

Scaling alternative economic practices? Some lessons from alternative currencies

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This paper engages with recent geographical debates on alternative economic practices, arguing that insufficient attention has been paid to the scale at which they operate. Through an analysis of recent attempts to 'fix' economic activity at a scale felt to be normatively desirable through alternative currencies, the paper argues that when attempting to build non-capitalist practices, scale matters. The paper discusses processes of financial structuration that limit and channel these spaces through an analysis of localized alternative networks in the UK (Local Exchange Trading Schemes – LETS) and the geographically wider barter networks in Argentina.

key words alternative economic practices scaling local currencies localization

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revised manuscript received 16 February 2005

Introduction

A recent series of articles have debated the extent to which geographical scale is generative, produced by actors rather than waiting to be discovered (Smith 1992; Marston 2000; Brenner 2001; Marston and Smith 2001). Geographers such as Massey (1992 2004), Amin (2002a 2002b) and Thrift (1999) have been concerned to stress the relational, networked, contingent nature of space and place produced through processes of structuration rather than as hierarchical, set, self-contained scales. The local is produced in relation to the global, is shot through by the global, and cannot analytically be separated from it.

This literature is particularly relevant in the analysis of political practices constructed by actors who valorize a particular scale for normative reasons, be they political, moral or ethical. Examples include community development or social economy advocates (Pearce 1993; Haughton 1999; Peterman 2000; Amin *et al.* 2002); the environmental movement (Dauncey 1988; Coleman 1994); or, more recently, the anti-globalization movement (Brechtler *et al.* 2000; Cockburn *et al.* 2000; Bircham and Charlton 2001; Feffer 2002; Klein 2002; Notes-from-Nowhere 2003). The recent geographical writing on scale suggests that attempts to build localized economies are at worst

misplaced (as there is no real 'local'); at best limited to Harvey's categorization of such approaches as worthy but ultimately limited 'militant particularism' of local utility, but unable to make a contribution to wider, 'universal' questions (Harvey 2001, 158–87).

In this paper, I put recent geographical writing on scale together with recent analyses of alternative economic practices (Leyshon *et al.* 2003), and specifically non-capitalist economic practices (Gibson-Graham 1996), to examine the extent to which the ability of these alternative spaces to produce economic value, such that livelihoods are realizable for significant numbers of people, might or might not be a problem of scale. I do this through an analysis of the alternative currencies that have sprung up with varying levels of success since the early 1990s. Alternative currencies are trading networks using a form of currency produced by non-state actors. Through contrasting a particularly localist approach (Local Exchange Trading Schemes, or LETS, in the UK) with one that stresses solidarity rather than a local scale (barter in Argentina), I show the importance of scale in constructing alternative economies. Evidence is drawn from fieldwork undertaken in Manchester in 1995–7 and 2001, and in Argentina in 2002 and 2003.

Elsewhere (North 1999a, 71–4), I examined alternative currencies as examples of heterotopian alternative

economic spaces in which multiple claims about money and livelihood were created and practised, focusing on the extent to which participants were able to resist capitalist commodification and develop alternative relationships governed by codes developed from below over time. This is a project similar to that of geographers who, inspired by J.K. Gibson-Graham's non-totalizing re-theorization of multiple economic spaces, some capitalist, some non-capitalist (Gibson-Graham 1996), have looked to examine the construction of diverse economic practices such as household exchange, alternative retailing, employee-owned firms and credit unions (see Amin *et al.* 2002; Leyshon *et al.* 2003). This formulation is useful for an examination of the extent that participants are able to change their perceptions of their economic practices and operate by changed codes for any length of time, but it says little about the size and extent of these non-capitalist spaces, or the scale at which these non-capitalist relations are practised.

This is important, as Gibson-Graham is concerned to conceptualize economic relations as multiple processes for the generation and distribution of value; and to reject a reduction of diverse market relations either to a descriptor of 'capitalism' on one side or as marginal alternatives on the other (Gibson-Graham 1996, 15). But while they rightly point to the breadth and scale of non-capitalist household reproduction, most analyses of alternative economic practices point to the limits of the ability of participants to practise changed relations within what are small scale and marginal experiments, and, against Gibson-Graham, to the persistence of and continuing ability of capitalist value systems to colonize the mindset of those who participate in them (especially North 1999a; Lee *et al.* 2004; Leyshon 2004). While Gibson-Graham (1996, 7) recognizes that, given the perceived hegemony of capitalist discourse, alternatives do not seem as efficient, rational, universal and productive as capitalism, the small scale of alternative practices may not be due to an inability to see the beauty in the alternative; it may be a result of real limits set by the scale suggested by the moral geography (Lee 1996) of activists. The scale they valorize – their moral scale – may cut them off from accessing the levels of resource they need to develop alternative economic spaces as the networks they create are too small scale, too local, too ephemeral, too based on the limited resources of their members (North 1999a). Larger networks might provide better alternatives. So to take analysis further, more attention to space and scale is necessary.

In the case of alternative currencies, the *scale* they operate at is rarely interrogated. They have been described as lifeboats against globalization developed by the marginal in spaces suffering from uneven capitalist development (Pacione 1997); as attempts at local re-embedding against global disembedding (Thorne 1996); as 'locally defined systems of value formation and distinctive moral economic geographies' (Lee 1996, 1377); as micropolitical challenges to capitalism (North 1999a), or as eco-socialism (Bowring 1998). Within a wider discussion of the social construction of space and time, Harvey mentions local currencies as an 'interesting example of a set of social practices . . . to create a certain kind of money that embodies a different kind of socio-temporality than that experienced in the world market' (1996, 237–8), but he does not elaborate on the specifics of scale. While Lee suggests that local currencies work best 'in a geographically well-defined geographical centre of consciousness than in more diffuse rural areas, suburbs or edge of town estates' (1996, 1388), and Thorne suggests that co-presence between potential trading is necessary, the geographical scale of this challenge to global finance is not elaborated. Generally, the 'local' is rather taken for granted, contrasted with hyper-real, place-free global finance (Leyshon and Thrift 1997).

This discussion of the scale of alternative economic spaces, using alternative currency networks as a case study, will explore in more detail how activists create and shape the scale over which their programme operates. In their modern incarnation, alternative currency experiments now have some 15 years of grounded experience, with varying levels of success. It might therefore be the right time to examine the appropriateness of and the ability of actors to construct alternative economic practices at the scale they valorize. Recent geographical writings on scale should help this exploration, and the grounded experience of these experiments should be able to contribute to understandings of the robustness of scale theory. Following a review of these recent writings, we will examine this grounded experience to comment on the utility of scalar theory.

The construction of scale

In a series of recent exchanges, geographers have been concerned with the *production* of scale. Recent papers have argued that it is inadequate to view scales as set, solid, hierarchically nested and 'out there'; rather, they are actively produced as political,

cultural and economic projects (Delaney and Leitner 1997) through relational networks constructed at a variety of spatial scales (Massey 1992). Actors engage in scalar processes to defend 'locality' (Escobar 2001), 'community' (Imbroscio 1997), or employment rights and livelihoods against globalization (Castree 2000). On the other side, the powerful use a 'spatial fix' to move production from areas where successful working-class resistance has secured higher benefits for working people at the expense of profits (Harvey 2001, 324–44).

Scaling can be at a rhetorical level as actors produce discourses and make claims about the *value* of specific scales (usually local/good, global/bad), but also through concrete scaling practices, as through their actions actors *create* scale by developing economic, social and political networks that operate at particular scales. These may be economic networks (Murdoch 1995), political or social movement organizations (Miller 2000; DeFilippis 2001; Featherstone 2003), or other 'communities of interest' composed of networks of people with similar cultural or other interests. Networks operate on a spectrum from the spatially diffuse to the geographically concentrated, and across, through and against each other in a relational complexity that suggests it is inappropriate to separate out one scale analytically, or to valorize one above another. As these scales are constructed from the local to the global at the same time, they are, for Swyngedouw (1997), both global and local, or *glocal*. Scales are plural (Brenner 2001), mutually constituting, often operating simultaneously at a variety of scales in a dense 'network society' (Castells 1997) in which networks equal power, communication and connection.

Amin therefore argues for a 'heterotopic' conception of place, which emphasizes its network form, 'a topology marked by overlapping near–far relations and organizational connections that are not reducible to scalar spaces' (2002b, 386). For Amin, scalar analysis too often privileges one scale or another, and looks too close to a 'nested', hierarchical analysis suggesting that the global and the local can be distinguished from each other; whereas he argues that, following Massey, place, space and time should be seen as 'co-constituted, folded together, produced through practices, situated, multiple and mobile . . . non-linear, non-scalar'. The emphasis should be on the folds and undulations of place rather than an '*a priori* assumption of geographies of relations nested in territorial or geometric space'. Thrift argues for a conception of place as 'made up of billions of . . .

encounters . . . consisting of multitudinous paths which intersect', places 'as dynamic, as taking shape only in their passing' (1999, 295–322). But Amin also argues that space should not be thought of as 'amorphous and evanescent', or a 'dematerialised' 'space of flows'. Rather, emphasis needs to be put on the diversity of relations that construct space, be they 'discursive, emotional, affiliation, physical, natural, organisations, technological, [or] institutional' (Amin 2002b, 389). This work then suggests that the processes of scale creation are diffuse, multiple, and thus larger numbers of people will have access to scale construction, not just the powerful. The effervescent connections of subaltern groups are as important for scale construction as, for example, economic forces controlled by business elites. Scale construction is more open.

In contrast, others argue that scales *can* be separated, and that the scale some actions work at 'matters'. Actions might be unsuccessful at one scale, but effective at another. Demands may resonate at some scales, not at others. Actors aim both to maximize rhetorical influence by targeting arguments at particular scales and to maximize resources by developing organizational structures that operate at the desired scale, and this will be resisted in processes of structuration. For example, Castree (2000) argues that in their internationally significant 1995–97 dispute, the Liverpool dockers organized effectively at local and global levels, developing dense local networks of support and international solidarity that enabled them to maintain their struggle for two years, but that they could not make persuasive arguments at a national level where decisions about dock workers' conditions of employment were made. In contrast, Sadler and Fagan (2003) argue that Australian trade unionists in a similar position were more effective at organizing at this national scale. Local and global networks cannot make the changes to dockworkers pay and conditions when these are set at a national level. They can influence the decision, put pressure on, attempt themselves to structure the decision, but they may not be successful. This suggests that while it has rightly been argued by, for example, Brenner (2001) that no scale is always decisive, organization and rhetoric needs to be aimed at the scale that 'matters'; where the arguments resonate and action is possible. Consequently, actors might have to engage in 'rescaling' actions, where they refocus their rhetoric and actions on a more appropriate scale.

While no one argues that there are no limits to the construction of scale, and it is accepted that scale is 'a contingent outcome of the tensions that exist between *structural forces* and the practices of human agents' (Marston 2000, 220, my emphasis), while Swyngedouw argues that scale is the 'embodiment of social relations of (both) empowerment and *disempowerment*' (1997, 169), the tone of Amin and Thrift's work, in line with recent geographical emphases on post-structuralism, has tended to de-emphasize the limits and emphasize the construction of scale to the extent that we may be over-emphasizing the ability of actors to create their world through scalar activities. Castree's, and Sadler and Fagan's work suggests that in struggles about the nature of paid work under capitalism, space for action is far more contained by elites and it is not appropriate that political economy is 'left out' (Etherington and Jones 2004). Not all actors can create desired scales given restrictions from more powerful actors, networks and scales, not to mention economic, social and political processes, and rescaling might not be possible. This suggests that there are limits to the capability of actors to create scale, and that given these limits, one scale might affect decisions in another to such an extent that actions in it might be better thought of as being 'contained' at that scale. Yes, there is resistance, but some actions are structured by actions at different scales. This is a position that Gibson-Graham (1996, 15) rejects, arguing that structuring forces should be seen as no more than a temporally and spatially limited dominant discourse, always subverted by alternatives.

A re-connection to more materialist conceptions of political economy emphasizes that while the construction of scale *is* cross-cutting, shot through and relational – and *not* hierarchical, unconnected and nested – these cross-cutting processes are not of equivalent significance. At times one scale – the world or global economy scale, or the national, state-building scale – 'really matters' when counterpoised to local struggles. It is these scales that structure (but do not determine) spaces at other levels – the urban, the local, the household or the body (Taylor 1982). This would be too closed, too close to a Foucauldian web of domination which fatally undermines agency if we were to forget that there is no set, unchallengeable hierarchy and that space *is* constructed from a relational mix of scales (Taylor 1999) in changing and challengeable scalar political opportunity structure (Tarrow 1998). Smith is right

to argue for a place for subjectivity in scalar construction (Smith 1992). But actions at some scales have more influence than others in some conditions, and some scales are less open to contestation than others – such as networks of international financial and geopolitical domination. If scale is constructed through contestation, within limits, then the scale of non- or anti-capitalist practices is similarly produced and resisted. We need to take analysis forward by examining the extent that political actors concerned with constructing alternative economic practices do, *or do not*, have agency, and at what scales. This adds to Gibson-Graham's conceptions which have little to say about scale (although see the discussion of the United Steel Workers of America 1996, 129). The paper will examine how local environmental actors have attempted to act on a 'politics of scale' through the active construction of localized economies as a 'local fix' (Leyshon 2004) for ecological pathologies caused by globalized capitalism. If this has proved problematic, scale theory can show why these networks have proved to be effective at which scales.

I now discuss questions of scalar construction through local currencies. To organize the discussion, I examine two scales: the local, defined as neighbourhood up to a city (LETS in Manchester); and a larger scale from the regional up to the national (barter networks in Argentina). Questions include: what practices help construct a local scale? What practices are effective at a local scale, but ineffective at greater scales? What resources are accessed locally? What are the limits of scale, such as limited resources available locally contrasted with problems of distance at a wider scale? Is the local so relational that attempts to 'fix' economic activity at a local scale are doomed? Finally, what limits are put on local action by other scales and conversely, what support do they get from wider, more universal scales?

Scale, 'local' and 'alternative' currencies

Local currencies like LETS in the UK circulate within a defined space at a very local scale, thus having a definite attachment to a particular scale. For their advocates, local currencies have three advantages (Dobson 1993; Lang 1994; Linton and Soutar 1994). First, the normative value of local currencies that are not transferable out of a specific geographical area is that they are tools for localizing economies in what is effectively a process of 'localizing structuration'. Users of local currencies, irrespective of their values,

will find they are structured into localized relations as the economic signals produced by a local currency steer rational economic agents towards more readily available locally or ethically produced goods and services, organic or environmentally benign food and the like, that has been produced under a local surveillance that ensures only sustainable practices are used. Structuration occurs as users find that while there will always be people willing to spend local currencies with them, to pass these local units on they will need to develop a local supply chain that meets their needs and which also accepts the local currency. They will have to pay close attention to the needs of and the quality of their relationships with these other local traders, as there are few pressures to compel anyone to accept relatively unlimited local currencies from someone who is not seen as a 'good community member' (perhaps as they are perceived to be polluting, exploiting others or unfriendly). Local money is attractive as it is relatively unlimited, but the result of its relative accessibility is that there is less pressure to force people into an exchange relationship with which they are unhappy – they can easily access local currency from a more convivial source. Thus, it is argued, local currencies actively *create* local-scale, humane economies by rewarding those who build these localized networks.

Secondly, local currencies encourage the development of a slower, steady state economy. They encourage the recycling of resources, and making resources that might be privately owned or controlled available to all members. They encourage participants to question the need for economic activity as, given the relatively inefficient and undisciplined nature of local currency transactions, it can take some time to find someone willing to undertake tasks for local currency. The result is less frenetic, gentler, more humane (if less efficient) economy.

Third, it is argued that localized economies are more resilient in the face of external shocks such as currency fluctuations, and less vulnerable to investment decisions made elsewhere as local currencies have attributes – diversity, interdependence and resilience – which Greens identify as valuable given their perceptions of the self-organizing nature of the natural world (Dobson 1990, 24). A variety of local currencies mimics nature's diversity, facilitating experimentation and the development of more effective practices and models. Local currencies build interdependence by strengthening connections between members of a tight network based on conviviality. Finally, local currencies are

resilient. In contrast with economies reliant on a monoculture of money, if one local currency breaks down, then there is another to take its place. Local currencies can thus be seen as tools for building what Cox (1998) calls 'spaces of dependence', spaces where disruptive globalized economic flows are captured and controlled in ways that localization protagonists feel are more appropriate.

This conception of social change is specified by *radical localizers* (Trainer 1995; Douthwaite 1996; Bowring 1998; Hines 2000). Other conceptualizations of alternative currencies do not specify any particular scale: rather they specify an opposition to capitalist economic ideologies and practices by revaluing the balance between work and leisure; rethinking oppositions of 'work' and 'leisure'; providing alternative, democratic and fulfilling work as opposed to alienated labour, and revaluing money as a lubricant to economies rather than its master. This social change strategy is inspired by anarchist writers such as Ward (1988), Bookchin (1980 1986 1995a 1995b) and more recently Gibson-Graham (1996). Not necessarily specifying that this revaluation should be done at a local level, these alternative practices can operate at a much larger scale. An example of the latter is Argentina's *Red Global de Trueque*, or Global Barter Network.

There are then differing conceptions of moral scale generated by advocates of alternative currencies. Some favour the local for broadly environmental reasons, while others stress the development of anticapitalist forms of work and livelihood – an objective shared by the localizers. It could be that alternative currencies are effective in securing both objectives, or that they are more effective at the construction of alternative economic relations if this is attempted at a scale greater than the local. Alternatively, localized attempts at developing alternatives are better at generating connections of solidarity and a network that has some depth such that capitalist practices can be more effectively resisted. In either case, an attention to scale helps develop an understanding of what sort of alternative practices work best. We now consider this through analysis of a localized and a non-local alternative currency network.

Community currencies as localist rescaling: Manchester LETS, UK

Local Exchange Trading Schemes (LETS) are an example of the 'localizing' strategy. LETS schemes

are usually small, local groups trading with a local currency through a local directory (Barnes *et al.* 1996; Aldridge and Patterson 2002). You have to be a member of the group to trade. The scale of LETS varies from groups of 10–15 people in a small community trading babysitting and odd jobs up to larger networks of 200–300 participants in a town or city (for example, Stroud, Brighton, Bristol), where a larger range of services are available. The team led by Colin Williams (Williams *et al.* 2001) undertook the most comprehensive survey of LETS which identified 303 schemes in 1999 with a mean membership of 72 members. The world's largest known LETS was Auckland Green Dollars, New Zealand, with over 2000 members (North 2002).

Manchester LETS is one of the larger and more successful and vibrant schemes with, at its height (April 1995), 485 members, and a turnover of 183 842 Bobbins in the three years to October 1995.¹ Of these 485 members, 142 had a cumulative turnover of over 160 Bobbins, and the highest individual turnover was 4886 Bobbins. Services available from the October 1995 Directory included 39 pages of 'wants' and 'offers' (45 per page) including babysitting, haircuts, help moving, lifts, business and computing advice, bike maintenance, basic carpentry, counselling, antiques restored, bread making, and loans of household goods. In Manchester the possibilities of local scalar development are strongly demonstrated as it proactively attempted to develop the range of goods and services and local linkages as fully as possible, and operated at the scale of a large industrial city where the dense, cross-cutting, global/local linkages of scalar theorists are observable.

Manchester LETS was founded in 1992 through interconnected networks of individuals based around Quaker meetings and the Labour Party, a second group focused around Manchester Green Party; and a third network interested in DIY ('Do It Yourself') projects, that myriad of single-issue social change and protest projects such as urban agriculture, anti-roads protest, food cooperatives and communal housing experiments (Berens 1995; McKay 1996; Leyshon *et al.* 2003) that were widespread in the 1990s and which formed part of 'hidden networks' that later emerged as the 'anti-globalization' movement. Other networks that came together included people interested in conflict resolution; and self-help networks providing access to cheap and alternative therapies, and reciprocal, or 'co' counselling. The final network was a group who met to enjoy folk dancing.

Thus, combining resources from many networks, Manchester LETS sprang from those 'hidden' social networks in one part of the city, South Manchester, that, for Melucci (1989), social movement mobilization makes visible. Pre-existing networks came together as activists who had been attracted to LETS philosophically felt that a larger scheme, operating across an undefined space called 'Manchester', would be more effective than a series of smaller, local schemes based on more proscriptive neighbourhoods. Manchester LETS made these non-economic networks visible as a tool for mutual aid, community building, sharing and reciprocity to such an extent that one respondent described it as 'the economic arm of the green movement'. Political interest, not community or locality, defined them. It included people with experience in alternative movements in Germany, ex-squatters, students, people who wanted to set up green businesses, a consultant for Oxfam, a Green Party speaker. It enabled those who so chose to link up with other like-minded people to support each other in a sustainable network that they hoped would grow into a more robust, thick, but localized economy that would be a major contribution to sustainability, as the following quotes from participants show:

What I really got was the value of people coming together with something that they all supported and with a commitment that they all shared ... there's something almost political about it ... that had never happened before. The catalysing of all the potential energy which I'd never seen before, and I couldn't believe that all these people who'd been kept apart before had come together and I got most out of actually mixing with them and meeting with them ... and of course the trading all fitted in perfectly, but this seems like to cap that, the value of sharing.

A bottom up approach to the economy, basically. ... I did entertain ideas on the lines of a moneyless society, and I thought LETS was a good step in the right direction ... an effective way of getting rid of capitalism. Probably not the only way, but one of the important strands of getting rid of it is the building of alternatives in parallel with it until they eventually take over from it.

A major economic actor was missing from this network generated from the Manchester green left social movement sector – businesses, be they mainstream or 'green'. Eight businesses joined: at times, two solicitors (both Green Party members), a bicycle shop, a wholefood supermarket, and a vegetarian café as well as two or three housing cooperatives.² The lack of mainstream businesses

obviously put restrictions on the extent that a localized economy could be constructed, as members were limited to access to the goods and services they possessed. But, in Manchester's case this was not a fatal problem as many members were older and consequently had, through their life cycle, acquired quite a range of household resources and skills. They were usually well-educated and, like the social entrepreneurs in Bristol identified by Amin *et al.* (2002, 94), they chose low incomes not because they were socially excluded, but because money did not motivate them. Having a non-materialist, environmental worldview that meant they did not miss access to high street goods and services as what the mainstream produced was unattractive and seen as unsustainable. They valued the affective side of trading with likeminded people in ways that they regarded as more humane, less commodified. This was not a resource-starved network composed, say, of unemployed young people with few skills or resources. LETS increased their capability to live the lifestyle they wanted, and their resilience to survive shocks. Thus, within limits, the networks could codify and regularize themselves into a network that enabled them to trade locally and share the goods and services that they wanted.

While limited to one *place*, this was a non-local network, shot through with the global, in that members of a fixed, traditional, local community did not populate it. It was *not* 'militant particularist'. Rather, it was composed of political actors with an attachment to abstract scale (a localized economy), not to place (not 'my local community', but 'Manchester', broadly conceived). It saw itself as a precursor to a more generalized sustainable economy built on non-conflictual economic relations. But their resource base was too limited to enable members to survive at the local scale through non-capitalist exchange.

The solution could be to rescale: build thicker local networks, and involve businesses. Built on 'green' networks, like these networks, it was overwhelmingly white – a problem in a multicultural city like Manchester. Self-selecting networks tend to reproduce themselves, not diversify. Members lamented the fact that they weren't meeting non-likeminded neighbours, they weren't 'in and out of each other's kitchens, sharing the laundry'. Long term, it was hoped that Manchester LETS would spawn sub-networks, deeper local networks in territorial local communities to join through discussions with

regeneration partnerships, and discussions with ethnic minority churches. But, again, the arguments did not resonate as LETS seemed too radical, unrealistic, too attached to non-capitalist and radical environmental values³ (despite the protestations of activists) and the network then stayed small scale. As I discuss in detail elsewhere (North 1998 1999b), businesses found the network unattractive as they did not share the value system of activists, or did not trade at a scale that the network operated at. Money worked for them, and they could not see the value of an alternative currency. Consequently, they did not join. No attempts were made to 'rescale' the network to one which business might find more appropriate, as this cut against activists' ecological values.

The small-scale network based on the green networks was not sustainable. Manchester LETS declined from its height in 1995 of 485 through the 300s in 1996 to 250 in 1998, 199 in 1999 to 125 in September 2001. Research in Manchester in 2001 found that most of the respondents of the 1995 study had left LETS as they moved, got a job or had children which meant they had less time, or became unemployed so could not afford the membership fees. The resistances of everyday life mean that they did not maintain membership, so that rather than being the precursor of a new localized experiment, LETS was episodic. Other people's actions, actors who controlled resources that circulated at a larger scale, thus limited the ability of actors to construct a larger network. Given a refusal to rescale to a level that might attract more resources, and an inability to build denser networks based on territorial community, not communities of interest, the scale that LETS was set at limited the size of the non-capitalist space.

Argentina's barter networks: surviving financial crisis

Was more success achieved without an emphasis on the 'local'? Argentina's barter network began in 1997 in Bernal, Buenos Aires by an environmental NGO, Programa de Autosuficiencia Regional (PAR – Regional Self-sufficiency Programme) which wanted to address poverty and unemployment in an ecological way (Primavera *et al.* 1998) during the Menem period when, while Argentina's economy was run in ways that meant it was lauded by advocates of globalization, many thousands suffered from an over-restrictive fiscal policy. The original

project involved 20 neighbours who traded with 'credit notes' modelled on the Ithaca Hours programme in upstate New York⁴ (Glover 1995) and grew throughout the late 1990s across Argentina such that the organizers claimed 4500 markets were used by half a million people spending 600 million credits⁵ (Norman 2002). The real figure is unknowable. The ongoing crisis exploded in December 2001 (Dinerstein 2002; Halevi 2002; Harman 2002; Rock 2002; López Levy 2004; North and Huber 2004). Bank accounts were frozen, savings were confiscated and millions found themselves at or under the poverty line. Alternative currencies then became fundamental for survival at the height of the crisis through 2002 (Norman 2002; Pearson 2002; Powell 2002). By 2002, barter networks had spread all over Argentina.

Barter networks were organized in what Ramada (2001) calls a chaordic (truss-like) structure made up of 'nodes', markets where traders meet, typically in a church hall, a disused factory, a car park or baseball court at a set time each week where people come and trade with each other using credits (*creditos*). Nodes this author visited boasted honey, *empanadas* (pasties), pancakes, pizzas, green vegetables and fruit, jams, wine, vinegar, breads, biscuits, shoes, shampoos, jumpers, nightgowns, haircuts and manicures, a café, a samba band, a notice board – and always, heated debate and haggling. Some had stalls in the tens and visitors in the hundreds, while others had hundreds of stalls and thousands of visitors. The largest node, in suburban Mendoza in the foothills of the Andes, claimed 36 000 participants.

Nodes did not serve a defined, closed geographical area. Argentines would travel across the city, into the informal settlements in the suburbs, to the countryside, to another city to attend as many nodes as possible. No one with access to these credits would starve, which is not the case for some in Argentina. Consequently, people would queue for hours to get into the markets, and would travel some distance. People might establish their own node with their neighbours or through their church, print their own currency, and get their neighbouring nodes to accept them. Some nodes were tightly governed and only members could trade, while others were more open, less formal. Some nodes accepted each other's credits, others didn't. But there was no central control or administration, and nothing to stop someone from the other side of what is a very large country from trading, if the individual

they wanted to buy from felt their credits were good. It was not a *local* system, but it did involve millions – not the politically committed. Barter was about survival, not just economic experimentation.

Barter was not local for a number of reasons. First was a range of practical arguments. PAR argued that while Argentines cannot access their bank accounts, enough currency should be printed to meet needs in what essentially is 'Keynesianism from below'. They argued that a purely local solution, generated by the coming together of networks would be too small scale and slow given the depth of the crisis. They therefore sold a 'start up kit' made up of pre printed credits. Efficiency, not the 'local', was the guiding principle. Secondly were normative arguments. PAR felt the 'local' was not always valid, while globalization had positives:

We don't think that local development cannot happen at the same time as the global ... We, who have set up barter, did not just want local development, because it is impoverishing to stay in the local development. 'Urbi et orbis': I can be local, but I also deserve to follow the global, by the internet ... I believe that globalization has positive things, for example the transfer of scientific knowledge: to get support for a project you can go to the British Council whereas the (local mayor) would have told me I was mad; and when the police robbed us we went to France, to talk to Amnesty because that's what people did during the dictatorship ... an Argentinian is a peripheral citizen of the world ... we live 10 000 km from the origin of civiliza ... from New York, London and Tokyo ... we use globalization, we can not just do local development.

I have had the opportunity to repeatedly have visited England ... I was born in '62, so I am of the generation who fought in the Malvinas (Falklands), so I could have had to use a weapon against an Englishman ... so I'm not very much into very local contracts, exclusionary ones, because they can turn into chauvinism and phobia; I'm also not of the same opinion as Le Monde Diplomatique with their anti-globalization attitude; We neither think that all global is bad nor good; globality has good and bad sides; and the local has good sides, but can also have bad sides.

As a result of the rejection of the local, advocates of more local solutions emerged. The Red Global de Trueque Solidario (RTS – Solidarity Barter Networks) argued that the best response to the Argentine crisis is the development of community-controlled money from below, and that PAR had moved away from their original ethos in ways that were unacceptable. They favoured local, community-based currencies rather than the nationally

circulating 'PAR' notes (*Arbolitos*). They were concerned that the mass, unaccountable issuance of *Arbolitos* was inflationary, and was opening the networks up to abuse. They argued for the value of the currency to be maintained democratically, and during 2001–2 the RTS nodes met monthly, on a national basis, to coordinate their work and collectively agree to print and accept their notes. They insisted on an active decision by all groups on whether or not to accept a new node into the network and on how much currency to print.

They also argued that strong community-building mechanisms should be used at the weekly node meetings to ensure that a reflexive economy is created in which traders share and reproduce the values of mutual aid that inspires barter, and are self managing to control abuse. RTS therefore insisted on an induction process whereby members were educated into the values of the network, and these values would be enforced by a management structure to ensure that markets were well and fairly run. Thus while some RTS nodes would not accept currency from other nodes, many did. The currency need not be local, circulating either nationally or across a region: but it would be managed locally to ensure that the market did not degenerate into a scramble over limited resources, that inflation was prevented through price control, that the quality of goods on offer was high, and that everyone got a fair share.

Following Tofler, participants were expected to contribute to the general welfare of their node by producing goods themselves, as well as purchasing or consuming. They should be seen as 'prosumers', not consumers. While PAR was happy to sell a 'starter kit' for pesos to enable people to start trading, prosumers would be expected to bring 'production', for example some pasties (*empanadas*) to exchange for their first credits. Credits could not be exchanged for pesos, only for production and services. Prosumer values included thinking about what to take to nodes beforehand and making sure you take something that your fellow prosumers will need, making sure goods are distributed fairly, and only consuming what you need so others have the same opportunity. Solidarity, not locality, was the key discourse. What mattered was the effective management of local nodes to ensure trust, transparency, order, and to manage prices and distribution – not the geographical extent of the currency.

Argentina showed that currencies that enabled household members to trade with each other, and

which were not local, could function effectively for a time. Going up a scale accessed more resources, and the RTS nodes that were closed to outsiders were small-scale affairs with few resources. But the non-local nature of the Argentine currency networks was also fundamental to its eventual downfall. Given the depth of the crisis in Argentina in 2002, many of the large, non-local nodes were wild, anarchic spaces in which impoverished people struggled with each other, often physically, to get into the meeting and to purchase the best goods. Wiley traders, who did not share the 'prosumer' ethos, played off price differentials by, for example, buying items priced too 'low' and reselling them. People were left with currency they could not spend, as they had sold their produce too cheaply, or missed the best produce. The embarrassed organizers felt they had created a 'monster'. Then, seemingly overnight, barter catastrophically lost credibility. In November 2002 a national prime time television show painted barter as a 'scam', claiming that stolen goods were being sold, that credits were forgeries, and that the food on sale was poor quality. This was seen by activists as a political attack by a Peronist government concerned that barter was giving Argentina a 'bad name' internationally,⁶ and undermining the clientelist networks on which the Peronist party was based (Auyero 2000). They argued that the TV station concerned was a Peronist mouthpiece, that criminal gangs were forging *Arbolitos en masse* and giving them out from the back of unmarked vans, and that the Buenos Aires police had raided PAR's headquarters and stolen 100 000 pesos. Locally, Peronist party machines would incorporate barter networks by purchasing PAR's starter kits, setting up a node for their clients, and at times, violently closing down 'rival' nodes. But the result of this was that usage of barter plummeted across Argentina to a fraction of its former level, activists claiming from 10 per cent to 40 per cent. In the face of an attack mounted by those with resources operating at a national scale, hundreds of nodes closed.

Thus the spectacular decline of barter in Argentina shows that localist concerns for an ecological diversity of currencies makes sense, and attempts were made to rebuild barter with a bigger diversity of local currencies. Those RTS nodes that were relatively isolated from the *Arbolito* by geography or a refusal to accept them did prove themselves better able to withstand the shock through strong local management processes based on direct democracy.

Locally trusted leaders of well managed nodes were, to some extent, able to maintain trust and faith in the currency by explaining the difference between the 'good' and 'bad' notes, and between trustworthy prosumers and untrustworthy street-smart hustlers.

On the other hand, PAR's approach did mean that usage of non-local alternative currencies did rise to an economic level that dwarfed LETS in the UK, kept many people alive during a devastating financial collapse, and perhaps prevented revolution by bouncing Argentines through the worst of their financial travails (an ironic result for a non-capitalist programme). Partly this was due to the efficiency of PAR's franchising approach that provided people with a readymade currency programme, the node providing an accessible space to facilitate trading (compared with a telephone-based directory), and the ease of use of scrip familiar in a country where previous experiences of inflation had led to people being used to the form of money changing (and unlike sometimes scrappy LETS cheques, *creditos* were high quality, and as the name suggests credible, believable). But the success was partly as the ability to spend credits across a region and a willingness to travel created a much larger market. This suggests that a larger scale facilitates greater levels of trade, albeit based on an extension of household provisioning to a greater group in a period of extreme crisis.

Interestingly, no shop front businesses seemed involved at the nodes visited – rather, they stayed empty while node members exchanged basic staples through self-provisioning, often outside their shop. They were *not* structured into accepting credits. Activists claimed that small business leaders put pressure on politicians to crack down on barter. The powerful were able to structure the actions of those less powerful.

Conclusion

To keep wealth local, very few designs of complementary currency actively facilitate the transfer of value out of a locality, with the exception of barter in Argentina. Activists can create local networks, exchanging personal or household services, but even then most studies of LETS (especially see Aldridge and Patterson 2002) find a widespread dissatisfaction with the range of goods and services on offer beyond those who understand that LETS is but a prefigurative localized economy – as was the case for many in the Manchester case study. By setting scale too locally, access to resources is thereby

restricted, and if too small a locality is chosen the range of services could be very limited indeed. The currency was not attractive to those beyond the politically motivated, joining, as economies 'should' be localized rather than to access to a wide range of services *per se*.

In Argentina, the currency was not localized, and the range of goods and services available was so significant that it enabled millions to survive an acute financial crisis. But it also reproduced many of the pathologies of the global financial system such as inflation, price disparities, criminal manipulation, exploitation in a form of 'wild non-capitalism', and herd behaviour leading to a catastrophic loss of confidence. Where strong management was in place the nodes worked better. But when this was a local alternative currency *caudillo* rather than through grassroots democracy, this cut against the non-capitalist 'prosumer' values espoused by activists and organizers, and when questioned, prosumers we spoke to at markets overwhelmingly saw barter as a second-rate survival mechanism, not a precursor of more liberated economic relations, which suggests that again, capitalist value systems colonized their minds. And when it challenged traditional Peronist problem-solving mechanisms, clientelism, it was attacked and nearly destroyed.

To return to our theoretical questions. First, is it possible to construct localized economies? Manchester LETS suggests that, within the limits of the resources owned by members, yes. But Manchester LETS was not based on a conservative, closed, fixed 'local community'. Activists do see the 'local' as contained and want to capture economic flows, but not in ways that can be labelled as 'militant particularism' (Harvey 2001, 158, 187) as their local economies are shot through with the global, not xenophobic, and much more plural than the charge of particularism would suggest. They see localized economies as a more general solution. The Argentines are more prosaic about the global scale, so militant particularism applies even less. Secondly, does scale 'matter' in that arguments resonate and networks 'work' better at some scales than others? Both networks framed their arguments and organized their networks at the scale they felt appropriate, and the Argentines found that their national level network involved far more people, becoming a significant resource for household economies; but then the extent that it was a tool for building alternative economic practices was limited, and it reproduced the pathologies of the global. Third,

did political economy matter? Certainly. Both were also constrained by agents acting at a greater scale by, at a minimum, withholding resources (the UK) and at maximum attacking and destroying alternative economic practices that they found objectionable (Argentina). There are, then, real limits to actors' ability to construct scale.

Notes

- 1 A Bobbin is roughly comparable to a Pound Sterling, or 8 Bobbins represents an hours' work. This compares to the findings of Williams *et al.* (2003, 158), who found a UK average cumulative system turnover of 4664 credits. Manchester was an active system in these terms.
- 2 Gibson-Graham would describe these businesses as motivated by independence, not profit, and thus as non-capitalist (1996, 18–19).
- 3 For example, an attempt to build a scheme on an estate in Hyde, greater Manchester, was a conscious reaction against Manchester LETS membership with their 'veggie hiking boots'.
- 4 Ithaca Hours are hour denominated scrip notes circulating in one small town, Ithaca, New York, USA – see <http://www.ithacahours.com>.
- 5 A *credito* is very roughly equivalent to an Argentine peso, but as value is set locally, this comparison is meaningless. An item might cost one peso in a shop, four credits in one node, and six in another. The latter would probably not sell until the market 'worked' and the seller reduced their price.
- 6 Argentine elites see themselves as a European outpost in an otherwise 'uncivilized' continent. Headlines such as 'Barter Nation' (Norman 2002) did national pride no good.

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