



Money as Anticapitalist Praxis¹

Peter North

We don't usually think of money itself as an object for political contestation. Whether the pound, the euro, or the dollar, official currencies are given to us by those who rule us: the Bank of England, European Central Bank, or the Fed. We have no control over what it looks like, or how much of it is out there in the form of banknotes or account codes. We have limited control over how we get hold of it, and what we spend it on. And, of course, some of us have more control, more ability to earn, than others. Many critics have argued, especially since 2008, that the money system is "out of control," that we are dominated by "the man," money power, or unaccountable and over-rewarded fat-cat bankers who keep the profits and socialize losses. When money power crashes, lives are destroyed as people lose their jobs or their homes are repossessed. Most of us go along with it and do our best to get by, doing better in the booms and hoping that it happens to someone else in the busts. We might march, occupy, protest, even riot. We shout "No!" "Basta!" "Enough!" But how many of us try to replace an institution we feel has failed? Are we spending too much time worrying about what "they" are doing to us, and too little time replacing that failed institution, growing the real economy of valuable work rather than useless toil, supporting the sort of businesses we want to see in our community rather than those that exist purely for speculation, or fostering growth in happiness, health, and vitality rather than GDP?

Perhaps the general dismissal or ignorance of money is not really that surprising. Lavishing too much of your attention on it can label you a sad numismatist who has not grown out

1 facing page: The first emission of the Brixton Pound (London, 2009) featured portraits of famous residents and local activists such as Olive Morris, James Lovelock, CLR James and Vincent van Gogh.

of his coin collecting days (and it is usually a “he”). Like train-spotters, coin collectors catalogue money rather than analyze it, which only economists are considered competent to do. Money reformers are often considered to be cranks, snake oil salesmen, shysters, and sharks who prey on the vulnerable in times of economic distress. As Hayek has so effectively put it:

[D]emands (for new types of money) have been raised over and over again by a long series of cranks with strong inflationist inclinations...they all agitated for free issue because they wanted more money. Often a suspicion that the government monopoly was inconsistent with the general principle of the freedom of enterprise underlay their argument, but without exception they all believed that monopoly had led to an undue restriction rather than an excessive supply of money.²

Or, according to Galbraith, money reformers were fools or thieves:

Those who supported sound money and the gold standard were good men. Those that did not were not. If they knew what they were about, they were only marginally better than thieves. If they did not, they were cranks. In neither case could they be accepted into the company of reputable citizens. [Socialists agreed:] They wanted to be revolutionaries, not knaves.³

We often have a problem with those whom we think have more money than us and thus power over us, though we might just be jealous of them. Money can be fairly earned or not, but often and remarkably, we do not problematize money itself. It thus rarely becomes an *explicit* object of political contestation.

FIGHTING “THE MAN”

There is, however, a hidden history of people who have gotten together with the agenda of fundamentally challenging capitalism by creating and using new forms of money. The Welsh Utopian Socialist Robert Owen set up Labour Exchanges using money denominated in hours (for example, a banknote for one hour, not one pound) at the dawn of capitalism. In the antebellum United States, populists agitated for an economy built on labour-run co-operatives supported by local treasuries. In

the UK, the Green Shirts agitated for Social Credit, a form of basic income during the great depression. And many modern alternative and community-based currencies have been developed over the past 25 years, including Local Exchange Trading Schemes, or LETS (UK); Time Dollars and “Hours” (UK, USA); Green Dollars (New Zealand, Australia, and Canada); “grains of salt,” or SEL (France); and “Talents” (Hungary, Germany).

The current wave of monetary contestation emerged out of the counterculture and the green movement of the 1960s. While many dropped out, joined communes, and tried to live off the land, others, not wanting such a total withdrawal from society, set up networks enabling members to share their skills without the use of money. These were networks of people opposed to capitalist exploitation and technological modern society, wanting to exchange skills within smaller scale convivial communities without using a capitalist money system, and valuing each others’ labour equally. They often used notes denominated not in dollars or pounds, but hours of labour. At the other end of the political spectrum, businesses have used commercial barter networks to save money, as well as to break into new markets such as communist countries where currency exchange facilities were as yet undeveloped. These were often efficient, but served no progressive function whatsoever, promoted by conservative-minded, hard-money enthusiasts who worried that big government was creating too much money, thus leading to high inflation. They experimented with currencies backed by baskets of commodities. More recently and in a similar vein in the United States, “Liberty Dollars” were created and cast in metal, not in what the organizers regarded as worthless paper scrip.

The number of people using alternative currencies increased dramatically when Local Exchange Trading Schemes (LETS) were introduced to the UK in 1986. A decade later, there were thought to be some 350 LETS, involving some 20,000 participants, across the country. UK LETS, like German “Talents” and French “Grains



One Ithaca HOUR is generally valued at \$10 USD and equivalent to one hour's work.
Photo: Lis Maurer

of Salt," used a virtual form of local currency related in some way to a moral valuation of time and using a locally significant name, such as "Tales" in Canterbury, "Brights" in Brighton, or "Bobbins" in Manchester. Accounts were kept on a computer, and payments were made by cheque. While LETS and the like did not involve the creation of banknotes, community paper currencies like these are watermarked, as are the time-denominated currency notes that circulate locally in Ithaca (New York), Salmon Arm (British Columbia), and up to twenty other cities in North America. Remuneration is calculated both according to time spent on a task and by reference to the local average wage, so that for example an hour's labour would equal ten "hours," if the local average hourly wage was ten dollars. Participants get their first hours in return for placing an advertisement in the network's local newspaper, and then earn more through trading. No central record is kept beyond the number of notes printed. Hours cannot be spent until they are earned, although interest-free loans are available.

More recently, community-based paper currencies linked to national currencies have emerged in UK "Transition Towns" (such as Totnes, Lewes, Stroud, and more recently Bristol). These very beautiful notes feature local heroes and landscapes, and aim to encourage people to spend more of their money locally, at socially responsible businesses, thereby building community resilience and cutting down on the needless use of fossil fuels. In Bavaria, Germany, the Cheimgauer regional currency circulates in an area 70 kilometres around the Cheimsee, an area large enough that the organizers calculate the average user can obtain locally 50% of the things they need on a daily basis. When the Argentine economy crashed and the peso was unpegged from the US dollar in 2001, millions of Argentines got through the crisis with the support of the (often state-sponsored) local currencies that mushroomed across the country, a phenomenon we are seeing in embryonic form in contemporary Greece.

To begin trading, users of these currencies create a form of money that they agree to accept from each other, which they back by their "commitment" to earn, at a later date, credits from someone else. They might have to convert national currency into the local currency, so those who earn more local currency than they can spend can convert it back to the "official" value circuit as one way to circumvent the possibility of local stagnation. The currency may be in the form of a note, a cheque, a scorecard, or just an entry on a computer. They trade with members of the network at markets, by contacting each other through a directory or noticeboard, or in locally owned stores, paying each other with the currency they have created and given value to as a community. These networks go far beyond the barter system, as reciprocal exchange between partners is not necessary. For example, I can get you to fix my car and earn the currency back by providing others with childcare, gardening, help with decorating, etc. Commitment is thus to the community as a whole, not just to the person I have just exchanged with.

THE MICROPOLITICS OF ALTERNATIVE CURRENCIES

These local networks demonstrate that money is simply a discourse, a social construction, a collective agreement to accept a certain form of measurement, store of value, and unit of exchange. Once we accept that money is not a thing created by elites alone, we can start to change it and make it ourselves. We do have to obey a few rules, making sure that we give back to the community as much as we take out, and avoid exploiting our neighbours. It would be unethical to run up a huge debt and then skip town. The accounting needs to be transparent, trusted, and clear. If we create local banknotes, they need to look and feel like real money, not Monopoly money. Indeed, many questions arise: Does it “feel” valuable or cheap—or even like a scam? Is it well designed, attractive? What does the paper it’s printed on feel like: a banknote or photocopy paper? Does it have enough security features that those who want to counterfeit it will find it too difficult? Is the issuer known and trusted? Can it be easily exchanged national currencies? If something goes wrong, do I have redress? Is there someone who can help me spend it?

LETS, Talents, Hours, transition currencies, and their ilk, are all examples of a contemporary flourishing of alternative forms of money that have involved, worldwide, thousands of members (and in the case of Argentina, millions). But are they truly instigators of a new, twenty-first century economy founded on alternative forms of money, giving rise to new economic opportunities to provide livelihoods focused on need not profit, and supporting communities in a way that is in balance with the natural world? Are those participating in them the early adoptors, foreseeing fundamental changes in the economy through markets for all, the libertarian capitalism of techno-junkies championed by *Wired* magazine? Or do they see in climate change and the end of cheap oil, the end of carbon-burning industrial capitalism? Alternatively, are they post-industrial utopians, a Luddite throwback to a pre-capitalist economy, emer-

ging in periods of crisis, with solutions attractive only to those who prefer a nostalgic world of small communities meeting basic needs? Are their failures just roadkill on the way to a brighter future, or do alternative currencies just not work?

A NEW UTOPIANISM?

Many critics of local currencies see them as a diversion from the main issue: confronting capitalism. They would rather march or riot than patiently build up a local money network. Their critiques rely on the intellectual pedigree of Marx and Engels, who heavily criticized the nineteenth-century utopians, characterizing the sort of alternative economic practices of their day as diversions from the bigger picture: class politics. They do, however, look attractive when, after defeat, working people lack the confidence to make wider changes:

In part (the proletariat) throws itself into doctrinaire experiments, exchange banks and workers associations, hence into a movement in which it renounces the revolutionising of the old world by means of the latter’s own great, combined resources, and seeks, rather, to achieve its salvation behind society’s back, in private fashion, within its limited conditions of existence, and hence necessarily suffers shipwreck.⁴

Working people start to develop “the chimeral game played



BerkShares circulates in the Berkshires region of Massachusetts, USA. They are pegged with an exchange rate to the US dollar, but there has been recent discussion about the possibility of pegging its value to a basket of local goods to insulate it from volatility in the US economy.

with the future of society [which]...can only be silly—silly, stale, and basically reactionary.”⁵ Marx argued that social change comes from the struggle of millions to break through the restrictions on development caused by capitalism. For Marx, the proletariat’s “task is no longer to manufacture a system of society as perfect as possible, but to...discover in the economic conditions...the means of ending the conflict.”⁶ Moreover, Marx and Engels argued that without the seizure of the productive wealth of society through revolution, the resources controlled by ordinary people will always be inadequate for large-scale change. It is problematic, Marx claimed, to seek social change at the level of the private, household economy through adopting a more co-operative economy from below.

Despite this, however, in the constitution for the International Workingmans [*sic*] Association (the First International), Marx and Engels lauded the utopians and the co-operative movement, “as one of the great transforming forces of the present society based on class antagonisms. Its great merit is to practically show, that the present pauperising and despotic system of the subordination of labour to capital can be superseded by the republican and beneficent system of the association of free and equal producers.”⁷

But they also went on to argue:

Restricted, however, to the dwarfish forms to which the individual wage slaves can elaborate it by their private efforts, the co-operative system will never transform society. To convert social production into one large and harmonious system of free and co-operative labour, general social changes are wanted, changes in the general conditions of society, never to be realised save by the transfer of the organised forces of society, viz. the state power, from capitalists and to the producers themselves.⁸

An alternative reading is that Marx and Engels were making an argument that was perfectly reasonable for the proletarians of their day, though they did not live to see the wide-scale money-based activism of the Populists. When well-organized local money networks reach a level of density such that enough people can find them useful, they can last over many years.

Ithaca Hours still circulate twenty years after their founding. People whose material needs are limited, and who value their time above money, can find it a useful method for generating a modest income from local craft production or service provision. “The man” in post-industrial Europe and North America has no interest in how people make their way in society, as long as they pay their taxes and do not claim benefits. Perhaps the way is now open for those of us who do not see a job or a career as the be-all and end-all, but a useful tool for creating the sort of sustainable livelihoods we want. ○

All images courtesy of Peter North.

ENDNOTES

- 1 This article is based on a fuller analysis that can be found in *Money and Liberation: The Micropolitics of Alternative Currency Movements*, 2007, University of Minnesota Press.
- 2 Friedrich Hayek, *Denationalisation of Money: The Argument Refined* (London: Institute of Economic Affairs, 1990), 12.
- 3 John Kenneth Galbraith, *Money: Whence It Came, Where It Went* (London: Andre Deutsch, 1975), 51.
- 4 Karl Marx, *Anti-Duhring*, (London: New Left Review, 1974), 110–111.
- 5 Ibid.
- 6 Ibid.
- 7 Karl Marx, *Constitution of the International Working Men’s Association*, in *The First International and After*, ed. D. Fernbach (London: New Left Review, 1974), 90.
- 8 Ibid., 90.

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