

Follow the Money

BY MARY-BETH RADDON

Pour répondre à l'incertitude financière et à la rareté des devises depuis le milieu des années 80, plus d'un millier de projets de monnaie communautaire ont vu le jour en Amérique, en Europe, en Australie et en Nouvelle-Zélande. Cet article examine les modèles nord-américains qui sont les plus importants: HOURS, une monnaie de papier, et LETS un réseau de troc qui utilise comme crédits des «dollars-verts». L'auteure assure que quoique les efforts collectifs pour bâtir une communauté autonome soient une réponse adéquate à un système précaire d'un financement mondial, ces initiatives demandent un investissement social et une attention concertée afin que le déséquilibre qui menace les femmes aux prises avec les impacts négatifs du financement et les fluctuations de marché mondial, ne soient pas les seules à en porter l'odieux.

“Follow the money” is the best advice for understanding the scope and impact of economic globalization. Notwithstanding the expansion of global trade, the financial economy now hugely outstrips the material economy. International trade in goods and services accounts for only two percent of the money transactions taking place daily on a world scale (Singh). Financial volatility, gross distortions in perceptions of wealth, and excessive short-term risk-taking are among the effects of capital being unmoored from production and allowed to flow to wherever the rate of return is highest. Intense competition between communities to attract investment drives wages down, encourages resource extraction and, most seriously, introduces a wedge between social and financial goals. As Diane Elson explains, the inherent risks of financial crises are downloaded from the board room, dealing room and counting room to the kitchen. In the event of collapse of financial markets, a small group of elite managers and politicians debate who should be the “lender of last resort” (Elson 4). Overlooked is the fact that women, as “provisioners of last resort,” are most vulnerable to crises and absorb more of the costs (Elson 4). It falls to women to provide the integrative, caring work in families and communities when people lose jobs and savings, and social services are no longer available.

As a response to financial uncertainty and monetary scarcity, some communities are “following the money” by creating their own. Since the mid-80s, well over a thousand community money projects have sprung up in North America, Europe, Australia and New Zealand (Powell and Salverda; Williams, Aldridge, Lee, Leyson, Thrift, and

Tooke).¹ The most prominent North American models of community currency are HOURS, a paper currency, and LETS (Local Employment and Trading System), an extended “barter” network that uses “greendollar” credits.² In community money networks all manner of locally produced goods and services are exchanged, from accounting services to zipper repair. Community exchange provides a supplementary source of credit and employment, as well as an avenue for creating personal ties of support beyond the immediate circle of household and familial relationships.

Although men are prominent in the community currency movement as leaders, founders and spokespeople, women have greater involvement as participants. In the UK, where LETS have most proliferated, the majority of coordinators are women (Thorne). LETS’ attractiveness to women is a reflection of organization of the household economy such that women are more likely to seek flexible work, varied income sources, support of community networks, and opportunities to substitute household production for purchased goods. It also reflects the position of the household economy within the world economy and the onus on women to absorb financial shocks. That community currencies are a collective movement involving women and men organizing at intermediate levels between the household and the state is a positive sign that feminist goals of equity, security and community are not the exclusive responsibility of women.

The measurable impact of community currencies to date, in terms of participation, poverty alleviation, and their contribution to local economies, has been modest.³ Yet these alternative projects represent a valuable critique of financial globalization.⁴ Their limitations in realizing larger potentials must be taken as part of that critique. My purpose in this article is to analyze the character and significance of community currencies as a local response to financial globalization from the perspective of women’s participation. My arguments draw on participant involvement in LETS for three years and interviews with 22 women in LETS and HOURS in four Ontario cities, and Ithaca, NY.

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The Cosmopolitan Localism of Community Currencies

Community currencies have been considered as a form of organized resistance to international monetary arrangements, and as a self-protective counter-movement of communities in the face of the hyper-mobility of capital (Rotstein and Duncan; Douthwaite; Helleiner). But it would be a mistake to frame local money too narrowly in a dualism of movement/counter-movement. To see in community currencies only a movement of localism versus globalism would be to miss the complex interplay of global and local in the politics of the movement. This complexity becomes visible when we think of global/local as a relation. Logically, all conceptual dichotomies are relations in that one side would not make sense without its opposite. But a simple dichotomous notion of "global" as the negation of "local" must be abandoned when we consider how globalizing processes actually bear upon local settings, including their differential impacts on women and men.

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If globalization is understood as the project of connecting people and places across space and time, the processes by which global networks of production, consumption, and communication incorporate local settings and groups of people are far from uniform or consistent. Consequently, local places may assume a distinct identity, not in spite, but as a result of being affected in particular ways by global linkages. Local social movements, and the type of gender relations they advance, are similarly shaped by a context that is simultaneously local, national, and global. Conscious of this, many local movements understand that ecological and cultural survival requires a creative political response to the fact of interconnectedness. Wolfgang Sachs describes their response as "cosmopolitan localism" (112).

The broadest political objective of "cosmopolitan localism" is to enable communities to select which, among the many possible global and local relationships, to privilege. To be able to make such choices implies awareness of links with the wider world, as well as a base of local knowledge. "Cosmopolitan localism," for Philip McMichael, describes "social action at the local level that takes into account its historical, political, and social context in forming its political perspective and strategy" (295-6). That strategy may take advantage of global communications, it may appeal to concepts of citizenship, social rights and entitlements, and it may invoke international law. It draws deeply on local traditions because it identifies cultural

renewal with the preservation of particular ways of being in a place, but it accepts that these ways are always conditioned by global ties of some form. David Morris of the Institute for Local Self-Reliance expresses the selectivity of aims characteristic of cosmopolitan localism:

We can have a global village and a globe of villages ... where a good idea moves from one side of the planet to the other but raw materials and production systems are localized" (qtd. in Button 16).

Beyond securing improved living standards for the under-employed, a central goal of community currencies is to promote a place-based conception of community. By fostering direct, face-to-face exchange relations, LETS and HOURS create a context in which various social relations—of household, gender, race, and class—can be reconfigured, if only on a small scale, according to local norms. This opens up the possibility for new meanings to infuse local currency activity, so that, for example, the caring work of women can be accounted and re-valored, and exchanges can be undertaken in the spirit of the gift, even while local commercial norms provide a framework for fairness.

The Cosmopolitanism of a Local Movement

Community currencies are cosmopolitan in terms of their physical mobility of their membership, the scope of the movement, and the ideology it puts forward; members relocate, travel and communicate well beyond their local money system, movement leaders organize on a global level, and they base arguments for local money on evaluations of the global economy. In terms of travel alone, three LETS members I interviewed have had direct experiences with distant LETS systems. One respondent was previously a LETS member in western Canada. She joined her current LETS immediately upon moving to Ontario. Another respondent first learned about LETS on a visit to family members in Australia. The third returned from a trip to the UK with ideas about how to improve the LETS newsletter in her hometown, inspired by what she had seen of the London LETS.

International email lists and networked internet sites typically portray local currencies as a worldwide movement for money reform. Tallies of existing local currency organizations by country, and contact lists for LETS and other local currency groups published on the web are designed to demonstrate that local money is a global phenomenon. In addition, leading organizers meet intermittently at international conferences, such as the world social summits. The cosmopolitanism of LETS and HOURS is reflected also in common design features and shared computer software across different regions and countries.

A more profound aspect of cosmopolitanism is awareness of global financial interdependence, which translates into commitment to local action. LETS and HOURS mem-

bers deem globalized production and money systems to be unstable and unsustainable, and harmful to communities. Such cosmopolitanism calls forth localism as a response to analysis of extra-local conditions. One woman explained she supports HOURS because it is, “the diametric opposite of the multinational, oppressive, corporation-type economy,” which she does her “very best” not to support.

None of my interviewees told me that fear of a global financial collapse was their main reason for signing onto LETS or HOURS, but several did report that participation has subsequently changed the way they think about money, including making them more aware of the precarious underpinnings of the international monetary system. For example, a woman in her 40s says she has gained some insights since joining LETS that have made her want to “get up on the soap box and get everyone’s attention”:

Mutual funds is my next big target, because this concept of everybody investing is ludicrous. Because if everybody invests, everybody can't also collect. The economy will shut down.... I want to diagram that. I really want to see and find out where [money] is coming from and going!

This member’s critique of investment reveals her questioning of what actually happens to investment money, as well as concern that an interdependent, centralized money economy could fail, with disastrous consequences.⁵

More often, members explain that support for community economic interests spurred their involvement. They see efforts to attract international investment as a misdirected strategy for regional development. Transnational business with little stake in local communities uproots when lower production costs can be achieved elsewhere. Meanwhile, the compromises involved in creating local conditions favourable to transnational business in the first place—expensive infrastructure, reduced environmental and labour standards, and the region’s dependence on its large employers—make the pursuit of alternative strategies all the more difficult. Medium term gains in the form of wages are mitigated by the outflow of money through corporate retailers, as money too quickly drains from the community towards financial centres in search of higher profits. What is needed, they say, is a money system that keeps value in the community and, at the same time, keeps community in tact. Three women expressed it this way:

[My reasons for joining are] just keeping money in the community and getting to know people here. Because it's different from just going into a store and buying something and I figured that way I'd get to know people. Just to see a different way of trading with people, using money but not using Canadian dollars.

At the mall [I'm buying from] some faceless corporation who I'm not as interested in supporting. I would like to support people in my community.

I think it's really important that people support the [small] businesses and the people in their community... I don't believe in going and spending a lot of money in big business that's not really going to better the people in my community.

For some, community currency provides a way to practice voluntary simplicity, while others come to it from circumstances of involuntary poverty. For Dorothy, a single mother of four in her early 50s, LETS provides an added survival strategy, as well as a way to overcome feelings of dependence and deprivation generated by a punitive welfare system. LETS extends her ability to “pay cash as little as possible” and “never shop retail.” She relates these survival skills to a family tradition and local culture of frugality and self-provisioning that is not demeaning. Dorothy is a skilled potter, but unable to support herself and her children with her dollar earnings. LETS provides a steady market for her work, and gives her opportunity to purchase with barter credits things she could not otherwise afford. Artistic achievement and self-reliance are major points of pride. “I love to try and beat the system,” she explains. “And LETS is a lovely way to do that.”

Community currencies are a form of cosmopolitanism, then, to the extent that they are aimed at “[beating] the system.” They advance a way of organizing a decentralized money system to address, on the local level, problems with the national and transnational organization of money.

The Localism of a Cosmopolitan Movement

The localism of community currencies may be more self-evident than their cosmopolitanism. The potential of local currencies to revitalize local economies, increase the capacity for local autonomy and rejuvenate place-based communities are key motives, as I have explained. Local money should harness under-used capacities (skills, knowledge, creativity, physical infrastructure), boost employment and income by continuous re-circulation, foster more direct ties between producers and consumers, improve wages for primary producers and artists, and reduce wasteful advertising and transportation. A narrowly economic analysis, however, would misrepresent the holism of a movement that insists that the quality of material life and the quality of life in community are always mutually dependent and mutually reinforcing.

In addition to improving material well-being and economic security, by its very organization, local currency is thought to enrich local communities in non-economic

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ways: by its symbolism of the local, its promotion of local ties among diverse members, and the cultural regeneration that comes about through a symbiotic circulation of gifts and stories along with money exchange. Interestingly, these functions flow from how the local money is designed to meet the institutional requirements of money in general. All monies depend on a network of users who accept its validity within a territory, a set of shared expectations, shared meanings, and a fabric of relationships (Dodd).

First, the social organization of local money is tied to the symbolic construction of the place in which it circulates, and of the "local." Agreement to accept local money knowing that it can only be re-spent within that territory can be an act of celebration of place. As Susan Witt of the E.F. Schumacher Society describes it, spending hometown money is like voting for one's neighbours (Swann and Witt). As carrier of communal symbols, the currency itself symbolizes place-based identity, just as national currencies symbolize nationhood. The identifications a currency draws upon and promotes are not necessarily limited to place, however. A sub-group of the Toronto LETS, the East End Women's Barter Network, was organized on the basis of neighbourhood and gender. Currency organization could centre around race/ethnicity, age, or any combination of social identities. The widespread acceptance of a community currency depends on active loyalty to a community; at the same time, the currency becomes a channel for expressions of loyalty.

Second, for a community currency, as for all money forms, perceptions, attitudes, and expectations about the money are crucial to how it actually performs. The network of users is bound by a generalized trust that the money will hold its value—members must believe that after accepting it as payment they will be able to spend it for goods or services that they want in the future. The fiduciary strength of the currency depends on its effectiveness as information. The social relations of money have such informational content that money may be thought of as a system of information about who is willing to offer what products for exchange, under what conditions, and for what value equivalence. Money's success as information depends on people communicating enough to achieve some degree of common knowledge and shared understandings. It depends on people knowing who else is a member of the monetary network, and having enough agreement about the value of the currency to be able to negotiate deals that seem fair to both parties.

Finally, all exchange is embedded in social relationships in which the material aspect is but just one dimension. The multi-dimensionality of local currency relations is evident in the personal character of exchange and, even more tellingly, in the way transfers of local money are accompanied by the circulation of gifts and stories. Take Michelle's purchase of greeting cards from a photographer in LETS, for example:

Purchasing cards [from a LETS member] was very nice because . . . you get to know that person through the work that they do . . . It's more formal in a store . . . You just go to buy a card and the person just takes your money, and that's it . . . You don't hear the personal stories of the people who are making the cards.

When Michelle passes along the greeting cards as gifts, she tells her story of getting the card from an artist in LETS, and the artists' story of where he got the picture, and so on for the card's recipient. In this way the social fabric of LETS and HOURS communities becomes a tapestry of stories about the relationship of each to others. This overlaying of economic, personal, and social dimensions of relationship is the ground of community and local culture.

It should now be clear why the goals of economic revitalization and community building are so intertwined in the localism of community currency organizing, and why women are the predominant organizers. The work involved in creating awareness among members of the network about what each has to offer, and fostering new norms concerning value in exchange, has the twin effects of creating conditions for the money to flourish and creating a vibrant community. Exchanges in local money can create ties between people in many sectors of the local economy: people offering casual services, home-based and store-front businesses, non-profit service organizations, voluntary associations and local government. The success of the local currency depends on and fosters a strengthening of these local connections. Women's traditional skills and responsibilities for weaving relationships are critical to the whole enterprise.

The limitations of community currencies are, therefore, reflective of the pressures on women's capacity to organize—to provide a "third shift" of community labour, in addition to the increasing demands of domestic and marketed labour. Although community currency exchanges themselves are avenues for re-valuing "women's" work, the relational and informational work of community currency participation, not to mention organizing, is often unseen and unvalued. As a result, conventional divisions of labour whereby men earn and women both earn and shop become patterns of participation, especially among heterosexual couples. Consider this woman's description of how she uses the LETS directory to spend the credits she and her husband jointly earn through their market garden:

When the [newsletter] comes in some time between the day it comes in and about 3 to 4 days afterwards. I usually go over it with a highlighter, highlight everything that interests me, mark down notes. I've now, since I receive it on email, I just print it up so I get a hard copy, put it in a duo-tang, highlight the things that I want, and because it's printed off email there's enough space to write comments beside it. So for all those that I call and

I want information I always indicate: "Called. Date. Left message. Spoke to them. Made arrangements. Blah, blah, blah," and you know, do it that way. There have been a lot of products on the system that have interested me and, you know, you call and you leave a message and you never hear back from them. Sometimes it takes three or four calls, but you just do what you can. So, [sigh] generally that's how it's done.

The labour-intensiveness of community currency involvement for women is hidden in the satisfactions of relationship and the belief that such work comes "naturally" to women. So, although collective effort towards building self-reliant local communities is a necessary answer to a precarious system of global finance, these initiatives require social investment and concerted attention to gender imbalance so that women, who bear the brunt of the negative impacts of financialization and world market fluctuations, and do not also carry the major burden of response.

¹There are also a growing number of "third world" examples. See Lopezllera-Mendez, DeMeulenaere, and DeMeulenaere; DeMeulenaere.

²Other significant models include the Berkshares, the Toronto Dollar, JAK (Swedish model), WIR (Swiss model), SEL (French LETS) and the Mexican Tlalok.

³A survey of Stroud LETS in England (membership of 326), for example, showed that LETS income amounted to 1.8 percent of total household income on average, and 4.6 to 7.2 percent for the low-income members, 70 per cent of whom say that LETS has improved their material standard of living, among other benefits (Williams *et al*).

⁴Their symbolic significance is evident to members of the media, who have given extensive coverage to local currency groups. The Ithaca HOURS web archive, for example, lists over five hundred newspaper, magazine and television stories about Ithaca HOURS. See <http://www.lightlink.com/hours/ithacahours/>

⁵A survey of the largest LETS in Australia, Blue Mountain LETS, confirms that LETS experience helps demystify money. Of the 73 per cent of members who said LETS had changed their life, "change in attitude to money" was the second most common transformative experience they reported (Chadwick). (Meeting new people was the most common life change.)

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