The Polyanian backlash of society’s attempt to protect itself by re-embedding the economy into social interactions forces the prevailing market to create new structures which both affect existing institutions and also eventually, according to Powelson, affect institutions, hence becoming new institutions themselves. The assertions of Fung and Olin Wright that participation must be a key part of the remaking of institutions play a particularly vital role in the case of shared governance Currencies.

Nicole Biggart in “Biggart and Delbridge’s (2004) “Systems of Exchange Typology”” creates a frequently cited means of classifying exchange relations. While very useful and partially applicable here in this study, Smangs’ economic perspective analysis points out that Biggart’s typology is based on actors and network interests, which is not the same thing as a typology of money. It does not emphasise issues such as how those systems of exchange are governed, and is also much too broad to be applicable here. Mascornik in his study of North American community currency credit issues does apply one corner of Biggart’s typology, the moral motivation section. While certainly an important factor in the creating and maintaining of local currencies, a motivation perspective misses out the details of governance and distinctions between possible gradations of intended use of the currencies studied here. The moral dimension is relevant but does not seem to provide room for matching both functionality and governance of currencies. This makes Biggart’s typology difficult to apply in the present study.

Lucy Badalian, by contrast, asserts that such questions of shared governance must be addressed by "the scientific community along with the public in general" rather than ignored (p. 16) (Badalian 2007).

Definitions and Implications of UoA (mcs: lets, Wir)…
Miller asserts that Post Keynesians take the granting of Means of Payment (MoP) status to give a currency de facto usability as a standard of value and MoE lending it status as a measureable UoA. Based on Adam Smith’s conception of money as a substitute for barter allowing by price the measurement of goods in monetary terms, the UoA function simply eases counting transaction values, as Hogendorn points out {Hogendorn, 1995 #1891}{Hogendorn, 1995 #1891}{Hogendorn, 1995 #1891}{Hogendorn, 1995 #1891: P. 479}. Yet some assert that modern currencies are different. Eden removes the Walrasian auctioneer, which he defines as the modern model of
money usage, that sees money as having no account function due to automatic market price setting and he asserts that given agent choice and time between transactions, money can take on a UoA function which influences storage of value over time. This implies that the UoA function contains more than simple value comparison or standard of value information. UoA without Walrasian market clearing implies choice. Eden agrees taking with Miller the classical economics position on money that a UoA simplifies prices, increasing economic efficiency while inflation makes money less effective as a MoE, though Miller asserts that some inflation is actually a good thing. Standard supply and demand curves use price to show how prices can affect demand for goods and vice versa. Demand shocks and other things affect price, allowing the UoA function to affect transaction and asset or MoE and SoV thought, as Eden notes, UoA is generally ignored in favour of these other two key monetary functions. Credit, or means of deferred payment, is also clearly affected by changes in price levels.

**UoA stability at local vs. national and larger levels**

UoA stability at the national level entails stable prices enabling value comparisons and tracking choices made in transactions. Bordo points out that over the past two centuries it is deflation which until relatively recently has been the major policy concern due to the effects of deflation under most conditions. He characterizes a bad deflation as a recessionary period and an ‘ugly deflation’ as a steep decline coupled with a recession. He points that good deflations can also arise from "positive supply shocks. In a standard aggregate supply and demand framework, an outward shift in the supply curve will put downward price pressures. If the initial inflation rate is low enough, deflation may be realized. Such shocks would be generally accompanied by lower product prices, but higher profits, rising real wages, higher asset prices and stronger financial sector performance." {Bordo, 2005 #36}{Bordo, 2005 #36} {Bordo, 2005 #36} Bordo {Bordo, 2005 #36: P. 802} appears to neglect the case of the rising cost of living affecting one part of a nation more than other parts of the same nation or currency area as when he points to the 1920’s in the U.S. as an example of such a good deflation on {Bordo, 2005 #36: P. 814}. Inflation takes up most attention with arguments like that of Mendoza in favour of adoption of a single hard currency to avoid the hyperinflations of Argentina, Russia and other recent
currency crises. Mafi-Kreft on the other hand, shows that average inflation goes lower with allowed use of other world currencies alongside the national currency {Mafi-Kreft, 2003 #1569: P. 489}. While Mackinnon and Smithin found that interest rate pegs could result in lower inflation at the cost of lower output, most economists currently concentrate on the use of monetary policy by setting interest rates as a means of both keeping inflation low and increasing output {Mackinnon, 1993 #1719}. Other causes of permanently increasing inflation, at least as acknowledged in the short term by conventional models like that of Karras, include increases in the stock of money. At the national and supranational levels as population increases so must the money supply, leading inevitably to changes in the UoA function of large scale and national currencies.

and

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1.2.4.2 Embedding & double-mvmt Implications

Possible implications of market Dis-Embedding from society facilitated by general purpose money include the breakdown of social protections. Smith quotes Palast in agreeing that (Palast in Smith 2005) the social obligation that held medieval society together (VINE 2007) (Sarah Boseley 2007) no longer protect society partly due to Polanyian embeddedness. Professor Brad DeLong argues that Polanyi’s view of the change from village style to embedded market was an exaggeration (DeLong 1997). Polanyi (’44 P. 3) hypothesized that the self-adjusting market, based on general purpose money facilitating dis-embeddedness will damage society, leading to a double movement in which society acts to protect itself from the damage (Polanyi 1944). James Stodder (1998) p. 5-9 backs Polanyi’s claim that the "disembedding" of the economy from social life made highly monetized systems intrinsically unstable". Frances Hutchinson, Mary Mellor & Wendy Olsen agree, asserting that (Hutchinson, Mellor et al. 2002)P. 93), monopoly corporations in the United States continue being able to harm labour through taking advantage of the free international flow of money. Their assertion lends further credibility to Polanyi’s observation (’44 P. 103) that more monetized nations also had more poor and greater inequality. Fred Block and Peter Evans see the Polyanian "double movement"
as most dramatic at the global level wonder if the EU and the spread of larger scale general purpose money prevent thus national and local level monetary innovation (Block and Evans 2005). This may make special purpose monies especially important as agents of re-embedding with shared monetary governance institutions facilitating repair to social fabric and finance system.

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Sunday 3 August 2008
-- rm’d:

**Existence of Old barter organisations enables innovation**

Seyfang (2000 P. 228) argues that “The present trend for centrally issued, government-managed currencies is relatively new, and in parts of North America tobacco had a longer run as official currency (two hundred years) than the gold standard.” Memories of this live on in VA. This cultural memory can push society to continue moving in new directions. As Douglass North points out “It is the interaction between institutions and organizations that shapes the institutional evolution of an economy. If institutions are the rules of the game, organizations and their entrepreneurs are the players”. The result can range from barter and babysitting clubs to formal interest free currency organisations. All such newer innovations get a boost from their cultural ancestors. Humboldt Exchange builds on the Ithaca Hours model, which is itself a US Dollar backed innovation in the family of currency institutions stretching back to 1930’s Depression Scrip currencies issued in communities throughout the USA at the time.

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Saturday 2 August 2008 rm:
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Modern CCs may be an attempt at re-embedding the shared governance of money into grassroots levels of society as a way to allow society to protect itself from economic uncertainty. If so, then where there is a growing level of marketisation combined with a history of economic institutional innovation or simply new grassroots monetary practices, this may pave the way for new more socially embedded economic institutions. Embeddedness, taken from Polanyi’s abstract concept, is here defined as socially shared governance in contrast with the commodification and market encroachment of recent years. This may help to understand the rise of CCs and other innovations. Environmental activists, Fair Trade advocates, voluntary simplicity and other low consumption activists as well as LETS, Time Banks, barter clubs, and others call for change as the backlash of society against itself being consumed by the market. In the midst of this process are the regulatory frameworks which direct institutions.

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Tuesday 29 Jul. 08: -rm’d this to post to LJ as an article next year:
on double movement, seems not to be there now so must have moved the page (2 paragraphs) earlier…

Monday 28 July 8:
Post this to LJ as article:

(Turks on lets vs. general money
A Turkish view on why LETS will not work in Turkey
Date: 19/07/05 9:11:00 AM

Personal communication

Culture and economic systems...

Talking with a neighbour last night she told me, after I described the idea of local currency systems, that it would not work here (she is from a small village just outside of Izmir and lives here part of the week) because people do not trust each other. She said that in the villages they already use a LETS-like system but everyone knows each other. Elsewhere she asserts that it simply will not work because of lack of trust and also because with federal money people can make more money and when they see the prestige and accumulation of the rich people here, that is what they also want to do.

Why Turks think CCs will not work culturally
As d. North confirms in his comments on common sense being recognized as what people think it is, so culturally accepted norms can inhibit change.

September 2005 personal comment by co-worker in Izmir: the theory that ‘insanlar yatamak ve yasamak istiyorlar’ which means that people want to sleep and live, implying a sense of futility at trying to create new socially embedded financial institutions given the scale of existing marketisation and large scale general money.

Overcoming the inertia of existing institutional bias is difficult. But historical evidence in favour of change seems to lend momentum to innovation. By contrast with turkey, Douthwaite describes the Irish tradition of the Methiel as a way of explaining the ease and success of introducing lets in Ireland. Thus for regions with little to no history of society led innovations it appears to be more difficult to initiate such institutional innovations. In the final count, having no history of re-embedding is the same as having a longer history of dis-embedding, so cultural resistance to re-embedding may be the eventual result.

)
Hypothesis: regulatory reaction drives evolution

The Working hypothesis of this study is that the dialectic process will result in the synthesis of new institutions. New CCs lead to biased response of regulatory frameworks which leads in the short term to adaptation/evolution or collapse of the new CC, but later in the longer term leads to a newly evolved CC.

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Put this in lit rev: (as ponted out by Williams in his study on time bank difficulties attracting high value skills)
(fri. 18 July 2008)

Thursday 24 Apr. 08 rm’d from method. Chptr:

The data analysis phase of this project may also need to consider issues of language translation. There is some anecdotal evidence data which may be used as a possible set of counterexamples, which still need translation from Turkish and Spanish. Cultural differences as well as linguistic expression issues colour the data in these cases as well as the fact of both turkey and Mexico being in development, making them economically different from most of the other countries being studied. This evidence can be a valuable way of setting the development of SPC institutions in their cultural context in places where significant numbers of such innovations have not been documented.

... These sample institutions can be interviewed to find perceived regulatory bias against them. Finally

1.1.2 Dropped time frames method

1.1.2.1 Last considered time period: 2007-1982

Initially it was intended to separate this study into measurement intervals based on time periods. Differing time frames would capture both changes in regulatory environment as well as many different historical phases of growth in SPCs and monetary governance. The time period from 1982 through 2007 shows the first SPC and the economic context for possible biases of regulatory frameworks. One year intervals give a manageable and clear view of the past twenty five year time frame under review. The first significant and well known community SPC, called a Local Exchange Trading System (LETS), was started in 1983 in the Comox valley of Canada. This coincides with a recession. That gives some socio economic context before the first LETS. This time frame also comes after the post WWII growth and 1970's stagflation to put it in some of the context of the business cycle. While that cycle is important it is not within the scope of this study to focus on. Finally, the time frame of study comes just before the time of Deregulation in the USA and the City of London's 'Big Bang' which gives more contexts for regulatory frameworks. These factors lead to a reasonable year on year set of data that both contextualize and allow details to be drawn out for scales, governance, and regulatory environments of currencies in each of the
countries under study. However, after data collection commenced, it became apparent that annual differences over the past twenty five years in regulatory frameworks have not been significant enough to differentiate by year. This makes it far more difficult to show effects of those changes by year. Since sufficient data will likely come from a current study of regulations this obviates the need for separate time frames at all.

For each year in each country there were to be three main pieces of data to locate. The uses of comparative currencies regarding general or special purpose both by usage of the currency and by scale will be classified. Then the degree of shared governance will be determined for each currency institution to be compared. Finally the regulatory stance taken toward currencies in each country by year will be scored. The three data points per country per year for the 25 year period under consideration would give both depth and context to the question of shared monetary governance, but far more data than is needed and hence outside the scope of this study.

1.1.2.2 other time periods considered
Attempts to gather GNP data in the time period for 1650 to 1776 for the USA revealed some difficulties. While the data is available it is not easily accessible, and may be of less value to the project that the time it will take to gather. For that reason, the starting date was changed initially from 1650 to 1690 in hopes that more data would be available at that time, due to the issue of money as paper notes in the MA Bay colony that year. Also the need to include American colonial paper issues from other colonies argues in favour of starting with this year as a general way of tracking local authority issued money. Then new time periods were attempted with the intention of using periods defined by the start of industrialisation in North America, which would be around the mid-1800s. Embeddedness in the context of industrialisation may mark a shift to more general money, and should show up as rising GNP. The concern is that previous historical context and precedent of colonial paper, VA tobacco receipts, Canadian beaver pelts and British tally sticks play an important part here and must be addressed either as part of the methodology or as part of the literature review.

After beginning to work backward from the present timeframe, both in order to ensure not over-gathering data as well as to give a sense of how much data would be available in later time frames, the most recent period was changed from 1944-present to 1944-1985, and then from 1985-present. This allows data collection to separate out for the recession, ‘Big Bang’ of deregulation, and the appearance of LETS in the Comox valley of Canada, all of which took place roughly around the same time. While the mid 80s did see recession, this period was by no means the only interruption in GNP growth. The oil shocks of the 1970s also slowed GNP, presumably, and may yet bear looking at. At this point however work will only go to the year 1982.

And rm’d:
1.2.4. Sample types, sizes, and recruitment
The types and sizes of data samples required for this project will vary. Types of
data for both currencies and regulatory frameworks will both be qualitative,
mostly from the internet. Sample size of the regulatory details will be the number
of criteria listed in the regulatory framework support evaluation matrix. Sample
size for the SPC and general purpose currency institutions will vary according to
the number of findable and countable currencies in that time period. While it is
desirable to count all of the currencies in existence at the time, that will certainly
not be possible. Some groups may not even wish to be found. Despite
accessibility on the internet, as an example, attempts to contact one particular
small scale currency institution have gone unanswered. Of those institutions
which are amenable to being found and interviewed, it may still not be possible to
learn all of the relevant details. Hence it is difficult to say how large sample sizes
will be.

2.2.3 Discarded Pilot Regulatory Perception Influence questions
5. Is the current way of operating the currency Original (if they’ve changed) setup
6. What has been the Response from benefits agencies like the
IRS/welfare/Medicaid/Dole, etc. to people using this currency?
7. Have you changed the currency setup as a response to the experience of how prev. CCs
were treated by authorities?
8. Did you see any changes in treatment by authorities after the changes?
9. Why was it decided to use form of management as did (i.e. used existing model,
modified, and made up fr. Scratch?)
10. How does this program differ from other CCs you know of and why did you choose
to set up differently?
Does this program meet the goals set for it as a loyalty or community currency?

Monday 21 Apr. 08 mved 2124 Gomez paragraph on having a lt strategy from meth. To
govnnc chapter

Thursday 10 Apr. 08

-add G. Dalton on SPCs to mon. functions chapter

-rm GNP and # of SPCs fr. Methodology and theoretical chapters:

1.1.2.1 Original timeline: Three major data categories in 5 time periods
The first methodological task was to create a timescale in which to set data collection.
For each period three sets of data will be collected: GNP, the number and type of
currencies extant during the period, and the regulatory frameworks governing those
currencies. The original time based groupings were intended to show the relationships
How can we describe a chronology for According to Polanyi as previously mentioned, in the beginning, throughout the great hall of our edifice, there was embeddedness which coexisted with special purpose currencies? GNP, the number and governance details of special purpose currencies and regulations concerning governance and taxation of currencies To find an initial starting place not too far back in history that will illustrate this early stage the year 1650 is chosen as a baseline. This gives us a starting point where reasonably reliable financial data was available, regulatory records were beginning to be kept, and the modern period of market economics was still being concretized. 1776 is the logical time to end the first period and look for changes in regulatory and monetary practice given the upheavals in both North America and Britain. Between 1776 and 1929, the second period, increasing use of general purpose money as indicated by a growing GNP could drive dis-embeddedness until interrupted by the Great Deflation beginning in 1929. From that year until 1933 the third period should see a large increase in the number of special purpose currencies as dis-embeddedness declines, indicated by falling GNP. The degree of shared governance may be higher given the grassroots responses to the historic crisis. At this point Seyfang and others have interpreted various new economic creation data for LETS as a form of re-embedding. Nonetheless no attempt here will be made to measure re-embedding explicitly due to the lack of macro-economic impact of such small scale currencies. The period from 1933 until 1944 marks one of uncertainty in world finance and merits a separate inquiry. This fourth time period should see a rising GNP coupled with decreasing numbers of special purpose currencies as they interact with new regulations on money. The fifth and final time period, 1944 to the present day, covers the rise in GNP and changes in regulatory stances as well as continually evolving focus on the governance of special purpose currencies as their numbers rise and fall in response to regulations. The dates for these time periods may need to be adjusted as research continues to take into account major direction changes or world events. The variations in the three major data sets of GNP, number of and degree of shared governance currencies, and regulations overseeing them should help construct an understanding of how embeddedness may act as a catalyst for the evolution of both regulatory and monetary institutions over time.

This can add a dimension of qualitative depth to the observed trends in GNP and number of SPCs whilst also providing validation for observed potential regulatory biases

The question for this study is How to determine the existence of hist. special Purpose monies and if they have continuity as currency institutions. The Criteria for what are historical currencies is set out in the time frame, while

Older currencies will be searched via collector sites such as Rod’s http://www.depressionscrip.com/ And Loren gatch’s and Greco’s documentation of 1930s scrip. Prior to the 30s company store scrips, private bank currencies and experiments like Robert Owen’s Labour Notes are documented in various places.
Reflecting on the data to modify the theory

Do the hypothesized view of SPCs and the shared governance spectrum turn out to be true to prior expectations?

While it is expected that there will be an inverse relationship between GNP and number of SPCs, this does not account for the institutional and possible operational differences between community currencies and loyalty currencies. While SPCs have been associated with common and working people, and general purpose money with elites, in-depth classification of samples of SPC can show whether this trend remains and if it answers the or matches the criteria of shared monetary governance.

1.1.3.1 Data types

Most of the data collected for the project will be secondary information found over the internet.

Secondary data will consist of national income data as GNP as well as gathered data on regulations covering money from each time period. The purpose of the income data is to measure (dis) embeddedness via GNP as a standard of monetisation across time and location. While the concept of embeddedness is nebulous, it can be seen to partially take shape around the concepts of commodification and monetisation. Given that market transactions as they disembody themselves from social relations can be measured in rising amounts of money spent where such social relations were previously mediated through reciprocal or favour based transactions, rising GNP is a fair measure of disembodyedness. While it is standard to use per capita GNP data, in the case of this study it does not make sense due to the incomparability of comparing the per capita number of SPC institutions. A still rising GNP at a slower than previous rate can often be linked to recession conditions which frequently also see the rise of more SPCs, but this can vary by region, as with the greater regional availability of employment in the Washington DC area than Boston during the 2001-2003 recession. Hence economic growth rates may be the essential metric in analysis of the GNP data compared with number of SPCs.

Other gathering of secondary data both online and perhaps also in libraries for the older regulations will be of regulatory data. Regulatory framework stances toward special purpose currencies will be the focus of this work. The objective is to find out how various forms of currency were treated by the state at federal and local levels for each timeframe in question.

One form of Primary data may need to be gathered first hand. Special purpose shared governance currency data if not available online will require personal interviews due to the specific nature of the comparisons being made and the lack of previous such data gathering.

In order to include enough context for each nation, additional internal and external regulatory data will be gathered, to show the self-regulating vs. State regulating governance aspects of the currency, for instance whether by Central Bank, popular committee, etc., legal aspects surrounding the currency, taxes as payment demands and available tax credits or breaks, effect on benefits such as dole, welfare or disability disruptions, etc. For details on this data to be gathered,
Initially a period from 1944-1986 will be tried to see if reasonably consistent behaviour in the GNP flows through the period. If not then it may be necessary to create a 1971-1985 period of collection. Thus far the remaining periods are the same: 1933-1944, 1929-1933, and the earliest period. This earliest time period remains elusive because the dating of the start of the industrial revolution is difficult to ascertain. Polany’s ‘Long 19th Century’ or a time frame chosen to match from the mid-1800’s to the 1929 definitive Wall Street Crash leading to the great deflation both have the same qualities of capturing an era of rising monetisation, open monetary flows facilitated by the gold-exchange standard, open travel, and declining use of local special purpose monies. The choice of using Polanyi’s time frame of the Gilded Age seems more reasonable in the light of three things. First this study is using his framework. Second he did rather extensive research on this time period which can be considered authoritative, and finally it is more expedient to use existing eras because this study includes much more data that will need to be matched up. That leaves the final period going back to colonial currency issues to be determined based on amount of data accessible and extent of industrialisation in North America.

1.1.3.2 Differences in time intervals
Collection criteria for the 15 sections for each nation may vary slightly from interval to interval. Initial attempts made to collect GNP data beginning with the year 1650 showed that while it does exist, it was not in easily accessible format and that some locations charged exorbitant fees for potentially unusable data. Therefore, data collection was restarted beginning with the present time period moving backward in history. Statistics and attitudes at different levels and scales particularly across time periods. Because the intention is to do a rough comparison of rising and falling indicators of the three key data points, GNP, number of SPCs, and bias level of response from regulatory frameworks, individual differences from one year to the next are not crucially important. To keep consistent with GNP data available for earlier years, therefore, data collection intervals will be done by decade. Initial pilot data was taken from the World Bank, but consistency with earlier years may be better with data taken from individual Central Banks.

Thus is seems appropriate for this project to attempt to triangulate the numerical flow relationship of the double movement via GNP and numbers or instances of SPCs with corresponding reactions from regulatory frameworks in the same time period. It is expected that an inverse relationship will be found between GNP and number of SPCs, and that in the same time frame there will also show corresponding operational biases by regulations against those same SPCs. The reverse holds in years of depressions and recessions. So increasing GNP should see decreasing SPCs and regulatory bias against
SPCs in the same time frame, and vice versa. The major ontological problem in this study is how to quantify lack of access to or non-existence of small scale currency institutions. The question of how to measure embeddedness is easier to approach than that of re-embedding from an ontological point of view. Note that we are not measuring re-embedding because it has been done already and this study is concentrating on regulatory frameworks. Of the three forms of re-embedding, barter, gift exchange or reciprocity, and special Purpose monies, only the last can be measured with any certainty. A multitude of other factors also affect the ability to measure re-embedding. Some of those other factors related to and affecting or affected by embeddedness include increasing scale and other available types of money. Relevant factors will also include who are the sponsors of the currencies whether community, corporate, State, or NGO. Also local traditions such as the Irish Metheal will affect embeddedness. None of these are easily measurable. GNP on the other hand can be used as a measure of dis-embedding via commodification as measured by monetization.

Various questions arise in terms of analysis of the different types of data being gathered in this project. Of the three main sets of data to be gathered, only GNP data may be directly quantitative. Governance and typological data for each SPC and general use currency to be included in the study will need to be quantified using the scale matrix and the shared governance matrix. From there, numbers and types of currencies in each decade can be compared with GNP by decade to determine whether there is an increase or decrease in the overall GNP during that timeframe, and whether there is a increase or decrease in the number of SPCs as well as whether the degree of shared governance has changed overall during that time period. Then regulatory frameworks for that same time period will be collated and evaluated based on a QCA-style scale for bias vis-avis SPCs.

Today's date: Tuesday 13 November 2007

Morrison, page 5

discusses the links between long-distance trade networks in precolonial Native American cite are

‘bringing a wonder: trade and the Indians of the southeast, 1700 to 1783’;

they Europeans understood these things need little or no explanation, Native Americans are disappeared in a series of complex trading networks linking distant peoples long before European contact Indians living in the future state of Michigan mind in traded copper as far away as Jamestown engineer needed in the area of Minnesota mined catline Stone, used in ceremonial peace pipes, and traded across North America.' in volcanic glass was traded Indians of the east coast from several hundred miles away. One group was known as the tobacco Indians because they produced that crop in such quantities for trade.
Chapter 2 will be linking the three main governance counterparts of the three main functions of money from chapter 1.

--
chapter 1 will need to be reworked according to the same format in chapter 2
--

In one theoretical approach linking medium of exchange store of value means of payment to governance functions of money from chapter 1 with:

(in chapter 2): M.oe issuance  SOv: backing  seigniorge: mop

Wallerstein world Systems theory holds money, which is an exchange system facilitator, as neutral because the facility to exchange does not play an active role in the incorporation of economic systems. So the limitations of Wallerstein's world Systems theory from a community level local governance point of view are over that this theory appears not to account for communion level monetary governance.

Note: Wishart 2002 Cherokee start Page 16

wampum equals special-purpose money for long-distance communal trade see Easton band storage equals community monetary governance.

Governance literature review.

Upton model = individual monetary governance
Senn calls from community monetary governance there are currently exists state, monetary governance.

--

Today's date: Monday, 12 November 2007
Three Federally recognised Cherokee (CNO, Keetoowah, Eastern Band) attitudes to Monetary Governance.

Theoretical: Evaluvative Alternatives Senn (community choice)
Critique HMO inclusive nuclear radical framework with inclusive methodology:

1. Social audit approach: own, defined as success (raises problem of the US dollar defined as success of "low" inflation)


Xx —it does now (ch. 2) Does not incorporate any of the Hist. of $ (Wk Package 1)

Should center on participation: who gets to help make what decisions and why?

Comment on commonly held cc theory that interest and exchange rates cause inequality (esp. Zarlenga, Rowbotham, etc —does not take institutions into account)? (Work in some of Wk Pkg II under discussion for context of alt. econ. theories and their origins…)

Define participation…

0th draft: no refs

To Do List:
Mbcosw ?Albert’s ideas on CO (from his email)
Fold in WP1 (all into this paper?)
See Qual. Methods I, II: ethnography & Peter Reason: (Uni. lecturer)
Action Research

Note: Peter North has studied internal workings of LETS groups To Death… (as case studies, with funding, so I’ll definitely not be able to better his work in that area…), agrees that reg. frmwk may be a gap in the lit. (yeaaaayyyyy!!)

--But do a search anyway!! Look for reg. and theory -google –eldis –other journals, --partic theory: -google (done) (see Amstein ladder of part.) -eldis –other journals --governance and lets, gov. mechanisms and lets, decisions & lets, decision-making & lets, core groups & lets, committee & lets, management & lets
Decision making and lets, regulation and lets, regulatory and lets, participation and lets, economic justice and lets

--web dubois theory of 1.exclusion and 2.participation
notes on Bath lets, Camden LETS, LETSLinkUK work to date
Research Journal - further things to see

--regarding data analysis, see Charmaz 2006; Code 1st time, then meta-code your categories, fast write memos and make comments in your research diary re: ideas, questions, -> reports...

my theor. appr: Giddens structuration & Takis F. & EST/ESS (Erik Olin Wright) appr. Etc...

--- do regl. structures hinder/prevent or encourage/help lets particip? are lets structs affected by reg. (i.e. req. to have a rep. democ. style cg/mangmet committee vs. no heierarchy, etc?)
i.e. why do most lets ahve a cg?
-does reg. frmwk affect par/disabled/those on benefits particip in lets, esp. in lets cg?

Talking w/collegues - see J. of Soc. Policy 2004 vol. 33 issue 1 Gil Seyfang Working outside the box - CC's TBs and soc. inclusion

see www.actionresearch.net (Jack Whitehead)

Cooperative Inquiries (from action research) NYU/Ford Foundation - serves to open the field

Judi Marchal (scho. of management study on women manaers ; women
managers: travellers in a male world
---Charmaz 2006 on Data Analysis and Gr. theory,
J. Stiglitz 2001 and 2003
collective capitalisms
Rupesh Shah -NGOs and Corps -Shell vs Living Earth -used Learning
History method

Political economy of diff. types of currencies... (via gov. and money...)
Participation -struct -indivi. Obj: particip, and reg??

and why are core grops always just the mid. class, not the (few) poor
membs of teh letsÇ (no time, no access, transpo, energy, or class excl,
or fear of reg/tax man??)

The eventual...(my recommendation objectives) of public pol will be
how p pol (via lcl councils) can involve/interact with ccs in terms of
(supporting lcl curr) support, benefits, and taxes...

Strategic responses/cop ing mech: When lets gov. meets policy gov
(overall frmwk)
2. who stays a member of lets & why (re. reg. )
3. uk vs. Irel $ legislation in general

ANSWER
-what are my paradigms as a researcher? critical realism, as more of a
centrist appro, may wk for me. Gr. theo -naturalist app w/ semi
structureed interviews & triangulation, which I like... Like Giddens 3rd
wayñ Foucault is right w/ knowl=power adn discourses createing
knowçpower but (actually sir francis Bacon said Knowledge is power)

--on Gramsci, my problem with the dialectic is that it only leaves room
for binaries, even when you break down various sides, it is always
binaries, and that is too limiting...

-what research strat. will I use?

-How will I collect and analyze my data?
-my obje: partic, and reg.
why is this int. method ok for my res. ? adn my topic?
-sample size
-recru. method
-intro of myself, topic, my ?;s, take care in disclosing vs. affecting their answers
-translatin -what do diff./non-existent words tell about my project?
gen.. int. schedl w/pilot...

then..

Added lit rev ?’s:
-what type of lit is this
-what is the proj. trying to do
-What claims made and are they backed and is there good theory for it?
-value bias?
-supported or challenged by others?
-consistent w/my own exp?
-Eval/summary: how is this related to me/my work?

LETS notes since Turkey...
(for intro: this topic matters why??...) -remember to summarize/restep during paper to make easier for readers to follow...
(always intro. w/preview of paper structure...)

memo on Turkey interview: she was quite convinced that Turks believe in he whohas money deserves to haave money... cultural reasons for not trying lets
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An “analytical framework provides a way of understanding” (cite Rebekah Sterling fr. Ch. 7 of Remaking Governance…) 
Theoretical framework: assumptions, principles, and theory used in this/my approach:
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Also allows not to forget things, as how I’d probably have forgotten to ask if 3rd sector had a Low Road set... "divide them into our adversaries, our tactical allies, and our strategic allies."
Low Road vs. High Road types...:
I am not entirely comfortable w/any of the frameworks I've seen thus far because none of them exactly suit my pov re. oversight and (conventional) need for constraints. I think I prefer a more autonomous type of approach.

I certainly ack and agree with a bottom-up, local/smaller is better, devolved government and devolved economy approach which would theorize (or is based on the theory) that the Ghandian model of autonomous but interconnected villages leads to enhanced positive well-being.

Theoretical aspects: Effects of regulatory frameworks upon LETS as a participatory economic institutional innovation

---14 Nov. 2006: ripped this out of my Thesis Abstract… ‘Specifically, how the governance of LETS groups affects the participation in LETS of poor and working class and homeless people, and whether those rules of governance in fact are egalitarian, and if so or not, how that governance affects membership among homeless/poor/working class members of the community.’

…and from the Intro: ‘The questions this study seeks to answer include whether the decision-making process used by communities seeking to increase the purchasing power of their own poor in fact leads to that particular outcome. What has been the impact of using these currencies in local communities? Do such systems encourage sustainable development and greater contribution by all members of society? Indeed, is purchasing power the only sort of power at issue in this complex set of problems?’

19 Nov. cut out: ‘What are the stated objectives of these groups with regard to full participation of its members, and how does the governance of this group affect those objectives?’

20 nove. Cut out: “if so, (how) does this fact allow the theory of LETS as a movement to (legitimately?) remain/consider itself an alternative (to capitalism), particularly with regard to the issue/principle of being able to act on life plans, as Olin Wright defines Freedom, exercised through the citizens and workers assemblies proposed by Takis Fotopo”

Cut out 21 Nov.: Massive advantages accrue with credit based issuance of money, the largest of which is that there are no artificial limits or system based scarcity, as there are with a currency backed by gold or salt or debts. The credit issuance, with no interest to pay off
behind the basic creation of the money, means there is no artificial impetus for growth of the money supply, as with debt based money, and thus no built in competition driving the engine of money creation. This frees tax revenue to be used for public works projects rather than payment of interest on government loans. … The fourth type of currency, token only currencies are more limited than the other types of currencies. As tokens can only be used for keeping track of exchanges or transactions, the tokens have no intrinsic value of their own, so they have neither store of value use nor exchange use. Of all currencies these may be particularly vulnerable to counterfeit due to informal use, as in Argentina when large numbers of circulating local currencies were printed and then counterfeited. A further drawback of token only currencies may also include the requirement to have trade or transactions (otherwise no money is created since transactions create the money) to show economic activity. Another drawback is that there is no way to store or save up the value in such an economy. A final drawback is that to token currencies is that they are especially vulnerable to being undermined by commodity backed currencies, as happened with Athenian copper, Spartan iron, and the copper money of the Roman Republic.

The three modern economic systems that do not use currency of any type, altruistic economics, gift economy, and Time Banking, also offer advantages and disadvantages. The principle advantage of any non-currency using system is that there is no vulnerability to counterfeiting devaluation or speculation attacks, there is no artificial scarcity, and there is no token or paper or commodity to protect or control. We start by looking at Time Banking, which has been described as the opposite side of the coin to LETS. … Perhaps the most radical of modern non-currency using economic systems is Dr. Robin Upton’s Altruistic Economics. While the biggest drawback to his system is that it is rather complex and requires possession of a computer system (and electricity), the advantages are that it will not be vulnerable to currency fluctuations or attacks, it is abundance based, and it is also a form of community money with built in trust and appreciation via written testimonials that uphold social values(Upton 2006). While others have argued
that the very requirement of trust is the downfall of such a system (CITE personal comm. in Turkey: Jones 2005), advocates of com.y currencies feel otherwise.

The last system to be examined is also the simplest: the Gift Economy. … ?). The disadvantages to some forms of gift economy are that each person in the society must know everyone else, and no there is no guarantee of reciprocity. This is negated by societies such as the Pacific Islanders in their use of mutual reciprocal giving, which shows that community ties do enforce giving in return, just as… On the other hand, it is well known that General Rob. e lee feeling call of local community (Virginia) stronger than distant fed. gov. (in Washington!) This adds further ballast to the arguments in favor of using community currencies as a solution both to the problem of outside money being used to interfere with and corrupt political/community/democratic processes, and to the issue of trust. …

It has been claimed that money allows a “rational division of labor” (Zelizer 1997), but Polanyi presents firm evidence that quite sophisticated trade systems have existed, sans money (Polanyi, Arensberg et al. 1957).

While there is no correlation between political institution type and type of money used, there is a strong correlation between economic system and the type of money used by a state. The rise of capitalism also heralded (Zarlenga) the rise of debt-based money as well as the continuing use of commodity backed money, while only commodity backed money was used during the Mercantilist period (if it is admitted that that period has ended, which many would argue it has not). Socialist and collectivist economies such as communes, small town cooperatives, local community/civil society groups have used token, mutual credit, noncurrency, debt based and credit moneys, while Keynesian Welfare States traditionally use debt-based moneys, but have also experimented with using credit-based money. If we allow for only interest-free moneys, or credit-money, to be held as ethical, then only the alternative or compl. Cur. Proposals can be admitted: CC’s, Time Banks, Solidars, Alt. Econ, and perhaps shared interest. To find a
balance between personalized (solidars and AEcon.) or small scale local currencies like LETS/SELs/Trueque and larger scale moneys (Dollar/Euro GBPoundSterling) under the aegis of schemes such as microfinance, monetary reform, ESOPS or CO (cite Albert..), and even Keynes proposed Bancor, as well as social credit or citizens dividends, we may recall that 1. small scale currencies will still be useful for keeping local resources within the unique community and 2. even under a system with fair distributions of land and money,…

When policies of ruling political structures have allowed more creative uses of alternative economic forms, it appears that the use of mutual credit and token based monetary systems such as Yes and stamp scrip, and local money in the form of LETS currencies and trading club currencies, or even Time Banks, spring up, leading to increased direct participation in the local economy, one of the measures of enhanced socio-economic wellbeing. Wellbeing, as it has been defined previously, can be elaborated upon in a in the following way. Given David Boyle's of the NEF (CITE 'Why London needs own Curr.) argument of the need for 3 currencies in London, if London is allowed to follow his innovative suggestions, creating its own local currency, and incorporating Time values for volunteer/unpaid work, we much remember to measure the resulting benefits in more than just economic output.

-15 Jan. 2007/MLK Jr. Day, cut out this from Ch. 2 Research ?’s:

‘Other potential questions may include what impact does the activity of LETS and similar groups has on existing economic institutions, and does the existing socio-economic structure (orthodox economic institutions) change as a result of this particular innovation, that of LETS and related phenomena.’

15.1.07 –also remember reflections from reading The Politics of Money: first worried I was blown out of water due to CC’s not being alt. to captlsm, but remem. Su.Johnson’s lets 1. not alt. to cap. 2. not nece. Liberating for women, and then realized that that’s why I’m calling these innovations w/in captlsm!!
15.1.07 upon Severine opening her BDay/MLK Day gift, told me of BI Network and strong Political Philosophy current currently favoring BI/CI!! 😊
Hi, Theo,

Thanks again for another very helpful meeting. I'm very glad to have met with you today rather than continuing on elaborating on the paths I was about to keep working on.

My understanding of the direction this project could more productively take from here is to de-emphasize the role of participation per say, replacing the idea of participation with the looking at various incentives or disincentives to participation (because that is more doable and less likely to require interviews and case studies with difficult to access areas or people).

Incentives/disincentives including (but not limited to):
tax credits
benefits
taxes (payment)
penalties/fines
fees
Core Group/management /governance participation
community enhancement/help (i.e. a park, school, etc. be built)
...
(obviously (dis)incentives available vary by sponsor...)

I see your points about the more 'doable' approach of focusing more on creating a typology or a map (which can be followed up on later by others or myself) which maps various currencies of all sorts to the level of commodification using previously developed theory of the commodification levels of different kinds of currencies.

I like your idea of using the empirical research on regulatory frameworks of different countries to compare and contrast (actually to critically synthesize) and evaluative overlay of the regulatory framework after setting or fixing good criteria for evaluating the regulations of each country with regard to all of the different currencies.

By looking at the reg. policies of each nation and how they treat different currencies an overlapping map of favored/encouraged vs. less favored currencies can be laid on top of the Umbrella of Equality which shows
1. the (theoretical) commodification spectrum of currencies,
2. the (empirical) evaluative map/matrix of regulatory frameworks by country, and
3. the (methodological) criteria by which that map/matrix was evaluated for the US, UK, Ireland, Australia, NZ, and Canada

including in context for each nation: a look at
intitutions, actors
legal aspects
self-reg. vs. State regulating
governance of the currency (Central Bank, popular committee, etc.)
taxes (payment demands), effect on benefits (dole/welfare/disabilty),
tax credits/breaks
traditions (i.e. Irish Metheal)
type/sponsors of the currencies: community/corporate/State

-type and weight of regulation (this goes in conclusions, I'll bet...)
i.e. punitive vs. supportive regulation
-which currencies are more heavily regulated (conclusions?)
-comparisons between state control of currencies and
-commodification level of those curr. (?less comm. cur. more reg?)

I was also thinking of comparing different ways and means of acquiring things as a type of currency, including processes as well as moneies: £, Olivers, TimeBank hours, bartering, favors, friendship, etc.

links to ideas of Free Market (Hayek's competing currencies suggestion to be examine at all? I'll think about it...)

Central questions: Is there a regulatory push, pull, or bias toward or against type of currency X (where X can be defined as more or less highly commodified currencies)?

We also discussed at the end of the empirical document based process possibly interviewing some key people if necessary.

You are concerned about the word "Innovation" on my theoretical Umbrella diagrams, so I've been brainstorming words to substitute like beauracratization/formalization/normatization/regimentation. So far I prefer either innovation or formalization, but it has to be formalized with a change or twist, and also if we say 'formalization' then we'll have to swap the + and - on the vertical axis, which would completely up-end the Umbrella. That's why I argue for keeping innovation.

We last discussed the unit of analysis to use, and I believe you suggested that it be regulatory frameworks? I'm not sure I understand, but I realize I need more reading up/training on methodological issues. I'll work on that when I finish the two books I'm reading on academic writing for phd theses.

Thanks for all of your help and patience, Theo,
Yassou,
Shira

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18 January –decided to make swap ch. 1 and ch. 2, new working title “Regulatory Frameworks and Currencies: A 6 Nation Cross-Country Comparison” (keeping first part about econ. inst. Innov. Since this is still about innov. w/in capitalism based on Wallersteinian frmwrk...

19th jan, 07: saved old files w/old title under ‘why poor not in lets CGs’ to keep as
version of 4th focus change (from 1. lets in Latin Amer., 2. lets increasing well-being in UK and Ireland, 3. reg. frameworks and participation in lets CG structures, to now).
- regulatory status def. as methodol. Question…
- moved disc. On Econ. Democr. To Chapter W –Implic. For commod. (from theoret. Chapter)
- annoyed ‘damn it, do it!’ edit of theoretical chapter: removals to go here…

---removed:
In Time banking, a unit of time serves as a measure of exchange between different people involved in the network. That time could then be converted into any currency system equivalent based on and agreed upon number of units per hour. Since the Time Bank itself does not use currency, this step is unnecessary, and exchanges based on amount of time spent in an activity may be made directly. The drawback to such a system is that it can limit the flexibility of exchanges, due to the varying levels of skill, tools, or materials required to accomplish different tasks. The traditional argument of a plumber’s time being worth more than the time of a teenage babysitter is sometimes used to reject the egalitarianism of Time Banks. On the other hand, that very egalitarianism has the advantage of raising the self esteem of participants in the Time Bank who may otherwise be marginalized by mainstream society.

…
Many forms of gift economy have functioned well over the ages, with the issue of the varying types of value often overlooked by modern economists (Simmel 1978 & Dodd…
in a LETS group where peer pressure functions to ensure that each member will continue to contribute(CITE Schaven rtp on why lets peer pressure good).
Another advantage, for society, to the gift economy is that it is completely altruistic(Upton). It can also be argued that the expectation of reciprocity inherent in gift giving is a bad thing in that it is all based on social networks with generally unequal status relationships firmly built in to those networks, as with the Kwakiutl Potlatch(CITE Mauss & Polanyi Trade and Markets in the Early Empires).
Well-being, power… --both need to go under implications…

Well-being:
Working definition: ability of a person to meet physical, emotional and psycho-spiritual needs in a safe and legal manner which allows hir to achieve self-actualization (Maslow: needs).

WeD: “an interplay between the resources that a person is able to command; what they are able to achieve with those resources; and the meanings that frame these and that drive their aspirations and strategies.”
While editors may equate well-being with happiness (CITE nytimesEd. 2005), for more precise definitions of the phrase Well-being, We turn first to the WeD at Univ. of Bath. Thence comes an emphasis on social needs and agency with the caveat that "the WHO definition of Quality of Life has been highly influential" in setting the terms of the research agenda(CITE wed 2005). Others may use a more mundane mix of concepts to define well-being that leave out social and economic structures, focusing more on physical and mental health (CITE Danna ’99).

This project must include a wider area of needs in the definition of well-being, because not only physical mental and emotional health is involved in the well-being of an individual, not to mention the well-being of a community. Well-being must also include access on the part of groups and individuals to the means of economic support and self-sufficiency. This self-sufficiency allows greater participation in all aspects...

This empowerment takes place in the context of community exchange, hence access to currencies will be a vital part of well-being.

Just cut this out entirely: The following list of criteria/principles will determine a working definition for participation, (or an evaluatory frmwk for determining ‘justice’/participation in a wider context, w/examples drawn from institutions, with a special focus on participation…) and provide the particular kaleidoscope through which history, current events, and follow-on research will be viewed:

1. Egalitarianism (Equality) - each person has a right to dignity and respect equal to that of every other person.
2. Individual autonomy - each person has a right to think, act and be treated as an independent individual.
3. Inclusive Decision-Making - each person has a right (this author would even argue, a responsibility) to participate directly in taking decisions that will affect hir. ** (add footer: Out of respect for my friends who may eventually read this report who prefer to be referred to as "hir" rather than him or her, I use the gender neutral.)
4. Transparency - Each person has a right to access all information surrounding decisions or actions which affect hir.

-moved this to Power: -----  

Each member of this set brings innovation to the mainstream economic institutions and is also an innovation when regarded next to the now discredited 'ex-actually existing' socialist economic institutions, in that neither traditional markets nor central planning are involved in any of these new structures. In fact, none of these innovations even uses money, in the traditional sense of a medium of exchange that is a unit of account which can also be used as a store of value. TimeBanks ...explain... Thus TimeBanks add the time storage dimension and labor theory of value back to our economic institutional structures even as they are currently quietly being taken into the fold of mainstream policy, to the dismay of some within TimeBanking (cite Gil Seyfang's Weimar paper..). while co-operatives, ...define..., generally use traditional money, though there is at least one example of a co-operative which operates entirely using a local
complimentary currency, co-ops operate on a model of shared ownership, whether it is a workers cooperative such as Harvest in Bath, or a community based coop, such as the London Road Food Coop, also in Bath. WWOOFs however, use an entirely non-market and non-monetary approach. Thus, WWOOFs are part of a set of alternatives to capitalism (woofs by Jessop 2002 are not capitalism).

--define-- Workers give their labor and all residents share their resources, resulting in a gift economy which does not have a defined expectation of reciprocity, beyond labor. Finally, LETS and similar innovations such as SELs, Redes de Trueque, stamped scrip, Toronto Dollars, WIR and TauschRings, involve direct changes to the medium of exchange. This innovation cuts to the heart of the primary economic institution, money. By adding the structure of a network of groups conducting transactions with a medium of exchange which is expressly debt-free, equality-based, meant for local or community circulation rather than regional or world-wide, and based on trust, users of such currencies hope to effect an eventual change to the larger scale economic institutions and the political institutions upon which they are based. Both the process of effecting economic change and the resulting political change are expected to positively affect well-being and governance in communities using the new economic structures.

-Write this up in spare time and publish as a rant on consp. Theories! May be useful:

Ch. 1 Nature of Capitalism Conclusions:
Extend this piece for Ian Gough to explain $/war/poverty mil-ind. Complex money creation->pov->war cycle:

As pointed out by MP Michael Meacher, competition for dwindling resource will lead to wars very soon (Meacher 2006); wars in which each side will be armed and financed by a growing need to pay off the interest on ever growing loans used to create more money needed to pay old loans used to create that money. That this cycle of lending-based money creation leads to competition for resources in order to pay off those debts has been linked to a flow of resources from poor to rich both in the developing world while “sucking the life out of” excluded sectors of the developed world (cite Guha & Boyle). The competitive pressure of debt and scarce resources which cause poverty inevitably lead to Meacher’s looming resource wars (cite Meacher) which themselves continue the cycle of poverty, described as “humanity hanging from a cross of iron” by a US President, “” (Eisenhower 1953). Cite Hart, Zarl, Douthwaite, World Bank (NEF)? Justification for these wars will partly be found in the unfair trade practices, among other things, of the creditor nations if the debts if developing nations are not revalued, as the NEF argues, on the basis of Human Rights rather than simple export potential (CITE NEF 'Debt as if Pple Mattered...). This cycle appears to be tightening as the stock of money becomes larger, driven by speculation, and by the free lunch served up to the banking industry (CITE Huber 2000, FT, hedge fund art, etc...). That control of the creation of money gives power to those creating the money supply has in the past caused more than one respected leader to worry for the future of finance and its oversight, or the lack thereof, by private institutions “And I sincerely believe, with you, that banking establishments are more dangerous than standing armies; and that the principle of spending money to be
paid by posterity, under the name of funding, is but swindling futurity on a large scale." (Jefferson 1816) Clearly, if we approach the same problems with the same solutions (or the same tools, like that of our current global/national currencies), we will reap the same outcomes. New tools bring new approaches, and they are sorely needed now.

Do I need to define Governance? If I do:

Definitions:
Public Policy is well known, but this project will focus on the aspects of support, benefits, and taxes - how Public Policy can help/encourage cc's.

Governance:
"To analyse a specific policy one needs to understand and analyse the governance structure within which this policy process unfolds." (CITE Theo's 2003 lecture notes/book quote...) Archon Fung, in this same vein, develops a model for broadly based community decision-making, and cites empowered participatory governance (EPG), with its extensive use of consensus-based deliberation as the best of four comparable group decision-making methods investigated under a paradigm of coordinated decentralization (CITE Fung Deepening Democr.). In keeping with these sentiments, the first question must be what exactly is governance? Before reciting a definition for the term governance, the first acknowledgement must be the changing usage of this term from a mere synonym to something far more amorphous (CITE Smelser, Jessop '95). In seeking to pin down such a moving target, authorities agree that it is a complex and integrated combination of State governments, markets, and civil society or 'third sector' actors jockeying amongst themselves for ways to negotiate flexible outcomes without resorting to the use of force or authority when possible. (CITE Newell, 2000 #108; Stoker, 1998 #109) Papadopolous specifies that there exist both formal and operational levels of governance, which may prove to have a bearing on community currency groups whose by-laws or other governance contracts require egalitarian decision-making processes in theory, but in reality may end up not actually fully implementing those rules that require equal say or power for all members. The ensuing disenchantment can cause excluded members to leave the group, with the result that the excluded members of the community end up not using the very power theoretically being offered to them by local community groups (CITE Theo). Jessop, in pointing to the increased complexity brought about by sharing of resources and the ambiguity of a system that is based neither on the invisible hand of market driven organization, nor on the iron fist of central planning regulation, agrees with Newell and Stoker that governance requires cooperation between State actors and NGOs in general, blurring the lines of direct responsibility for a wide range of problems, whilst often lacking specific authority (CITE Jessop '98, Newell & Stoker). In pursuing the lack of authority line of reasoning, given the need for cooperation between State and other actors, Underhill both acquiesces to Swyngedouw's perception of governance as a three party process, comprising State, market and civil society actors, and even argues that Susan Strange had neglected to take into account the fact that States and markets are forced to work together under a governance paradigm (CITE Swyngedouw & Underhill).
If this is admitted as a fault in Strange's writing, and this is far from certain, then it is her only deficiency from this author's point of view. ++

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Sunday 21 Jan. 07 moved block (discussion of capitalist evils, diff. types of currencies, LETS) from theory chapter to Discussion Chapter W:
+++  

**Nature and context of capitalism: Structure versus Agency**

As mentioned earlier, this project is guided by Giddens’ notion of structure as both acting upon and being acted upon by real people, who are the agents interacting with institutions. Keith Hart defines capitalism as the act of making money with money (Hart 2001). This definition captures the essence of the difference between previous systems such as feudalism and capitalism, which emphasizes the role of finance markets in economic regulation.

Schools of thought such as the neoliberal school, which sees economic activity as based on self-maximization through competition on an open market free of regulation, do not take governance into account (except when being caught out as in cases such as Enron). Furthermore, the visible effects of institutions based on orthodox economics, which can be broken down into several internally antagonistic schools of thought, including the neoliberal school, the Austrian School, the NeoClassical school, which includes that of the Marginalists and the Monetarists, and the Keynesians along with the neo-Keynsians, to move from right to left in order, can be seen at a macro-economic level, but do not allow for transparency of governance processes (cite FT...). Of all these schools of thought, the NeoLiberal school is perhaps the most insistent on so-called liberal or free markets, in which an extreme Laisse Faire approach is urged, on the grounds that interference distorts market equilibrium. All distribution of wealth and its effects, tend to be ignored in favor of a belief that continued economic growth will eventually distribute enough wealth for all to live on, if only at a minimal standard of living. This violates each principle listed above. The Austrian School, while advocating some market regulation, prefers to look to the investment sector as the main driver of an economy. Any egalitarian would find this distasteful. The NeoClassical school, also known as Marginalists, for the Marginalist Theory of Value, but also including the later Monetarists sect, emphasize the importance of exchange based on 'subjective scarcity', though there is wide internal disagreement on how to regulate markets and prices. The fact that it is the market which is allowed to do the rationing of goods based on market prices violates the principle of equal individual dignity and respect for those who cannot afford to pay for even the most basic goods, as well as that of transparency since it cannot be ascertained how individual prices are set on market goods without reference to aggregate inflation, if indeed sellers can be trusted to detail all factors involved in their pricing policies. Nor, even when such processes are non-opaque, do any of these approaches encourage an inclusive, democratic, or participatory decision-making process. Neither do they give us a tool for understanding how well-being, rather than economic output, can be maximized. Even the Keynesian and neo-Keynesians, who do look to the well-being of citizens as a duty of the State to
secure at a minimum level, violate the principle of individual autonomy when they argue that the state must force holders of money to spend that money, even if it was hard gained through a public works or spending program, by using consumption taxes to control inflation. Progressive or not, this policy can still be seen as a violation of individual autonomy and of inclusive decision making, as all taxing and fiscal policy authority is vested in the State. They, our mainstream economic institutions and the schools of thought behind them, all agree on the primacy of the markets, if not on how to deregulate, regulate, or stimulate them, as the case may be. Even such heterodox ideas as those of Schumpeter, which stand between the orthodox and the innovative streams in modern economies, fail to provide satisfactory means of allowing the full participation in economic life which enables participation in social and political life. Thus, another set of economic institutions which can potentially allow for that participation must be sought.

Moving on to the ideas advanced by Major CH Douglass on Social Credit, a basic citizens income, while more egalitarian in principle, depends on a non-egalitarian institution, the State, to implement, and also would tend to build upon existing unequal distributions of wealth and leave the markets as the rationing mechanism, thus further violating the egalitarian principle. Moving to the Polanyist school of thought, with society embedded in the economy, the commodification or reification of practically everything, and society's reaction in self-defence, despite (or perhaps given the nature of) the alliances made between various actors who lead or drive the challenge to commodification, there is again the hint of the dialectic. Society reacts, in the hierarchical form of Trade Unionism, to a commodification of land labour and money which is also based on non-egalitarian structures, as his citing of the Enclosure of the Commons so painfully points out. Polarizations lead to synthesis, but not necessarily from a place of inclusivity or transparency. So if we are interested in the impact of inclusive (defined as open and egalitarian) governance processes on well-being, then we must look to the innovations occurring in these institutions that do allow for more than just economic terms in the meaning of well-being. But in order to understand economic participation, one must understand the major means of participating in the economic system, money.

**Sociological ideas on nature and Political Economy of National Currencies and Complimentary Currencies**

In outlining the major features common to various currencies, it is necessary to note that there are three key points around which, most will agree, a currency revolves: storage of value, counting, and exchange. (Polanyi 1977; Lietaer 2000)

**Storage of value**

Storage of value means the ability of a currency to hold or increase its value over time, either against the devaluing effect of inflation, generally achieved by accruing interest or higher stock value, or as with an actual commodity being used as a currency, against loss through consumption or spoilage(CITE Keynes Treatise on Money). Thus certain currencies are acquired and held simply for the purpose of using the value of that
currency at some later date. Use of money for financial or currency speculation, as with the futures and financial markets, or the stock markets, except to deal with them as part of the function of store of value, is beyond the scope of this paper. Classical economics takes its ideas from Adam Smith (Mitchell 1967; Napoleoni 1975; Thomas 1997), who, while defining money as a medium of exchange, based its value on labour (Smith 1776), which of course cannot be stored. This should mean that in a large system, if there is no mutual trust that each party will equitably reciprocate on the basis of goods previously exchanged, then either money must necessarily be used as a recognized store of value, where one may keep the money saved up for future redemption, or else money can only be used for counting, or else money can be used for exchange via a trusted authority.

**Demurrage**

To return to the issue of money being used as a store of value, this can only happen when it is known that the money will be able to maintain an equal or higher value in the future. For this to occur, the currency must of course not lose its value, and here is where demurrage comes in. Demurrage, which of course has its detractors (North 1993), is a charge on money generally applied through negative interest rates attached to the currency (Gesell 1906; Lietaer 2000; Feasta 2004). The purpose of demurrage is to prevent the use of a currency as a store of value, and simultaneously to prevent speculation in the currency, since the value of the currency goes down over time, thus discouraging the holding of that currency for future use.

---pulled dup. elsewhere –really wasting my time!

**Money defined**

Modern economists define money as any medium used in payment of transactions and debts. This definition is not satisfactory given its many uses (Dodd 1994). Most money used in the modern world happens to be defined as legal tender, making it perforce the preferred form of money, such as the US Dollar, or the Euro (Marx 1867; Keynes 1930; Lietaer 2000).

*(Money for) counting on trust*

In its function of counting, money is used to keep track of items or the divisions of items, such as sheep or chickens or pages of translation work or singing lessons and the like, which is a means of easing barter transactions, as so many of the classical economists have started the works telling us (CITE Marx, A. Smith). Polanyi counters that "primitive man was strongly averse to barter." (CITE Polanyi: The Livelihood of Man). Money is simply used as a means of symbolically dividing that which really cannot be divided. Here, because money is simply used as a substitute for specie payment, the service is either rendered immediately or payment is made in kind (del Mar 1885). If there is neither trust between those transacting nor trust in the value of the money, then money as a symbol for counting may be used only as a way of keeping track of the sales of surplus or unneeded services and commodities, which may not be reciprocated for an
equivalent value, since there is no guarantee of trust in the value of the money being used. This particular thought, while not directly expressed in the literature, can clearly be seen based on the reactions of Polanyi and Marx to the writings of Adam Smith, as they all discuss the division of labor and the three usage values of money, namely exchange, counting token and store of value, but all leave out the notion of trust, despite Polanyi's discussion of the embedded economy and social interactions. (CITE M,P -Gr. Transf.,S) Nevertheless, Polanyi does not raise the issue of trust persay nor does he discuss how to build it via the currency.

Medium of exchange
The third use to which any form of money can be put in a non-trust based system is as a medium of exchange(CITE 3 economists books). Money paid as a form of exchange is not used to acquire a good or service, but to pay a monetized debt, such as taxes, or fines.

Types of currencies & counterfeiting
There are four types of currency-based economic systems and three types of non-currency-based economic systems. All currencies can be represented in paper notes, coins, or electronic form. Thus every form of currency based money suffers from vulnerability to counterfeiting.

7 Currencies & No Note Systems Table/Chart

<table>
<thead>
<tr>
<th>Form of Currency</th>
<th>Debt-based</th>
<th>Credit-based</th>
<th>Commodity or commodity-backed</th>
<th>Token</th>
<th>Time Banks</th>
<th>AE</th>
<th>Gift Economy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Notes, coins, electronic</td>
<td>Notes, coins, electronic</td>
<td>The Commodity itself (barley, gold)</td>
<td>Notes, coin, electronic</td>
<td>TIME</td>
<td>None</td>
<td>None</td>
<td>None</td>
</tr>
</tbody>
</table>

Advantages:
- Easily created
- Abundant
- Tangible value
- Abundant
- Equality based
- Obv.
- Altruistic

Disadvantages:
- Scarce
- Complex
- Scarce
- No way to save
- Lack of
- Very
- comp.
- entire populat.

Example:
- Current USD
- Stamp Scrip
- Gold, cocoa, silver, Pre-1971 USD
- Leather bags, lumps of copper
- 2 hours of paper editing for William
- Letter
- Any Gift

Commodities, debt, credit, and token
We can describe those four systems which make use of currency, two of which are scarcity-based, as follows: Commodities and commodity backed currencies, debt based currencies, credit-based currencies, and token-based currencies. Both debt and credit-based currencies are fiat currencies, which are legal tender currencies quite literally created out of nothing. Even those who work in the heart of the banking industry find that "economic thinking about fiat money is paradoxical." (CITE Kocherlakota) We define scarce or scarcity-based currencies, as being limited either artificially by the mode of creation, as with debt-based currencies such as the US Dollar, or being limited naturally, as with gold, by the scarcity of the commodity itself. Most of the major currencies today are debt-based currencies, meaning that in order to create more of the currency a loan must be taken from a Central bank, thereby borrowing money into existence, as a debt to be paid back with interest. The fact that this new currency has been created as a loan which requires payment with an additional amount of interest, which has not been created by the loan, forces a limitation on the available amount of money in the system due to the constant need to find additional currency with which to pay the interest(CITE Rowbotham & Douthwaite). Perforce there is never enough. While many may argue that both credit-based economies as well as token economies are by definition non-scarcity based, I would disagree. Credit and token economies may or may not be scarcity based, depending on the method of issuance of the currency. A credit-based currency may be issued in such a way as to force the currency to be scarce, by limiting those to whom credit is available by some preference system. Ancient token-based currencies, such as that of Sparta and Carthage, used tokens made of iron and leather bags respectively, filled with a certain ratio of silver to non-precious metal. However, the distribution of these token currencies was limited such that money was still artificially restricted based on class or social status. The use of the famous English 'tally stick' money is said to have persisted up until fairly recently, historically speaking(CITE popp 'cookie jar' & ManxDial.) So, these two systems, credit and token, are not inherently limited by scarcity, as are commodity and debt-based currencies. Nonetheless, if issued discriminatorily, they may still be scarce.

**Effects of capitalism and critique thereof:**

Each type of currency as well as every non-currency based economic system, presents its drawbacks, as well as having valuable advantages. The oldest form of money, which is commodity backed money, can be either representative, as in notes or coins or computer entries which represent the commodities being exchanged, or the commodities themselves may be used as the medium of exchange, as with gold in Medieval Europe, or cacao in pre-Columbian Mexico (Milton 1955). In these cases the commodities themselves were counted or weighed directly, or notes issued were redeemable for a specified quantity of gold, or in the case of Worgle, coal. The use of notes to represent the commodity can be more convenient, but also renders the currency vulnerable to counterfeiting. Metal coins have always been vulnerable to debasement as well as counterfeiting. A further disadvantage is that most commodities are subject to spoilage, or are prohibitively heavy lumps of metal, hence the convenience of representative notes. The advantages of using a commodity backed currency over direct use of the commodity
include having an agreed upon value for each note which does not need to be weighed or measured out. The advantage of direct use of the commodity, morality aside, is that the actual commodity has an intrinsic value in its own right (CITE jkg). So the commodity value of gold, or cacao beans, or barley allows us to see the value of our trade directly. Some argued that inflation need not be a worry with a commodity backed currency, but as Galbraith points out, history has shown that 'inflation could occur on a solid gold standard'. (CITE jkg)

Commodities and commodity backed currencies have always been used as a store of value, and have been traded both in kind, as with gold, cocoa beans, silver or barley in times past, as in the ancient Sumeria of Hammurabi (Mar 1885; Polanyi, Arensberg et al. 1957), via notes, and nowadays also via computer entries which are backed by the specified commodity, as the USDollar was backed by gold until 1971.

Commodities can be used as tokens of exchange, to keep track of the type and quantity of exchange, and can be used for barter themselves. The lack of divisibility of many commodities makes them more difficult to use in direct barter. Because commodities and commodity backed currencies share the challenges of being scarce, being subject to fluctuating value based on supply and manipulation via debasing or hoarding, their use in keeping track of the nature and quantity of trade exchanges then means that trade itself is limited by the supply of that commodity (Mar 1885; Mar 1895).

There is no longer any example of major commodity backed money in the world today. The Euro, Great British Pound Sterling, and US dollar are all fiat money. Fiat money is money which is created by fiat, or by decree, out of nothing. There is nothing backing fiat money, in contract with a commodity backed currency, such as the US Dollar was before the ending of the Bretton Woods agreement by President Nixon in 1971 by removing the gold standard (Drahos 2000; Cesarano 2003).

**Discussion of money creation and inflation**
Debt based money is money which is created via the 'mind-repellingly simple' expedient of being issued by means of a debt which was created against a sum of money lent out at interest by a banking or lending institution (CITE JKG). Modern debt based currencies, such as the US Dollar since 1971, are non-commodity backed, and are put to all 3 uses, not counting speculation (CITE Dodd). The clear advantage of debt-based money, from a banking point of view, is the ability to create endless amounts of money simply by issuing bank loans. Some assert this very process to be illegitimate, claiming that this process at the very least skirts the boundaries of usury (CITE Rowbotham, Zarlenga, Popp ‘bonafide’). All share the sentiment that "unless we can develop an economic system that avoids interest we cannot hope" for economic democracy (CITE Douthwaite). While Keynes cites Smith, Bentham and Gesell in being against usury, he certainly did not oppose the policy of borrowing money at interest to stimulate economic growth (CITE
Keynes Gen. Theory). Monetarists would agree that this borrowing to spend also creates inflation, because the stock of money, which is the amount of currency in circulation, literally increases, as the supply of goods remains the same(CITE article Garrison 1992on Friedman=a Keynesian). Hence the orthodox definition of inflation as “too much money chasing too few goods.” (CITE Rowbotham 98 Gr.ofDeath) Keynes has been credited with the comment that inflation is really "taxation by currency depreciation" (CITE Rayman). A more personal recent definition of inflation might show how the average person is affected by that excess of other people’s money.(CITE Jones 2005 YTL).

**Debt and growth**

Debt based money suffers from forced growth, as mentioned earlier, due to its creation as debt to be paid with interest(CITE Rowbotham 98). It also suffers from intrinsic scarcity since there is never enough money to pay the debt, which is clearly not the same kind of scarcity as that of commodity-based money. Debt-based money also suffers from the 'pass the bad...half-crown to the other fellow' related fluctuations in value due to exchange and stock market fluctuation, speculation, interest rate changes, hoarding of the money supply, and so on (CITE Keynes Gen. Theo. p. 155). While debt-based money has the advantage, particularly for central banks, of being very simple to create and issue, the mechanism of issuance leads to private debts as well as public debts, creating a spiralling problem of unpayable debt over the long term. This is a problem being seen increasingly clearly in the case of heavily indebted countries (CITE Presbitero). Though debt-based systems are constrained either to using the tax system or borrowing to stimulate their economies, there is a perceived advantage for commerce(CITE J.G. Smith ’05 guardian) is the fact that banks are wide spread, privately owned (hence interested in maintaining confidence in their money issuance and lending) and entrepreneurial, which contributes to a spirit of risk taking that keeps industry moving forward. The problem is that with no natural limit to the issuance of money, such as the world supply of gold, an unlimited creation of debt-based money may potentially fuel a public debt which is so high that the interest on that debt, in terms of the government bonds used to create the debt, can no longer be paid because taxes used to pay that interest are so high that private citizens, burdened by their private debts, can no longer afford to pay taxes. This has already happened in many developing nations around the world(CITE WB Wrld Dev. Reports & UN reports).

**Credit solution and multiplier effect**

Zarlenga suggests a possible solution to the perceived problems of debt-based money is the use of credit-based money. Credit-based money is also a non-commodity backed currency having all 3 uses. The major drawback to this type of money, aside from the lack of enthusiasm with which it will be viewed by the banking, finance, and industrial sectors, is that it is tricky to figure out how much credit money to issue. While it is not intrinsically or naturally scarce, credit-based money is also not unlimited, since issuing an unlimited amount of money, like using sand as currency, would clearly create a disproportionate level of consumption to production, leading to hyperinflation, if people continued only to consume and not to produce. Yet there needs to be an increase in the
stock of money relative to the population (Rowbotham 1998; Zarlenga 2002) unless the speed with which the money circulates, defined as velocity, increases sufficiently to increase the multiplier effect (Keynes 1930). The multiplier effect is what happens when many parties use one unit of currency to effect many different transactions, for instance when a single ten pound note is first drawn from a cash machine and used to pay for a meal, then passed on as wages to a waiter, who then spends it for food in the Co-op, that note has changed hands three times, making it the equivalent of issuing 30 pounds. This would be enough to compensate for the lack of money supply, if exchanges were made sufficiently quickly (Croall 1997; Seyfang 2000; Schroeder 2005). Hoarding, keeping money out of circulation, halts the effect.

**More Drawbacks to credit-based money**

Another potential drawback to the credit based creation of money is the possibility of inflation (Rayman 1975). The experiment of Lincoln’s administration during the US Civil War, in which he issued Greenbacks, redeemable in US Treasury notes, rather than take out a bank loan provides one examples of pros and cons (Alexander Del Mar 1899). Smaller scale experiments were successful in the Maryland colony before the American Revolution (CITE jkg). While the more recent experiments with Stamp Scrip and the Worgle, Austria issuance of local money stands in contrast to the more familiar debt-based money, the question of issuance and inflation does remain open. Newly proposed demurrage using currencies, such as the EBCU would address these issues (Feasta 2004).

Advocates insist that credit-based money, whether distributed directly to citizens as advocated by the Social Credit Movement (Dr. Martin Luther King 1967; Alberta-Social-Credit-Party 1970), or spent into the economy directly by the government, (Gesell 1906; Keynes 1936) currencies have enormous potential for fuelling social growth and community trust (Croall 1997; Lietaer 1997; Goldsmith 1998; Schroeder 2002; Williams 2005).

credit based issuance of money, the largest of which is that there are no artificial limits or system based scarcity, as there are with a currency backed by gold or salt or debts. The credit issuance, with no interest to pay off behind the basic creation of the money, means there is no artificial impetus for growth of the money supply, as with debt based money, and thus no built in competition driving the engine of money creation. This frees tax revenue to be used for public works projects rather than payment of interest on government loans. Credit-based money, whether distributed directly to citizens as advocated by the Social Credit
Movement (Dr. Martin Luther King 1967; Alberta-Social-Credit-Party 1970), or spent into the economy directly by the government, (Gesell 1906; Keynes 1936) credit-based currencies have enormous implications for fuelling social growth and community trust (Croall 1997; Lietaer 1997; Goldsmith 1998; Schroeder 2002; Williams 2005).

**Token moneies**

The major advantage of a token based currency system, when issued in a truly democratic manner such as that of a mutual credit system like a LETS group, is that there is a completely unlimited supply of money. There is also no need to control or monitor the supply because the act of exchanging or making a transaction is what creates the money supply. In classical discussions of economics, it is the notion of democracy and trust which is left out, as all discuss division of labour and uses of money despite acknowledgement of embeddedness, concepts are not discussed of trust per say, nor how to build it via the currency (Smith 1776; Marx 1867; Polanyi 1944).

The fourth type of currency, token only currencies are more limited than the other types of currencies. As tokens can only be used for keeping track of exchanges or transactions, the tokens have no intrinsic value of their own, so they have neither store of value use nor exchange use. Of all currencies these may be particularly vulnerable to counterfeit due to informal use, as in Argentina when large numbers of circulating local currencies were printed and then counterfeited. A further drawback of token only currencies may also include the requirement to have trade or transactions (otherwise no money is created since transactions create the money) to show economic activity. Another drawback is that there is no way to store or save up the value in such an economy. A final drawback is that to token currencies is that they are especially vulnerable to being undermined by commodity backed currencies, as happened with Athenian
copper, Spartan iron, and the copper money of the Roman Republic. The beauty of a token based currency system, when issued in a truly democratic manner such as that of a mutual credit system like a LETS group, is that there is a completely unlimited supply of money. There is also no need to control or monitor the supply because the act of exchanging or making a transaction is what creates the money supply. In classical discussions of economics, it is the notion of democracy and trust which is left out, as all discuss division of labour and uses of money despite acknowledgement of embedded economy and social interactions, concepts are not discussed of trust per say, nor how to build it via the currency (Smith 1776; Marx 1867; Polanyi 1944).

**Effects and critique of Capitalism:**

The way money is created in a capitalist environment renders that money effectively another actor in the set of institutions and actors involved in the economic system. Capitalism is a system possessing a regulatory framework which requires compliance from the structures enclosed by the system. We first ask whether complementary currency schemes like LETS are affected by this regulatory framework, and then what those effects are on participation in the LETS. Wallerstein states that “The only alternative world-system that could maintain a high level of productivity and change the system of distribution would involve the reintegration of the levels of political and economic decision-making. This would constitute a third possible form of world-system, a socialist world government. This is not a form that presently exists, and it was not even remotely conceivable in the sixteenth century.” So, World-System Theory leaves open the possibility for various types of world-systems: isolated autarkies, capitalism as world government via globalisation, and a socialist world-system. Another possibility, separate but related to that of a socialist world-system, has been advanced by Takis Fotopoulos in his proposals for a model of an Inclusive Democracy. How does Inclusive Democracy relate to LETS? It is based on the mutual understanding of economic democracy “as a fundamental component of an inclusive democracy”. He describes a system which includes both participatory planning and freedom of choice as essential design features.
Innovations in capitalist institutions: history context and alternative ways of regulating LETS structures

Theory Working Definition of Capitalism

Jessop quoting others defines capitalism, in his book ‘The Future of the Capitalist State’ as “an economic system in which goods and services are produced for sale (with the intention of making a profit) in a large number of separate firms using privately owned capital goods and wage-labour (Bowles and Edwards 1985:394).” Keith Hart’s definition of capitalism excludes productive activity from the realm of capitalism.

Why WOOFS, Co-ops and LETS are market based innovations

One could argue that the Kibbutz system is also a form of alternative economy, as are WWOOFs and cooperatives, but this outlook is flawed where currency systems are concerned because the above systems do not modify any known currencies, rather they simply avoid using them, or else share out profits differently. Because they are still market-driven or market-based, vs. redistributive reciprocal or oikos (household production), in the Polanyian sense the innovations of WWOOFs coops and LETS are all market innovations. They still use the paradigm of labor correlated to time in exchange for goods, services, or shares of profit, and thus still fit within the capitalist model, but as innovations on the standard way of doing business.

But why are they innovations within capitalism? Because they (along w/CC's) each continue to defy the market norms of using anonymous money for transactions in a value-free market.

+++ 

Same Sunday:
As applied in the Worgle experiment, as well as in stamp scrip in the US around the same time, the charge was effective in speeding the circulation of these currencies(CITE).

Putting MCS in chap. W

-later on Sunday: moving lets/cc def. as response to captlsm to applc. Of theory (implic.)
--
LETS are one part of a set of responses to globalisation and its attendant widening of the
gap between rich and poor. Complimentary currencies must be placed in the context of monetary history, political economy and socio-economic reform movements such as dir. democracy, etc, particularly in the wake of WTO protests and globalisation. Like the Obs used by dwellers on the planet Gand (CITE Russell), complimentary currencies, community currencies, local currencies, and sometimes regional currencies are frequently used as synonyms for what is also sometimes called local money, community money, or community credit. The most popular phrase, community currency, is used to denote a locally circulating interest-free currency such as the Tlaloc, described by president Luis Lopezlleda Mendez, of the Promocion del Desarrollo Popular (Promotion of Popular Development) in Mexico City, as money created by and for the local community. (CITE Powell ’99)

Such money is often called a complimentary currency because it is intended as a compliment to the existing official currency. Local monies are not generally meant to replace the national money, but intended to circulate side-by-side as a boost to the local economy, according to, among other LETS advocates, The Schumacher Society (CITE Hannum 2006). As pointed out in their Local Currencies Conference Report, community currencies vary widely, with some being fiat currencies, as with a mutual credit system, and others being commodity based, as with the Deli Dollar (CITE Witt 2004 conf. rpt). The vast majority of community currencies, particularly in the UK and Ireland, are LETS type groups (SELs in France, Clubes de Trueqe in Latin America, WiR for the business community in Switzerland), which makes them forms of a mutual credit system (CITE Tooke ‘99). A lets is defined as … by the founder, Michael Linton (cite/use lets design manual…)

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Monday 22 Jan. 07

This has been a painful process of learning to trust myself and my ability in the future to create or even recreate writing I’ve done in the past, rather than holding on to it tenaciously, spending more time not being willing to give up what I’ve already written. This work, which Theo has not even read, may be material to use at a future time in a paper on LETS and commodification, but it doesn’t belong in this paper anymore:

LETS as a participatory economic institutional innovation, and the wider theory of effects of capitalism upon new participatory economic institutions  whys/hows/defs/details? w/examples?

Still Monday 22.1.07: Removed “Evaluation of participation is also based on meeting the criteria set out by Fotopolous for Inclusive Democracy.”

..found I need to print out and cut and paste (the old fashioned way) to organize and stop the going in circles of making tiny edits and staring at the screen wondering how to organize the damned thing.
I always used to make a full outline before doing my writing and this is irritating as sin because the changes mean I can’t just outline and then write in one go. It’s also way too big to keep everything in my head now, aside from the uncertainty of needing to make
big changes, like the one Theo threw at me last week, to the thesis.

Tuesday 23 Jan. 07: Emma reminds me that all the stuff I’m tearing out of my thesis is essentially Viva Preparation! 😊

Wed. 24 Jan. 07 10:40am –goal = 200 well-formed words (1 paragraph) synthesizing args from recent notes to go in History chapter by 11am today at uni work desk; Go!

…

Ok, done, at 11:22, with 231 words, a reasonable paragraph, 3 citations, and a new version saved in the Historical and Inst. Frmwks chapter just at the bottom (currently) above Research Questions. Time for Elevensies! 😊

Thursday 25 Jan. 07 –still can’t find article w/Adam Smith comment ridiculed by other 17th c. econ. (on man’s prpnsity to barter & exchange)!!

-now also can’t find Solomon’s book for page number w/taxable Hours IRS form!

-finally found section to add new paragraph: What is Commodification (theoretical chapter (currently just below What counts as a currency, before Commodification of Money: Chapter 2…); 200 words by 10am, refs, def commod: go: (started at 9:03 but it’s now 9:44…)

***I need to reflect on each source as I read it to see where in my writing work I can fit it in, as it’s much easier to shape a chapter while I’ve got the source in front of me to compare to others. That means going much more slowly through the reading and taking far more detailed notes…

… ugh, it’s 10:28 and I’m stillcomposeing my paragraph on ‘what is commodification’ and chasing down refs. I’ve got … it’s 10:38, 208 words, and needs more checking, a better intro, a thesis sentence/statement, clear body argument threads, and a conclusion sentence.

What I really need to do is go through all of my notes to this point and work them into my chapters one by one, but first I need my chapters well-enough organized that I know exactly where I’m putting everything. (of course to do that I need to know what lit. is out there and how it all fits together, which would imply that I need to read all the lit. first before trying to organize or write anything) argh! Ok, yes, this is a good argh. 😊 Too bad I’ve got financial and time constraints, as this could be far more enjoyable.

Sunday 28 January 2007: remember to search EndNote and lj note: method/methodology citation for chapter 3…

Monday 29 Jan. 07: yanked: --- The ancient period in particular is of interest as the first known use of silver and gold, the scarcest currencies begins there.
Alexander Del Mar, the economic historian who served as director of the US Bureau of Statistics from 1866-69, cites Roman Law in defining money as an equation of value, legally created, over time (Mar 1885).

[Aristotle describes how the Greek city-states, the Roman Republic and Carthage used copper, iron, or even sealed leather pouches for internal trade (Tustain 2004), and silver or gold as the basis for barter in external trade (Zarlenga 2002). In the ancient world, money was generally centrally controlled and issued. In Europe, production was based first in the oikos, or household, with surplus being traded in the markets (Polanyi, Arensberg et al. 1957). Problems arose when small states moved to the scale of empire, and found it impossible to resist using gold or a bimetallic standard of silver and gold due to pressure placed upon the internal currencies by foreign trade leading to preference for gold and silver over other forms of money.] put this back in in modified form under hist. of National Currencies... (Thursday, June 14, 2007)

Some states tried to outlaw the internal use of precious metals, while others defined fixed exchange rates with gold and silver. Eastern empires tended to value silver more highly, and show fewer marketplaces. Due to the different ratios of gold to silver between the Far East and the West, draining of gold was a continual problem which led to cyclical monetary crises over time (Zarlenga 2002). Counterfeiting money and over-circulation were both naturally occurring problems as well as a form of attack used at many times in history to damage an enemy’s money supply, weakening the ability to wage wars. After Rome became an empire and switched from its copper coinage to gold currency, the drain continued, necessitating the conquest of the Parthian empire to the East, to recover Rome’s lost gold (Zarlenga 2002).

Monday: tossed whole Feudalism section and body of Capitalism... (page 6 of lit rev). All part of original Work Package I hist. of money, anyway...
Thurs 15 Feb 2007: Just removed lets stuff from research questions in lit review chapter:

1. Does the process of decision making or other aspects of the governance of those LETS groups (which has been determined or affected by the Cap. Regulatory framework) affect the membership (and proportion to other classes who join in larger numbers) of excluded groups, in terms of ratio of excluded to other classes within the LETS groups, and also in terms of overall ratios of excluded to other classes in the local communities where they live. (i.e. how many of the members of a given LETS are members of excluded classes, and of the total population of excluded members of society in a given town or city, what proportion of them are members of a LETS or other similar organization?)

Monday 19 March 2007: I ultimately want to see how CCs or microcredit impact the bottom 25th % of people and also I wonder if or how that impact affects the overall economy. Is it even possible to move the overall economy given the massive volume of speculation and purely financial trade? Then again, no policy can really affect the investment or fin. sector - they've tried. We can affect the poorest people though. And how can policy help. Throughout the world.

Wed, 21 March 2007: since an arg for CC's as agents of decommodification of $ -> disembedding soc. from econ. is not provable, and this idea does not appear in any currently ongoing debate, I'd like to prove 3 things via the arg that decommodification of $ via CC's is discouraged by States:

1. $ is commodified therefore it can be decommodified
2. decommodification -> land & lbr decommodification
3. land, lbr decommodification -> embeddedness
4. CC potential to review embeddedness

What about the effect of a CC on local business? (same as a boycott of surrounding state-money businesses? same as a subsidy to the CC-accepting businesses?)
- what about WiR or Tauschring effects on (small/local) businesses?
- can't use EST / ESS approach (?)
- (dis) incentives vs. Susan's 'So What' question vis-
  Outcomes/Theory/Generalizability

Have I listed unions, communs, etc as attempts as disembeding?

Research Questions (and much much Agony over Easter 2007 holidays....)
-(Be sure to mention Manchester & Hounslow councils funding LETS and Tobin Tax all-
  as part of the discussion on decommodification of money....)

0. (in the ‘does commod. Of capital really drive commod. Of land and labr? Camp)

How are commod. Of capital / money related to commodification of land, labor,-
infrastructure, ideas (intellect. Prop.) etc

How are commodif. Of money and commodif. Of cultural capital related?

Does commodification of money lead to monetary instability?

Does comm. of curr. Lead to privatization?

1. How is the degree of commodification of a currency related to [inequality / distribution-
of wealth / poverty / well being / access to resources needed for self-sufficiency / self-
employment / debt / diffusion of power (esp. economic pwr) / access to money for the-
poorest 25% / greater amounts of ownership (tools/houses/wealth/etc.) by larger number-
of people / access to credit / malnutrition]

*** How are decommodification of (national) currency (via capital controls) related to /
 affect access....?

Do any (does) existing [non-inflationary non-mkt-tradable/exchangeable CC] decomm.’d
curr -? Access....

2. How can regu. Frameworks be used to decommodify currencies?

How are self-employment and regulation of commodified currencies related?
Monday 16 April 2007
New title:
“What’s money got to do with it? The relationship between decommodified national currencies and self-employment among the poorest of the poor.”

Tuesday, May 29, 2007  1. which part of reg. frmwk : tax auth, bene agencies, nhs, legal-tenter status (official) or banking reg/oversight?
2. imacit?; nat. monies since 1850’s -not long, historically; 3. cant prove interest as driver of inequality/poverty;
4. proximity of monies =too many variables (from led pov)
5. devolved gov = too many vars
6. commodification – spec-scarcity-debt-poverty = way too big

Macro impact of CCs is minimal, but just from LED pov, not SLD
Lets cheecks as fiduciary, like bank notes, dep. On trust for value

Susan j.  1. lets as alt or part of capitalism — 2. woofs as gift econ or mrgn of capitalism via labor theory of value/exchange?

Wednesday, June 06, 2007
— See ScoreCard spreadsheet for summary of all: Theoretical compatibilities:

(Theoretical Approach: [Governance <-> Economic Democracy & ————Purchasing Power (or “’stable’ currency”) <-> Exchange Useability] ————”Success”/Failure (== !Success/some cmbnt?)

—— Part 1. Econ. Demoer. & Governance & SLD & New Economics (all micro perspectives...)

—— Part 2. Keynes SoV & Gesellian & Polanyian (comdification via SoV?? <-> monetization of soc. & -> exclusion of those w/out money?) (since PK, G & P = macro perspectives...)

—?? Internal Govnne vs. Ext. Govnne: [Reg. Frmwks & ‘use governance’ i.e. 1. discounting 2. hand-to-hand circulation]
- Polanyian pov: mkts as catalyst for curr. Instability & traders/speculators mving money
  - mkts? → manipulation of money

- Seyfang shows 1 of New Economics 5 as bldg new institutions…

Goals of issuers
  - Who profits from issue & use of the currency
  - "benefits fr. Use of curr.
  - Backing…

Which aspects of governance (i.e. curr. issue vs. CG / mgmt committee formation)
  - What perspetv of money?

Def. money vs. currency?
  - Power issues rel. to money:
  - Include seigniorage?—who benefits who profits who loses?
  - Sovereignty
  - Stakes: scales & types (see var. typologies…)

CCs as busns subsidy: SLD/LED pov

Processes: cmdfctn, ficts cmody earmking—all too big…

- Is investment hoarding? Keynes vs. friedman
  - Is El Otra Bolsa de Valor = trading or investing?

- 1 chapter per each type w/success critera: 1. longevity, 2. sov MoE aspects of gvnnc 3. backing retirement issuance aspects of gvnnc 4. turnovers 5. accessibility by poorest

See gvnnc lit. —shrd gov/econ. Demoer:

Crit. Problem: SoV = pur. Power [but nat. curr lgl tender → automatic pur. power (PK’s note this in their def. of money…)] so ‘demand for money’ not same as SoV or pur.
  - Power

Tuesday, June 12, 2007—removed from Lit. Review:
**Fall of Rome**

Coming to the formative empire of the western world, Rome, we find many conflicting views on why the empire fell, and what potential relationship that fall may have had with the monetary system.

“In time it would be asserted that the debauchment of the currency caused the downfall of Rome. This historiography – the tendency to attach vast adverse consequences to monetary behavior of which the observer happens to disapprove – is one which we will find frequently to recur. It should, needless to say, be regarded with the utmost suspicion.” (J. K. Galbraith ‘Money’ 1975)

While Galbraith and Gibbon correctly ascribe a very long list of variables contributing to the fall of Rome, it may still bear mentioning, in unison with del Mar and Keynes that the coincidence could be too great to be accidental.

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**Wednesday, June 13, 2007**

Rm’d “In outlining the major features common to various currencies, it is necessary to note that there are three key points around which, most will agree, a currency revolves: storage of value, counting, and exchange. (Polanyi 1977; Lietaer 2000)” from Lit. Rev.

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**Demurrage**

To return to the issue of money being used as a store of value, this can only happen when it is known that the money will be able to maintain an equal or higher value in the future. For this to occur, the currency must of course not lose its value, and here is where demurrage comes in. Demurrage, which of course has its detractors (North 1993), is a charge on money generally applied through negative interest rates attached to the currency (Gesell 1906; Lietaer 2000; Feasta 2004). The purpose of demurrage is to prevent the use of a currency as a store of value, and simultaneously to prevent speculation in the currency, since the value of the currency goes down over time, thus discouraging the holding of that currency for future use.

As applied in the Worgle experiment, as well as in stamp scrip in the US around the same time, the charge was effective in speeding the circulation of these currencies (CITE).

Moved to diff. section of lit. rev

This just removed totally:

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- Sociological ideas on nature and Political Economy of National Currencies and Complimentary Currencies
Historical Development of monetary systems worldwide

--- Medium of exchange
The third use to which any form of money can be put in a non-trust based system is as a medium of exchange (CITE 3 economists books). Money paid as a form of exchange is not used to acquire a good or service, but to pay a monetized debt, such as taxes, or fines.

--- Credit solution and multiplier effect
Zarlenga suggests a possible solution to the perceived problems of debt-based money is the use of credit-based money. Credit-based money is also a non-commodity-backed currency having all 3 uses. The major drawback to this type of money, aside from the lack of enthusiasm with which it will be viewed by the banking, finance, and industrial sectors, is that it is tricky to figure out how much credit money to issue. While it is not intrinsically or naturally scarce, credit-based money is also not unlimited, since issuing an unlimited amount of money, like using sand as currency, would clearly create a disproportionate level of consumption to production, leading to hyperinflation, if people continued only to consume and not to produce. Yet there needs to be an increase in the stock of money relative to the population (Rowbotham 1998; Zarlenga 2002) unless the speed with which the money circulates, defined as velocity, increases sufficiently to increase the multiplier effect (Keynes 1930). The multiplier effect is what happens when many parties use one unit of currency to effect many different transactions, for instance when a single ten pound note is first drawn from a cash machine and used to pay for a meal, then passed on as wages to a waiter, who then spends it for food in the Co-op, that note has changed hands three times, making it the equivalent of issuing 30 pounds. This would be enough to compensate for the lack of money supply, if exchanges were made sufficiently quickly (Croall 1997; Seyfang 2000; Schroeder 2005). Hoarding, keeping money out of circulation, halts the effect.

--- Giddens’ notion of structure as both acting upon and being acted upon by real people, who are the agents interacting with institutions, difference between previous systems such as feudalism and capitalism, which emphasizes the role of finance markets in economic regulation.

--- Capitalist reg frmwk & inclusion:
The way money is created in a capitalist environment renders that money effectively another actor in the set of institutions and actors involved in the economic system. Capitalism is a system possessing a regulatory framework which requires compliance from the structures enclosed by the system. We first ask whether complementary-currency schemes like LETS are affected by this regulatory framework, and then what those effects are on participation in the LETS. This would constitute a third possible form of world system, a socialist world government. This is not a form that presently exists, and it was not even remotely conceivable in the sixteenth century.” So, World System Theory leaves open the possibility for various types of world systems: isolated autarkies, capitalism as world government via globalisation, and a socialist world system.
Another possibility, separate but related to that of a socialist world-system, has been advanced by Takis Fotopoulos in his proposals for a model of an Inclusive Democracy. How does Inclusive Democracy relate to LETS? It is based on the mutual understanding of economic democracy “as a fundamental component of an inclusive democracy”. He describes a system which includes both participatory planning and freedom of choice as essential design features.

--- Douglas Gandhi & Marx

Other reactions to capitalism included C.H. Douglas and the Social Credit movement, which gained enough support in Alberta, Canada to elect a party on the platform of implementing Social Credit in that territory. The ideas of issuing a basic citizen’s income to every citizen as a right was derived from the principles of free enterprise, tempered with redistribution of wealth by the government.

The strict teaching on non-violence stand in some contrast to Marx’s ideas that violence will eventually become necessary for the revolution of the workers to u

“bread sweat” that assumed each person to have a duty to contribute to the common good. [find backing or rework this!!!]

‘The Future of the Capitalist State’ as “an economic sse produced for sale (with the intetof mkism.”

’s not part of my argument here arket based innovations

LETS are all market innovations. They still use the paradigm of labor correlated to time in exchange o

‘those who are least able to pay’ the most. Effectively the business cycle must then meet those who fall away from the system by slowing down, with the attendant further unemployment accompanie e cycle tightens and becomes evn szation, and inequality. They each work to turn objects and concepts into things to be
offered on the market. Eaho

“HoldingUe elites/those who possess enough money and assets to convert into the new gold have no need to worry.

There is probably no need to (elaborate on gold and the & 4 other parts of the balance mentioned things? in–see notes on Great. Transformation..)”