



A Living Machine at Findhorn ecovillage, which cleans the community's waste water

PHOTOGRAPH: MARTIN BOND/STILL PICTURES

ECONOMY • JONATHAN DAWSON

A TALE OF TWO ECOVILLAGES

THERE ARE SIGNS of a growing awareness of the multiple dangers entailed in the loss of small-scale, locally based production systems. This is reflected in the growth in popularity of farmers' markets, community-supported agriculture schemes, credit unions, buy-local campaigns, Fairtrade link-ups, and other initiatives to win back some community control over the processes of production and consumption.

For the most part, these remain isolated initiatives: subscribers to organic box schemes, to give but one example, may have gone some way towards localising their food supply, but more than likely, in most other areas of their lives, they remain as dependent as ever on the global cor-

Reviving the health of local communities.

porate economy. For the individual, for the household, even for groups of households the system is very hard to short-circuit.

For a community of several hundred or more, however, especially if that community has a shared vision of creating an alternative to the global economy, the chance of success is significantly increased. And this is where the ecovillage model comes into its own as a seedbed for experimentation and innovation.

Damanhur in Italy and the Findhorn Community in Scotland have consciously set out to reduce their

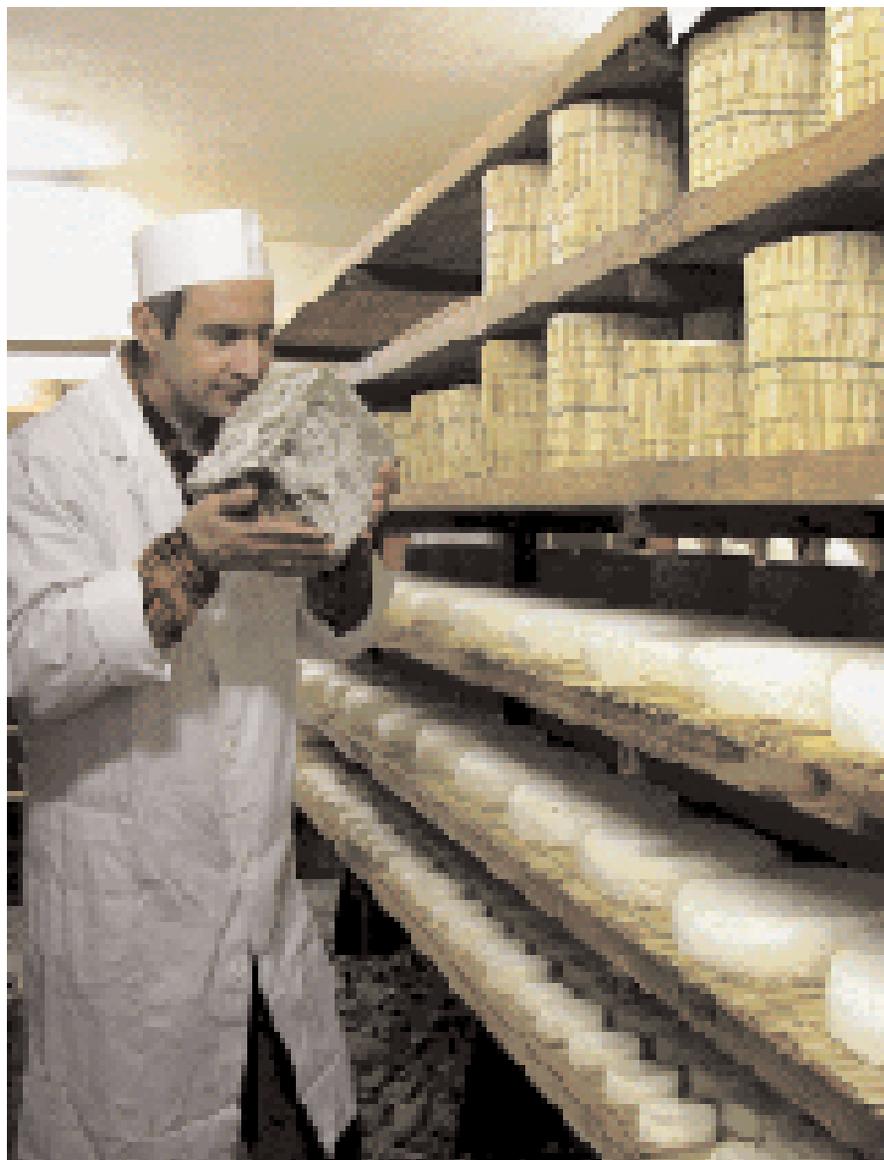
dependence on the global corporate economy and to re-weave the web of a more complex, locally based, social economy. In an era where local shops, post offices, schools and other facilities are closing down in unprecedented numbers across Europe, these two communities are experiencing substantial growth and diversification, opening new enterprises and generating new employment.

Findhorn and Damanhur have much in common. Both started as small initiatives in the 1960s and early 1970s. Both had, and continue to have, a strong spiritual focus to their activities. Both located themselves in economically marginalised areas: Damanhur in the alpine foothills of Piedmont; Findhorn in

northern Scotland. Finally, both have experienced substantial growth in size over the decades: today, Damanhur is a federation of communities of more than 900 people, with many more supporters in the surrounding areas and indeed throughout Europe and the world; the Findhorn Community is home to around 450 people, with an extended international family of friends and partners.

What is immediately striking on entering both ecovillages is the tangible feeling of activity and vitality. New buildings are being constructed, generally by companies owned by and employing community members. There are bakeries, theatres, shops and cafés that draw in visitors from far and wide. Local, organic cheeses, fruit and vegetables combine great quality with very low food miles. Crafts studios turn out beautiful ceramics, textiles, carvings and candles. Schools and training centres for both children and adults are flourishing. Publishing houses, printing presses, solar-panel manufacturers, waste-water system designers and consulting companies abound. Everywhere there is evidence of economic vitality and diversification.

AT THE HEART of these success stories lies an astute understanding of the true nature of money and of how the rules that govern its movement can be managed so as to benefit the local economy. Damanhur and Findhorn have found a dual response to money management: to set up their own banks to retain their members' savings within the community; and to create their own currencies to keep money circulating locally. Within Damanhur, the role of banker is taken on by the community's real-estate co-operative. This body was created as a vehicle for investing the savings of community members in the purchase of land and the building of accommodation, workshop and office space for community members and businesses. More recently, it has also come to play a role more akin to that of a mainstream bank, helping to identify business opportunities and providing loans and advice to community members who take them on. At the end of every year, the real-estate co-operative undertakes a study of the community economy, identifying which goods and services still need to be bought in from the outside, and seeking to promote new com-



Cheese factory 'La Buona Terra': one of the Damanhurian co-operatives

PHOTOGRAPH: LEPRE VIOLA

munity enterprises to fill these gaps.

The Findhorn Community has created Ekopia, a body with the status of an industrial provident society, to recycle locally the savings of its members. Here, projects in need of investment are identified, and share issues are raised against them. Each investor has one voting share only, irrespective of how much he or she invests, thus promoting a strongly communitarian ethic. This has enabled the community to draw on the financial resources of both current members and the wider Findhorn family, many of whom were previously members and all of whom share the community's vision to create a more self-reliant and low-impact human settlement.

Both communities have also created their own currencies: the Credito in Damanhur and the Eko in Find-

horn, each of which trades at parity with the national currency. While all transactions within Damanhur are undertaken using Credits, residents and visitors to Findhorn have a choice and most use both national and community currencies. In both communities, all goods and services — for instance educational courses, building services, books, food, theatre tickets and printing — can be bought with the community currency.

The beauty of these currencies from the point of view of the community economy is that they can only be spent locally and thus remain available to community members wishing to trade with each other. They are, in this sense, identical to Ithaca Hours, the currency system created by the social activist Paul Glover in the New York State

town of Ithaca, in that they represent, in Paul's words, money "with a boundary around it, so it stays in our community. It doesn't come to town, shake a few hands and then wander out across the globe. It reinforces trading locally ... they are untravellers' cheques because you have to use them here — you cannot take them away."

SO MUCH FOR the theory. To see how the system works in practice, let us look in a little more detail at the Findhorn Community economy. The first of the share issues raised by Ekopia involved 220 individuals investing a total of £225,000 in a community-led buy-out of the community store, the Phoenix shop, which had previously been owned by the Findhorn Foundation. Share issues have also been raised to provide finance to the Findhorn Foundation (£100,000 has been raised) and the community educational facility, Newbold House (£25,000). Further community-based projects to finance the purchase of new wind turbines and affordable, eco-friendly houses are in the pipeline.

This system delivers several benefits to the community. Investors become co-owners of the businesses in which they buy shares, they gain a five per cent discount on all purchases in the Phoenix shop, and they receive a dividend reflecting the growth in the value of the business. Ekopia calculates that, together, these various benefits equal a return of £100 per annum on an investment of one £500 share, compared to around £10 interest payments on £500 deposited in the bank. Secondly, community businesses are able to draw on the monetary savings of community members without needing to pay commercial bank fees and interest rates to do so. With bank interest rates at historically low levels, this factor is less important today than it is likely to be in the future; however, community businesses still make a saving of around £2,000 per annum on bank charges.

Meanwhile, the Eko was launched in 2001 with an initial issue of 18,500 Ekos and a second issue of 20,000 Ekos. It is estimated that the first issue of Ekos generated a turnover of £150,000 in the first year of the scheme: almost ten full spending cycles. This is money that has stuck around, shaken plenty of hands and provided much valuable lubrication

to the community economy. For sure, many of the products for sale within the community shop and other businesses originate outside the community and so money will necessarily leave the system to pay for them. Nonetheless, the use of the Eko has prevented a substantial leakage of purchasing power, making it much easier for genuinely local enterprises to emerge.

Ekos are purchased from Ekopia with pounds sterling, one Eko to one pound, thus creating a loan fund for community businesses. The first of these loans, to the Phoenix shop for the renovation of its crafts department, generated enough in interest payments to pay for the printing of the first issue of Eko notes and the purchase of a marquee for community gatherings.

THE CREATION OF Ekopia and of the Eko in the Findhorn Community and of the real-estate co-operative and the Credito in Damanhur have gone some way towards setting up a virtuous circle in which everyone wins. Investors gain more in terms of both financial returns and ownership of community businesses. Businesses get access to credit at a cheaper rate than through the conventional banking system. Expanding local businesses generate extra employment and purchasing power. And more of that purchasing power remains within the community.

Last, but far from least, though less easy to measure in purely economic terms, is the strong social dividend inherent in the strong feelings of ownership and participation felt by members of the community towards their own economy. Decisions relating to consumption, investment and work cease to be made purely according to criteria of profit maximisation. The divorce between head and heart that the current global economy enforces (whereby people often make consumer choices that they know to be socially or ecologically exploitative because of financial implications) is, to some degree at least, overcome. This ecovillage model thereby enables people to bring their desire for justice and sustainability back into alignment with their aspiration to live well and happily.

For proof that the model works in practice, one need look no further than a 2002 study undertaken by the local enterprise company Moray,

Badenoch and Strathspey Enterprise into the economic impact of the Findhorn community on that of the north of Scotland. This study calculated that the community generates 400 jobs and over £5 million of business annually and commented on the value to the Scottish economy of the community's diversification into economic activities beyond its original educational heartland. Meanwhile, the Damanhurian economy goes from strength to strength, its latest expansion being the purchase of a former Olivetti factory located nearby, a metaphor, perhaps, for the evolution from a corporate to an ecovillage-based society.

These experiments demonstrate that it is, in practice, possible for local communities to short-circuit the global economy and to take back a good measure of control over their own economic destinies. They also suggest that at least three complementary elements need to be in place to permit them to do so. First, there needs to be a strong, shared vision and community of interest within a defined population to engage with the task. A population of around 200 people suggests itself as the minimum necessary to create an economic unit with sufficient diversity of enterprises and adequate purchasing power to make this viable.

Secondly, leakages of monetary wealth out of the local economy need to be carefully identified and, to the degree possible, staunched. And finally, following the observation of Michael Shuman, the success of the model appears to be dependent on the synergies that emerge when local investment is combined with local ownership, local production and local employment. Converting the vicious cycle of today's global economy, which effects such a strong and divisive fracture within the human heart and mind, into a virtuous and nourishing cycle will be no easy task. Community-based action in an economics of solidarity is required. The ecovillage movement has begun to develop interesting and strikingly effective models. The next task is to transfer these out of the intentional community seedbed and into the wider society. ●

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