of pilot experiences with social currencies is through collaborative initiatives between associations, businesses, town halls and universities, financing them through the European *Next Generation* funds.

It should be pointed out that this piece of research has some methodological limitations, mainly due to the limited sample of Spanish social currencies that we have analysed, and the short number of experts that we managed to interview. In any case, this article opens a new line of research by relating social currencies and the circular economy. Further analysis is needed in the future, looking into other countries' social currencies that are effectively promoting both a circular economy and greater citizen participation and involvement.

Given the colossal dimension of the challenge of moving towards a more circular Spanish economy, it would be desirable for the Public Administration to seek allies in this endeavour. Social currencies are a potential ally -yet to be explored- that with minimal institutional support could effectively join the social effort to move forward on the unavoidable path of sustainability.