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The Political Economy of Local Currency: Alternative Money, Alternative
Development and Collective Action in the Age of Globalization

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An Abstract of
A dissertation submitted to the Faculty of the Graduate
School of Emory University in partial fulfillment
of the requirements for the degree of
Doctor of Philosophy

Department of Anthropology

2008

For the past 17 years, Ithaca, New York has been the site of an experiment in alternative money. Parallel to the dollar, the Ithaca HOURS paper currency commands a share of the local economy, circulating within a bounded area around the town. Ithaca HOURS are one of the most prominent grassroots manifestations of a diverse and prolific global social movement of alternative currencies, emerging in response to the adverse economic, social and ecological effects of globalization. The movement brings the question of financial structures to bear on the discourse on globalization and development, which have tended to neglect the role of money as an element that not only enables and measures, but influences and shapes economic realities. An alternative form of money with bounded, circulation is a tool to support local economic activity, encourage fairness and social equity, and promote environmental sustainability.

This work is an ethnographic examination of the Ithaca HOURS system, tracing the course and effects of the HOURS economy on the ground, given the theoretical and pragmatic challenges in envisioning and enacting sustainable alternatives to global capitalism, and the dynamics of defining “the local” and engaging “the community” in a socially complex setting. Ithaca is part of the economically depressed “rust belt” and the site of two major educational institutions. A distinctly diverse town, characterized by a highly progressive community Ithaca is also marked by racial, ethnic and class inequalities. The HOURS economy is small, with significant variation among users. While the system has made some inroads it has not broken through present divisions of race and class. For users, however, HOURS affect social relations through consumption. HOURS offer a different way to trade in which users have more of a say as to what is important and how it may be measured. The money used colors the experience and understanding of material exchange, as different currencies codify different ways to consume. This challenges the neutrality of money, indicating that the discourse on sustainability needs to re-problematize not only trade but also its medium.

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Acknowledgments

It is, I suppose, no surprise in anthropology that when doing a study such as this, one will almost inevitably come out with much more than data for an argument and an interesting story. It is for the story which follows, and for a whole lot more that I am deeply grateful to the people in Ithaca, and before all, to the αρχηγός Stephen Burke, and the amazing LeGrace Benson and Monica Hargraves for more than could possibly go in a page like this. My many thanks also go to Laurie Konowski, the ever-inspiring Paul Glover, Teresa, Gretchen, and Arden, for stories, insight, patience, friendship, guidance, vibe, and wisdom. A special thanks goes to Corinne Stern and Margaret McCasland, the coolest landladies and friends anyone could ever wish for.

I consider myself fortunate to have, for nearly eight years now, been part of Emory University's Department of Anthropology. Above all, it has been a true privilege to be working with Peggy F. Barlett, whose persistence, mentorship, influence and contributions go well beyond anthropology, or even public or engaged scholarship, and into the territory of how to properly live. The presence of Dr. Barlett was beautifully complemented by the rest of my committee members. Early on, I was especially lucky to work with Hudita Mustafa, who is a true master at inspiring both engagement and play with theory and abstraction, and Tracy Rone, to whom I am indebted for offered me new perspectives and ways to approach ethnography. For the latter phases of this work, I have often said that I could have not imagined a better committee. I can now state this formally. To Richard Wilk, who saw me through this entire process, el generalissimo David Nugent, and the simply brilliant Carla Freeman, members of Committee
Awesome, thank you, thank you, thank you!

Regina Werum and Yvonne Newsome should not be missing from this list. Thank you for all your friendship, mentorship, advice, support, tenacity, and in the case of Regina, a very well-placed metaphoric smack upside the head.

I am indebted to Emory University, for various fellowships and grants, as well as Ithaca HOURS Inc. and the A. W. Mellon Foundation whose material support allowed me to complete this project. I would like to particularly acknowledge Yvan Bamps whose help with all the practical aspects of completing a dissertation and a degree has been invaluable.

I could not have done this without the love and support of my family, Theodora, Thomas and Kriton (you are up next!). Equally so, my love to Scott and Persephone who dove in with me, and saw me through.

Lastly, my love, respect and thanks go to a number of friends and colleagues, the head of the Heidra, Heide Castañeda, and Shanti Morell-Hart, my fellow graduate students, including but not limited to Sarah Mathis, Leandris, Maurita, Brandon, Dan, Sarah Lyon, Maysoun, and Yaya, my Mellon cohort, Kristi, Caitlyn, Carol, Antoinette and Natasha, and Jeanine, Adrien, Matthias, and Elisa. My love and best of wishes to all of you. Πολλή αγάπη! Σας ευχαριστώ!

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Table of Contents

Chapter 1 – Introduction: The Political Economy of Alternative Currency	1
- Money, Stage Left	2
- Choosing the Site: Case and Problematics	11
- Social Mobilization, Alternativity and Value	15
- Structure of the Work	25
Chapter 2 – Money and Movement	30
- Money in a Global Perspective	30
- The Complementary Currency Movement in Context	35
- Resistance, Reform, Alternatives	37
- Local Money and the Economy	47
- Local Money and Society	51
- The Ecology of Local Money	58
- System Types	62
Commodity Currencies	62
Mutual Credit Currencies	62
Fiat currencies	63
Time Dollars	64
LETS	65
HOURS Scrip Systems	66
- A Different Development? The Problematic of Alternativity	67
Interlude – On Methods and Fieldwork	70
Chapter 3 – Ithaca: History and Context	75
- A Sense of This Place	75
- The Land and What Grew on It	78
- Communities in Community	82
- That Other Money	87
Creation	87
Evolution	95
Mechanism	98
Chapter 4 – HOUR Economy	106
- How Much Is an HOUR?	106
- The System's Outline: Currency and Members	107
- A Macroeconomic Take	115
- The "Active User" Perspective	118
- Study Design and Problems with the Data	127
- Users	134
- Transaction Patterns: Earning and Spending	139
- Indirect Effects	149
Labor and Value	150
HOURS as a Safety Valve	153

When Shopping is Difficult: An Overaccumulator's Tale	156
- Partial Summary and Discussion	159
Chapter 5 – Social Life in a Local Currency Economy: Phenomena	162
- The Problem of Understanding Hominids En Masse	164
- Community as Place	167
- “In Ithaca We Trust:” Internal Differentiation and Community	171
- The Social World According to Hours	177
- Hours as Grassroots Organization	187
- The Experience of Exchanging Community	197
Personal Interactions and Participation	198
On Finding One Another (Or Not)	202
Exchange and Social Meanings	205
- Partial Summary and Discussion	210
Chapter 6 – Social Life in a Local Currency Economy. A Field Experiment in Money and the Pursuit of Social Equity	213
- The Cornell Cooperative Extension Project	214
- “Low Income” in Ithaca: Class, Race (and Some Gender)	217
- The Cayuga House	224
- Results and Interpretation: Alternativity and Alterity	237
- Discussion	241
Things, People, and the Power to Define Reality	241
Alternativity, Marginality and Grassroots Organization	245
Chapter 7 – Consumption and Ecology in the Alternative Currency Economy	250
- Evidence and Skepticism	252
- Revisiting Money	257
- Experiencing Value	263
- Value, Meaning, Politics	268
- Things About Stuff	278
- Distilled	283

Figures

Figure 1: Rise of Complementary Currency Systems, 1984 – 2003	46
Figure 2: Local Currencies in Principle	61
Figure 3: Ithaca HOURS Local Currency	105
Figure 4: Participant Types	134
Figure 5: Type of Economic Activity in which HOURS are Used	137
Figure 6: Levels of Earning per Year	137
Figure 8: Levels of Earning – Alternate Scaling	138
Figure 9: HOURTown Promotional Illustration	181

Tables

Table 1: HOURS Issued, 2000-2004	109
Table 2: HOURS Loans and Grants, 2000-2004	113

Before my birth there was infinite time, and after my death, inexhaustible time. I never thought of it before: I'd been living luminously between two eternities of darkness. I was happy; I know now that I'd been happy. I made the best illuminations in Our Sultan's workshop; no one could rival my mastery. Through the work I did privately, I earned nine hundred silver coins a month, which naturally, only makes all of this even harder to bear.

I was responsible for painting and embellishing books. I illuminated the edges of pages, coloring their borders with the most lifelike designs of leaves, branches, roses, flowers and birds. I painted scalloped Chinese style clouds, clusters of overlapping vines and forests of color that hid gazelles, galleys, sultans, trees, palaces, horses and hunters. In my youth, I would decorate a plate, or the back of a mirror, or a chest, or at times, the ceiling of a mansion or of a Bosphorus manor, or even, a wooden spoon. In later years, however, I only worked on manuscript pages because Our Sultan paid well for them. I can't say it seems insignificant now. You know the value of money even when you're dead.

Orhan Pamuk – My Name Is Red (2001:3)

Chapter 1 – Introduction: The Political Economy of Alternative Currency

In 1991, the town of Ithaca in upstate New York became a dual currency zone. From that moment on, an increasing variety of goods and services, food, shelter, clothing, necessities and luxuries, as well as labor could also be exchanged with a kind of money other than the familiar, blue-green dollar. This currency called the HOUR, was not issued by any legal, financial, or political authority and was meant to circulate on a voluntary and consensual basis, parallel to the U.S. currency. Its numerical value was determined arbitrarily, later to be linked to an average hourly wage for the region. The market system it defined was fluid and inconsistent, and in the beginning it circulated among fewer than a hundred people, yet this unusual initiative steadily grew. In a pivotal moment for grassroots collective action, Ithaca's "other money" became both the model for and the example of successful bottom-up efforts to revitalize and empower economies and societies at the local level by challenging the monetary conventions of globalized finance. HOURS came to be at the forefront of a less well known but sizeable and dynamic social movement variously known as the local, alternative, parallel, community or complementary currency movement that has a world-wide presence, from

North and South America and Europe, to Australia and Japan. Complementary currency seeks to promote exchange within the locale, community, or network within which it circulates, reaping the advantages of strengthened internal exchange in wealth, social relations and local control (and preservation) of resources.

Money, Stage Left

The question this study asks of the movement can be stated simply: What is alternative about alternative currency and the economy it defines? The work is in part documentary. It is the ethnography of a key case of this so far underexamined “new” social movement¹ in the burgeoning field of alternative market and development initiatives that underpin a rising awareness and concern with sustainability.

“Alternativity” of course, requires a “conventionality,” and in this case the mainstream which defines the frame from which these initiatives seek to depart is the one put in place by the triptych of capitalism/globalization/modernity, and the logic of conventional development and free trade with their well-documented connections to global inequality, exploitation and, as acknowledged a bit more recently, ecological crisis (Edelman and Haugerud 2004).

This is, in broad sketch, “the global” as construed by alternative mobilization, a vastly diverse field of thought and action, which coalesces, however tenuously, around a political sentiment: in this increasingly interconnected (globalized) world, cost, benefit, power and disempowerment are distributed with terrible and growing inequality, in a manner that is unsupportable (unsustainable) for people, and increasingly for the planet as a closed ecosystem (Korten 2001). Against this dystopic globalization where a reified

¹ This is not to say that the movement has not received some attention. References to complementary currency have been appearing in various works on rethinking the “global economy” both from a social scientific and business standpoint, frequently as examples of innovative change (e.g. Hart 2000, Rushkoff 2005). Gretchen Hermann (2007) and Bill Maurer (2005) have recently brought anthropological attention to the subject (also using Ithaca as a main case).

North exploits a reified South, and power and privilege are increasingly concentrated in fewer and fewer hands, be they those of individuals, or of those superhuman entities, the potent (and unaccountable) transnational corporations, alternatives counterpose a vision that evokes a global civil society (Habermas 1981, Appadurai 1996, Lyson 2003), in which action focuses on the local level.

Where (or what) is “the local” defies precise, or even coherent definitions. It invokes the small scale (exemplified in E.F. Schumacher’s 1973 work “Small is Beautiful”) yet its size, boundaries, features and even the populations it includes or excludes are unclear, while it is inextricably embedded in the larger context of “the global.” As such, it is more often than not an emic model rather than an analytical concept of place and process. Understanding collective action in the (decidedly broad) localization paradigm therefore requires a way to account for both a rhizomatic clustering of people and action and a fluidity of content, relationships and boundaries, or movement and differentiation, as it were. In this sense, the sociospatial local is more like the process identified in information and networking systems, where “local” specifically refers to the networking capability of nodes in close proximity to one another, usually for the purposes of sharing resources. This indicates a degree of autonomy for the local as a “semi-autonomous social field,” with “rule-making capacities, and the means to induce or coerce compliance” while being “simultaneously set in a larger social matrix which can, and does affect and invade it, sometimes at the invitation of persons inside it, sometimes at its own instance” (Falk Moore 1973:720).

Thus the local is both embedded and internally dynamic and differentiated, that complexifies the position of localism in these new forms of collective action. Mobilization speaks of awareness, or reflexivity on the part of social actors about the processes that shape the world, and of their agentive role in them (much in the sense of practice theory. Also, Lash and Urry 1993 on reflexivity). But it does not automatically speak to equality,

or even the sharing of representations and meanings within the place designated as “local.” Minimally, it speaks to change.

The complementary currency movement however offers something more than just another illustrative –but as will be seen, ambiguously successful– case of collective action signaling the need and desire for change. Its significance hinges on its attention to money as an institution that, far from being a neutral tool for economic transactions, has profound implications for conceptualizing and acting on value, exchange and consumption. My case study of Ithaca’s alternative currency therefore offers a lens through which to critically examine the relationship between money and materiality in the context of a fully modern market.

What I mean by this is that the relationship between exchange, value and consumption is a deeply complex one, but here I am following recent scholarship in the social study of consumption that moves it from its status as an epiphenomenon of production and distribution, and casts it as the larger domain that encompasses production and exchange (Tranberg Hansen 2002, Princen, Maniates and Conca 2002, Well 2004). As such these perspectives expose and contest the common but oftentimes neglected assumption that consumption can be equated to a series of individual purchasing decisions, that it is therefore asocial and amoral, and that can be quantified in a common metric, to be then used as a universal indicator of pleasure and suffering (Princen, Maniates and Conca 2002, Brewer and Trentmann 2006, Danby 2002).

That the meaning of value and the consumption relationships it fosters are mutable and contingent is hardly news for anthropology, which has a long history of uncovering and comparing the diverse meanings and practices that produce the world at the intersection of culture and material practice (Mauss 1924, Godelier 1986, Sahlins

1972, Strathern 1990, and much of economic anthropology in general)². Nevertheless, anthropological examinations of value and materiality have largely failed to escape a “modernist historicization” that maps simple dichotomies on space (West vs. non-West, or North versus South) onto time (modern vs. pre-modern), creates a taxonomy of family, community and market and invokes a “familiar pair of ethical positions,” the “march of progress” versus the preservation of the small, local and authentic (Danby 2004:70)³.

This dualism is evident in the field of economic development, and equally so in perspectives on consumption⁴, but perhaps nowhere as clear as in the scholarship on money. Anthropology largely structured its studies around the core of modern money as constructed by classical, neoclassical and also Marxist perspectives that place it at the center of capitalist development. The common explanation for where money came from is that it was an ingenious invention in the distant human past, to free exchange from the restrictions of time, space and transience that are (or surely must have been, according to this line of thought) characteristic limitations of commodity exchange. The accuracy of this history is more than a little questionable, yet it is a widely accepted matter-of-fact scheme. Modern money, the kind analyzed (and promoted) by the classical economists, Adam Smith, and importantly, David Ricardo (Hornborg 2007) stands out as what

² This is also an important element in the work of Antonio Gramsci, one of my main theoretical influences, who, according to Chantal Mouffe, “was the first to stress the material nature of ideology, its existence as a necessary level of all social formations, its inscription in practices and its materialization into apparatuses” (1979: 199).

³ Also Carruthers 2005, Brewer and Trentmann 2006, Edelman and Haugerud 2004, Gibson Graham 1996 and 2006, Carrier and Miller 1998 and a growing number of works on globalization and modernity (e.g. Knauff 2002, Rofel 1999, Donham 1999) that seem to signal a definitive turn away from dualist visions of modernity.

⁴ The various schools of thought about development exemplify engagement with (and more recently a move away from) this binary. With respect to consumption the discourse may have taken several guises but it is still largely conducted between two moral polarities of “freedom to” and “freedom from” desire. Desire in this scheme is cast as empowerment in the first case, and disempowerment in the second (Trentmann 2006).

Bohannon and other anthropologists studying currency called general-purpose money (Bohannon 1955, Douglas 1967, Salisbury 1962, Pospisil 1963).

Modern general-purpose money is the calorie of capitalism. It is supposed to represent the distilled quantity of a thing's economic value, regardless of what that "thing" may be, just as food items can be compared in terms of their energetic value regardless of how different they are in substance. Modern money is an archetypical (perhaps the archetypical?) case in the rise of quantification as synonymous with scientific objectivity, mutually supported by metrology and the spread of numeracy in the modern world⁵. By contrast, in non-capitalist settings, different kinds of value were recognized and correspondingly counted with different kinds of money, marking hierarchically compartmentalized "multicentric economies." For instance, to use Salisbury's example of the Siane in New Guinea, yams could be used to buy subsistence goods, but to pay bridewealth one needed a more prestigious currency such as shells or axes. While conversion from sphere to sphere was not entirely impossible, it was also highly undesirable and problematic, as the different types of money should not move from their sphere of value (1962). This though, was "primitive money," reflecting both the historical trajectory money took in "evolving" toward standardized generality⁶, and the inevitable march of modern capitalist dominion sweeping up all "traditional societies" in its way.

The neutral, disinterested and precise objectivity of modern money is a didactic reflection on the rational, calculating *homo economicus*. Still, while we almost always

⁵ Conducting a broad review of the literature on money and metrology, Carruthers (2005: 355-378) notes that the invention of the metric system was linked to processes of nation-building, where metrics were promoted as a way to develop the rationality of the French economy. Carruthers also cites several scholars indicating that the mathematical models applied by scientists to the natural world were significantly influenced by early modern commerce. Accordingly, a number of scholars examining the spread of numeracy in England and the U.S. have remarked that merchants were usually among the first and most numerate.

⁶ Money is clearly a very ancient institution, but even a cursory examination of numismatic history will show that in ancient monetized economies, not all state-issue coinage was meant for standard commercial use but reflected the existence of different spheres of value.

look at money (or more accurately who ends up with more or less of it), to assess the *consequences* of the spread of Western politics and economics, money has a history of being the *cause*, or *tool* for this spread. By this I do not mean the profit motive driving history, but that money as an institution has often been an instrument of domination and state building across the world (Carruthers 2005, Notar 2004, Gilbert and Helleiner 1999). Bohannan was documenting the Tiv's "primitive money " and the different spheres of exchange in which it circulated, noting that he did so just as the traditional Tiv subsistence economy was becoming eroded by the imposition of a money tax by the colonial authorities. Such events were not only a derivative consequence of colonialism however, and the money tax was not solely a wealth-extracting affair but a directed effort to institute the colonial economy and regime, using money as an instrument for establishing authority. In West Africa, according to Saul (2004), the French franc had to compete with another money, the cowry, which was, what is more, "transnational" currency in a network of exchange that reached all the way to Asia. And in early twentieth-century China competing currencies sought to create alternative group identification for political purposes (Notar 2004). In the same vein, structures of credit and debt have increasingly drawn the attention of scholars as instruments of economic, political and cultural domination (such as the literature on microlending or neoliberal structural adjustment, e.g. Loker 1998).

The axiom of the perfect orthologism and neutrality of modern money is equally violated in daily practice not just by private individuals but by organizations and states⁷, where fully generalized currency is subjected to complex rules of allocation, restrictions and classifications reflecting social and cultural meanings and boundaries. This is at the core of Mary Douglas' "purity and danger" distinctions between money, coupons,

⁷ An easy example of states engaging with different categorizations and symbolisms in money being the use of "dirty" money from morally uncertain sources such as gambling and lotteries to fund "clean" causes such as education.

rationing and licensing as instruments of social policy (1967), but is all the more so the key message in Zelizer's rich work on the strategies people use to " earmark" or separate generalized (and hence undifferentiated) modern money into qualitatively distinct classes, usually on the grounds of its origin or intended use (Zelizer 1994, 1999. Also Hermann 2006). These themes have been more widely reflected in anthropological literature on money as well⁸.

At its most basic, the significance of all the above perspectives for the study of alternative currency is that money is hardly a neutral marker of distilled "essential value." As Hornborg succinctly puts it, "the moral [and I would add cultural and political] semiotics of money –in other words, how exchange is culturally conceived– can have very significant material implications" (2007:64). Nevertheless, the main way in which money figures in the study of global economic conditions is overwhelmingly in the question of inequality of access and distribution, that is to say who has more or less of it and why. Money itself as both "thing" and idea (Hart 2005), as both tool and entity remains de-politicized, its workings as an institution obscured. This, it seems to me, perpetuates a separation between meaning and materiality that has detrimental implications for a critical analysis of material practice. What I have in mind here is very similar to the problematic separation between the biologized (natural) and the cultural (constructed) body taken up in some feminist analyses of sexuality. Noting both the need for and the problem of reconciling biological and cultural accounts of the body in scientific inquiry, Fausto-Sterling exposes the issue as follows:

⁸ For example, one of the few anthropological works on money after the 50s and 60s, Parry and Bloch's "Money and the Morality of Exchange" begins with the statement that the work is "concerned with the ways in which money is symbolically represented in a range of different societies, and more especially with the moral evaluation of monetary and commercial exchanges as against exchanges of other kinds. The focus, then, is on the range of cultural meanings which surround monetary transactions and not on the kinds of problems of monetary theory which have conventionally preoccupied the economist." They then note that their concern is not with "primitive" money but with largely state-issued generalized currency, and its differential symbolisms (1989:1). Verdery's 1995 discussion of the Caritas scheme in Romania is another case in point.

Some feminist theorists, especially during the last decade, have tried -- with varying degrees of success-- to create a non-dualistic account of the body. Feminist philosopher Judith Butler, for example, tries to reclaim the material body for feminist thought. *Why, she wonders, has the idea of materiality come to signify that which is irreducible, that which can support construction but cannot, itself be constructed.* We have, Butler says, (and I agree) to talk about the material body. There are hormones, genes, prostates, uteri and other body parts and physiologies that we use to differentiate male from female, that become part of the ground from which varieties of sexual experience and desire emerge. Furthermore, variations in each of these aspects of physiology profoundly affect an individual's experience of gender and sexuality. But every time we try to return to the body as something which exists prior to socialization, prior to discourse about male and female, Butler writes, "we discover that matter is fully sedimented with discourses on sex and sexuality that prefigure and constrain the uses to which that term can be put."

[...]To be material is to speak about the process of materialization. And if viewpoints about sex and sexuality are already embedded in our philosophical concepts of how matter forms into bodies, the matter of bodies cannot form a neutral, pre-existing ground from which to understand the origins of sexual difference. *This, then, is our dilemma: since matter already contains notions of gender and sexuality, it cannot be a neutral recourse on which to build "scientific" or "objective" theories of sexual development and differentiation.* At the same time, we have to acknowledge and use aspects of materiality that "pertain to the body". "The domains of biology, anatomy, physiology, hormonal and chemical composition, illness, age weight, metabolism, life and death" cannot "be denied". *In other words, to talk about human sexuality requires a notion of the material. Yet the idea of the material comes to us already tainted, containing within it pre-existing ideas about sexual difference. Butler suggests that we must look at the body as a system that simultaneously produces and is produced by social meanings, just as any biological organism always results from the combined and simultaneous actions of nature and nurture.*

Unlike Butler, feminist philosopher Elizabeth Grosz allows some biological processes a status that pre-exists their meaning. She believes that biological instincts or drives provide a kind of raw material for the development of sexuality. *But raw materials are never enough. They must be provided with a set of meanings, "a network of desires which" organize the meanings and consciousness of the child's bodily functions.* (1999:22-23, emphases added).

Substitute "consumption" for "sexuality," "economy" for "the body," value as quantity for "nature" and value as meaning for "culture" and what emerges is the uncomfortable space between economic abstraction and lived experience, the two seemingly irreconcilable aspects of materiality as defined by modern money. In this

scheme, “utility” would be “desire” fueling consumption, the hazy domain of individual agency-in-society. This line of thinking is also reminiscent of the connection drawn by David Harvey between the micro-level of the body to the macro-level of globalization:

The particularity of the body cannot be understood independently of its embeddedness in socio-economic processes. If, as many now argue, the body is a social construct then it cannot be understood outside of the forces that swirl around it and construct it. One of those key determinants is the labor process, and globalization describes how that process is being shaped by political-economic and associated cultural forces in distinctive ways. [...] But conversely, boiled down to its simplest determinations, globalization is about the sociospatial relations between billions of individuals” (2000:16).

It is in this sense then that I am concerned with value and materiality, specifically asking how alternative monetary/economic action on the ground challenges the ways in which we have so far implicitly or explicitly understood these two terms, and by extension the ways we commonly envision processes of production, exchange and consumption and the social relations (and ways of being and knowing) that they entail. Fausto-Sterling proposes a “connectionist” perspective that accounts for the “natural” and “constructed” aspects of materiality as defining the same developmental system, and uses the image of a Möbius strip, “a topological puzzle, a flat ribbon, twisted once and then attached end to end to form a circular twisted surface” to express this (2000:24). Tracing the surface of a Möbius strip, one can pass from the inside to the outside while still moving on a single plane. Money, it seems to me, marks (or hides) precisely that boundary between inside and outside, the moment where everything material becomes abstracted (yet not immaterialized), the instant of perfect conversion of everything into its “essential, objective value” and back. But on the ground, money, like things, also has a deeply social life. Hornborg (2007) among others suggests that modern economic metrics skew perception so that economy and morality (or, I would

generalize, the “mental and the material⁹”) are kept apart. If then, as Hart (2000) demonstrates, the medium of money is above all a *vehicle of memory or information*, different kinds of money can codify, carry and negotiate different kinds of information, meaning, and value within a shared network of exchange, even if the things themselves being exchanged do not substantively vary. It is from these understandings that I proceed in the study of alternative currency.

Choosing the Site: Case and Problematics

Instances of “irregular” money are not at all unknown in the recent years. Standard literature on economics posits that alternative types of currency may arise in a fully monetized economy, in situations where either “real” money does not exist¹⁰ or in which confidence in the regular money, its issuing authority, and the general economy plummets, so that the “real” money loses its value. In places with weak economies this may mean that the preferred means of exchange is a foreign currency. In Guinea-Conakry, one can fare just as well if not better with euros or American dollars as with Guinean francs, a practice, which is neither unique nor even limited to the poorest of nations. The need for confidence on national money and national economies, and the severe effects of its loss are also implicated in most if not all of the major currency crises of the past two decades, such as the Mexican peso crisis of 1994, and the Argentinean crisis which also famously produced one of the best-known alternative currency economies in recent history, the *Clubes de Trueque* or Barter Clubs.

Framing the formation of alternative currencies in the terms of a *social movement* however marks a significant departure from the understanding of economics, which

⁹ “Mental” in this case is perhaps a too broad term with which to refer to different iterations of subjectivity and agency beyond economic rationality and utility, which Gibson-Graham (2006) also connect to emotion/affect.

¹⁰ An oft-cited example are prison economies in which commodities like cigarettes may take on the function of money.

ultimately points to “the economy” as the contentious element, leaving the institution of modern money intact. Complementary currencies as collective action initiatives are not always a response to acute crisis, nor do they necessarily emerge in the context of an economic and monetary breakdown. While they contain elements of critique and protest in that they articulate dissatisfaction with current economic forms, tools and opportunities, they also represent the “new social movement” model of mobilization, which seeks to envision and enact change.

In this context, Ithaca’s complementary currency is in the paradoxical position of being both a very small, and an uncharacteristically large case. HOURS are the exemplar of success for the rather prolific, and far-reaching, yet dispersed and somewhat marginal alternative currency movement. At the same time, the HOURS system involves (and much of it somewhat tenuously) around 5% of the population of a small, northeastern U.S. town. What can such an unusual case tell us about money, mobilization, exchange and sustainability? Several characteristics make Ithaca especially appealing for this study. First, HOURS is but one model for “doing” alternative currency, but it is a popular one, and it originated in Ithaca. HOURS are paper currency, which affords the benefits of cash fluidity. Using cash largely does away with the need to strictly define the boundaries of the system, as the currency’s circulation is only loosely restricted to a geographic area. Lastly, HOURS operates in a generalized market. That is to say, any goods and services can be exchanged with it, the only condition for exchange being agreement between the transacting parties, in a market that closely parallels the conventional one. Other complementary currency models oftentimes have stricter limitations as to the types of things that can be exchanged, or the network of participants they engage. The generality of Ithaca’s alternative currency economy makes it particularly appropriate for examining if and how different money forms affect notions of value and materiality. The HOURS model has also had

significant influence in the complementary currency movement at large. It is one of the three prototypical currencies that came to define the movement¹¹, and one of the most frequently consulted and utilized systems in both study and implementation of complementary currencies world-wide¹².

Secondly, the very field is characterized by ephemerality. Conceptually, alternative currencies are understandably difficult for many people to grasp, let alone trust, and trust is perhaps the sole necessary element for any money system to be successful. As such, complementary currency systems are either sometimes implemented on experimental, or limited-time bases, or, as is more often the case, have rather limited lifespans, if they take off at all (Raddon 2004, Collom 2004). Ithaca however presents a notable exception to this rule. With an official start in 1991, the HOURS system boasts one and a half decades of operation. And while there is considerable disagreement on the state, strength and energy of the HOURS system,¹³ the currency continues to circulate, registered participation has steadily grown,

¹¹ The other two being Time Dollars and the system known as LETS. I cover these models within a broader discussion of the movement in general in the next chapter.

¹² Over the years, Ithaca HOURS have been the topic of numerous news and documentary publications and broadcasts. Just during the period of my fieldwork, HOURS received at least two international news teams, one from Korea and one from Canada, and a number of inquiries and visits from other communities looking to implement a local currency. HOURS are also one of the main systems that figure in academic examinations of local currency through scholarly work has tended to be broadly expository and theoretical.

¹³ A fact that has generally lead both some participants and the majority of academic observers to question both the system's meaning and success, an issue I take up more extensively in the chapters that follow, as it needs, it seems to me, to be taken a little bit to the task for utilizing (and somewhat bluntly so) "conventional" measures to assess the workings of unconventional alternatives. For instance, part of the problem when looking at the growth pattern of the system's numbers is, according to many, that it is too slow. However, I am unaware of any convincing way to determine what rate of growth would be deemed acceptable for an admittedly challenging alternative initiative based entirely on grassroots participation and volunteer work. While there is sociological work on collective action dealing with such logistics, it is not without contestation, mainly from new social movement perspectives that dismiss such overly technocratic understandings of collective action (Crossley 2001). I find this conservatism particularly curious especially in light of the recently prominent discourse on civil society, social capital, "globalization from below" and agency in general that is struggling precisely with this question of how to understand power and agency outside the monolithically conceived gravity centers of "state," "capitalism," or whatever other totalities (Gibson-Graham 1996, 2006, and to a large extent Barlett, personal communication). If, as will be seen, the numbers do not quite explain the persistence of the movement, it is even more interesting to ask what does.

administration has been stable, and goods and services available in the system have steadily proliferated throughout this time. At the end of my fieldwork in Ithaca at the end of 2004, there were just under 800 people registered with the system, with a total of about 1400 different goods and services offered for exchange in local currency. At the time of this writing, membership is at about 1000 people with a corresponding increase in the HOURS market. Regardless of problems and contentions therefore, Ithaca is perhaps the oldest, and among the more sizeable systems of alternative currency in operation today.

Being among the more “mature” alternative currency economies, Ithaca afforded both span and temporal depth in this project, allowing me to enquire into the development and transformation of the system, and the trajectory of its articulation with its larger social and economic context in the town, region and beyond. One of my central arguments in this work, in line with the above discussion on the Möbius strip of materiality, is that elucidating the transformative potential of alternative social mobilization requires understanding both the workings of the “tool” being used (in this case currency and exchange, along with the market they define), and the social relations and grounded realities of the system as an organization emerging within a specific social and cultural context. Ithaca holds a both archetypical and uncommon position in the complementary currency universe, thus emerging as a rich case for study.

This project is based on three interconnected problematics framing the question of alterity. First, there is the problematic of social mobilization and collective action, especially in an “alternative” model that engages with the notion of sustainability. Such movements break from the more oppositional models traditionally used to study social mobilization, and as such require special attention. Here, I am taking the sociology of

collective action as a starting point from which to examine the special challenges involved in studying sustainability movements, specifically with respect to consumption. Secondly, there is the problematic of envisioning theoretical alternatives to established representations of global capitalism and the unsustainable logics of free trade neoliberalism that dominate economic discourse. There is a rich, if admittedly ambitious literature on the topic of re-envisioning markets and the economy, part of which also re-examines assumptions about the formal, universal, asocial and acultural nature of neoclassical constructions of economic activity. To trace this discussion, I am drawing heavily from feminist political economy, such as the work of Gibson-Graham (1996, 2006) and Katherine Verdery (1995), but also from a number of “heterodox” traditions in economics, namely new institutionalism (North 2001, Aoki and Hayami 2001, Ensminger 2002), post-Keynesian economics (Danby 2002 & 2004, Bobber 2001), and with respect to the HOURS economy specifically, input-output economics (Yoshida n/d). Third, there is the problematic of the relationship between the means, processes and outcomes of exchange, and the notion of value, for which I am drawing directly from a broad body of anthropological work. There is sufficient reason to argue that consumption discourse should not dismiss questions of meaning and desire, that is to say the more substantive view of value, as derivative and secondary (or outright irrelevant), but that meaning should be a central *technical* (which however is not meant to say “quantitative”) aspect in the study of consumption. I outline how these three sets of problems meet in the study of alternative currency below.

Social Mobilization, Alternativity and Value

Sociology has largely dominated the study of social movements. In this literature, competing perspectives have alternately emphasized the structural/logistical aspects of mobilizing, or the thematic/substantive aspects it takes, which reflect core

political and social issues in the social order being challenged (Crossley 2002, Kelly 2001, Edelman 2001, Freeman and Johnson 1999). Two related questions at the center of the debate are first, is social mobilization primarily *oppositional* or *alternative*, and second, what constitutes “success” in mobilization? Allen et al., put the first question in the terms of shifting tectonic plates: “To what degree do they [movements] seek to create a new structural configuration and to what degree are their efforts limited to incremental erosion at the edges of the political-economic structures that currently constitute those plates” (2003:61)? What about success? In the more traditional conceptions of collective action, for a movement to succeed it would mean that it achieved its (protest) goals and hence would no longer have a reason or the capacity to continue existing, the same result that could also come from failure¹⁴. Contemporary forms of mobilization however¹⁵, are not well contained by this model, but reflect a move from a global society of solid structures, to one of flows, and networks, in which “the nature of power and conflict also changes” (McDonald 2006:11). The broad anti- (neoliberal) globalization and sustainability movements, within which complementary currency can be firmly situated, exemplifies this shift. Defining the movement’s orientation in terms of opposition or alternativity, as well as assessing its success, are therefore not straightforward matters. A brief overview of alternative trade and consumption discourse will help clarify the issue.

Not too long ago Laura Raynolds (2000) observed specifically of the organics and fair trade movements, the two major alternative production and trade initiatives to first command significant space in the global economy, that they sought to “re-embed”

¹⁴ In the post-Cold War world, this has been an issue facing the Left in Europe for example, which then had to turn to other sorts of advocacy in order to resolve the incongruence (Castañeda 2007).

¹⁵ This is particularly problematic for the kinds of mobilization encompassing what Falk (1993) has termed “globalization from below,” and Appadurai (2000) has referred to as “grassroots globalization.”

economic processes within ecological, social and political relations, and step away from the dominance of a single measure, price, as the sole determinant of production and trade decisions. Consistent with the vision of a number of scholars regarding the emergence of a “global civil society” (e.g. Falk 1993, Appadurai 1996 & 2000, Habermas 1991, Lyson 2003, and even David Harvey who, in his *Spaces of Hope* (2000) found a more optimistic vision than his previous work on the workings of global capitalism and culture had allowed), Reynolds saw these alternative economic models as operating in “new local and global political spaces opening up above and below the nation-state” (2000:298). The work on these movements that has taken place since then demonstrates that this “re-embedding” is not without significant problems (Moberg 2005, Lyon 2006 & 2007). These problems range from the misconception and misapplication of technological and commercial standards and practices on behalf of labeling companies and trade partnerships to the accusation of cooptation from the global industrial system. Similar issues have been identified with respect to other alternative production and trade initiatives, and particularly the third most widespread movement in environmentalism, the practice of recycling (Lounsbury et al. 2003).

This critique runs deep. These days, demand for organic produce and fair-trade goods is growing, recycling and various campaigns are attempting, not without some significant successes, to sensitize consumers to the fact that most of what they consume are cheap goods produced unsustainably and under unjust work and compensation conditions (from farm products to clothing). But reviewing the history of civil action in the last few decades allows one to condense what it is about these responses that invites critique, effectively ascribing to these trends if not a level of hypocrisy, then certainly a precariously limited vision. Critics charge that much of what is going on today is but a different flavor of consumerism, the formation of just another niche market that has come to co-opt environmentalism and package it in an attractive, progressive-looking wrap for

the delight and reassurance of the Western consumer. Tracing the course of such environment-related civil action as it responds to the subtly shifting iterations of consumer society from the 1970s to today, Ewa Charkiewicz (1998) discusses the dominance of the sustainable development framework in conjunction with the rise of efforts to provide alternatives to consumer society. As this history shows, the mainstream environmentalism scene for the past four decades has gone through several stages in which the transformative capacity of ecological and social justice movements has been disrupted by various kinds of altering and mainstreaming, resulting in a possibly familiar sentiment of restraint: things are not working as they should.

In the 1980s there was the message of “green consumption,” marked by the emergence of a market for eco-friendly products, which quickly became subject to privatization for-profit. The environmentalism of the 1990s was marked by the prevalence of an “eco-technocratic rationality” under the frame of sustainable development, which had the consequence of derailing civil society efforts by ushering in a paradigm of professionalized and specialized advocacy and lobbying with a concomitant loss of support for alternative projects. As Charkiewicz points out, while new initiatives oriented to social justice, labor rights, the environment, or health have emerged, which attempt to re-frame the discourse on sustainable consumption from a transformative perspective, much of this work runs in “parallel and separate courses, which contribute to further fragmentation of civil action for sustainable development” (1998:46).

Also, throughout these phases, people have been running into the practical limitations, difficulties and ambiguity surrounding individual action, given the limited resources and information available to individual agents. The challenges facing individuals are based on factors like the limited availability of resources and the decline in real household income for many developed countries overall. Alternative economic

progress indices, such as the Genuine Progress Index (GPI), an alternative to the GDP that factors in social equity, sustainability and ecology shows a decline of about 40% on a global scale since the 1950s, while the GDP has consistently grown. In addition, there is the question of the quality and usability of the science behind sustainability, the problem of disseminating information to the consumers, and the “confusing complexity and contradictions” in what constitutes “acting sustainably” (1998:44. Also, Taylor and Buttel 2006). For Charkiewicz, while sustainable consumption may still hold a transformative capacity, “what is lacking is the awareness of the social and cultural aspects of consumption” along with the “risks resulting from the globalization of unsustainable consumption patterns,” which are not yet well understood either by activists or academics (1998:47).

The answer this seems to suggest lies in the (re)politicization, and re-socialization of consumption, with the concomitant need to retool our conceptual and methodological toolkit for studying consumption, a call increasingly made from various directions. Hence, a host of works in both scholarly and popular media have for a while now begun to consider the deeper implications of consumption. Popular books, television series, documentaries, and even entire magazines now exist, dedicated to exposing the social, political, cultural and environmental issues surrounding economic activity global capitalism style (the Public Broadcasting series and homonymous documentary “Affluenza,” and the magazine *Adbusters* immediately come to mind here). Richard Wilk (2000, 2006) has long now been calling for the need to refocus our attention on consumption but also suggests that anthropology –specifically– would benefit by taking a page from marketing studies by revisiting the “mid-level” theoretical implements of the commercial sector that focus on the practice and not solely on the philosophy or morality (or moral philosophy) of consumption. And lastly, the perspective

that consumption is an area of inquiry in its own right, and one that may in fact subsume production and trade is gaining ground.

We have too long allowed, this new line of argument suggests, for a reasoning that sees economy, society and nature as fragmentary to dominate the consumption discourse. This is an argument that is broadly reflected in the literature on re-envisioning global capitalism (Gibson-Graham's "straw man" of capitalism in their 1996 work etc), which challenges the economistic rationality underpinning global capitalism that treats production, exchange and consumption as processes connected solely by the mechanisms of, and meaningful only in the terms of price and quantity. Much as this kind of thinking is the target of assaults from multiple fronts by social science, as well practicing advocates of more holistic modes of being, there is no coherent alternative framework for understanding the interplay between things, desire, and relationships, an alternative framework through which to understand consumption, as it were (Wilk 2006).

Taking up this issue, Princen, Maniates and Conca (2002) contrast two angles on consumption. The first is what they call the "production angle," the traditional focus of economics on supply-side issues and of policy making on growth, a perspective which equates consumption to demand, thus effectively turning it into a "black box" of individual preference and consumer sovereignty reigning over the murky domain of self-assessed need and utility. The second is an alternative "consumption angle." This consumption angle argues that the conceptual separation of the material from the sociocultural world inherent in traditional views of economy and environment has left us with an insufficient theoretical and terminological toolkit for studying consumption as the relationship between social processes of decision- and meaning-making, and the natural world.

The conceptual "ball and chain" of the production angle is made up of a pair of related practices. First there is the "individualization of responsibility" (Maniates 2002), the overarching logic of late capitalism, which on the one hand sanctifies the individual

and equates freedom to choice, while on the other severely constricts the ways and the arenas in which the individual can exercise that sovereignty, particularly if this entails collaborating with other alleged sovereigns/consumers. The restricted space is, of course, political (Maniates 2002). What the current arrangement of power allows for instead, is a politics of the individual, where freestanding agents, devoid of context, make decisions without attention to the influence of structuring social and cultural forces or the capacities of the natural world. The second component in the production angle is the familiar notion of commoditization, the tendency of commercial forces to “colonize everyday action, converting more and more of life’s activities to purchase decisions” (Princen, Maniates and Conca 2002:15). In other words, the market is the space of agency and meaning for the sovereign individual, who is however limited to a single role in the system, that of consumer. An additional implication relegating the individual to the status of the consumer is the further loss of political power in the form of the commodification of meaning embodied in the material world, which compounds the decontextualization of consumption practices from the social and environmental fields.

Social theory has long sustained a multi-layered discourse on subjectivity. This includes various considerations of power and inequality connected with Marxist and neo-Marxist perspectives, the question of the dynamics between individuals and institutions as in the assorted iterations of praxis, and the relationship between materiality, meaning and identity. This includes a range of considerations from the definitions of reality and materiality, central in the work of the Frankfurt School but also in cultural studies, as well as the anthropology of the “social life of things” (Appadurai 1988). The charge however, is that these perspectives have not become sufficiently integrated to combat the controlled de-politicization of the consumption domain (Narotzky 1997). Meanwhile, the newest generation of social mobilization is ahead of the curve, so to speak, producing on the ground just the sorts of social experiments that confront, challenge and rework the

domain of consumption as a preeminently political domain (Princen, Maniates and Conca 2002:11- 17).

In other words, theory has fallen behind, while new forms of practice are appearing on the ground to redefine the terms of the debate, reclaim power, and re-engage politically with the contested terms of the global economy, a process of which the alternative currency movement has been serving as an eminent example (Boyle 1999a&b, Glover 1995, Schuman 1998, Douthwaite 1996, Douthwaite and Lietaer 2000, Helleiner 2002, Princen, Maniates and Conca 2002, and notably Hart 2000 and Hornborg 2007). This new, broader perspective on the politics of consumption should instead, this line of thinking implies, seek to redefine the individual as individual-in-community, commodities as things of multi-dimensional and fluid valence to social individuals, and consumption as the process of negotiating meanings and relationships between things and people. So how have these economic relations between people and things have been envisaged with respect to local currency?

It seems that the “old frame” is hard to shed, so that the question of the politics of local currency is frequently met first not in the terms of relationships but of affiliation. Hence David Boyle, one of the major European figures in the scene of local currency and alternative economics more generally, locates local currency in parallel to the British Liberal Democrat tradition of community-oriented individualism and independence (1999a). By contrast, Eric Helleiner who is one of the people to bring the local currency movement to the attention of academic audiences, explicitly objects to identifying local currency philosophy with “traditional” opponents of economic liberalism (such as Marxism, social democracy or economic nationalism). Instead he sees the movement as stemming from the political-economic thought associated with “green politics” and a broader “green social movement” that is characterized by its “enthusiasm for the decentralization of social life,” and should be distinguished from the more narrowly

focused movement of environmentalism (2002:259). Meanwhile, a 2001 piece in Harper's Magazine that specifically referenced Ithaca HOURS saw in the system a type of "protectionism" and "economic Puritanism" (Glover 2001). Recent research, however, on the demographic of local currency systems shows that these systems appear mostly in places that are historically progressive, and their constituencies are characterized by a younger age bracket that tends toward lower-income but higher levels of education, self-employment, and general leanings toward "cultural creative" or otherwise alternative and progressive lifestyles (Collom 2005).

What then (if anything) about alternative currency and alternative currency economies indicates a shift in political perspective with respect to this broader theorization of consumption as an iterative process of mental and material feedback? In the relatively common ambivalence with which social mobilization and its transformative potential are frequently regarded (Crossley 2002, Edelman 2001), the plan for a new theoretical toolkit of consumption to match and promote already emergent practice is once again inverted, as the practice fails the test of ideological purity. Thus, Helleiner for example, juxtaposing the local currency movement to the neoliberal logic of global capitalism, comes to the conclusion that alternative currencies are not just too small-scale but that they also do not shake things up enough:

Local currencies promote change through a mechanism that neoliberals themselves endorse: the voluntaristic behaviour of individuals acting as consumers in the economy. In this way, the local-currency movement highlights a limitation of the use of consumption as a political tool: it seeks to promote social change by playing within the means and many of the rules and terms that neoliberals have established as the new terrain of politics (2002:273).

With a single stroke, the enterprise of re-imagining the politics of consumption has been called into serious question, and social theories of value, desire, materiality and subjectivity have gone with it.

Given the history of alternative consumption movements, Helleiner's caution may not be unwarranted. However, his words evoke the question of assessing success for alternative collective action. The problem here is three-fold. First, this line of argumentation exemplified in Helleiner's stance is based on the broad tendency to assume negatively moralizing attitudes toward consumption, such as "the frequently expressed anxiety that consumption turns active citizens into passive dupes. In this it reflects rather than analyzes the public debate about the ethics of consumption" (Brewer and Trentmann 2006:4). Secondly, anthropology has long shown that consumption and even overconsumption, not to mention a deep concern with abundance, are hardly the prerogatives of capitalism but can be found in many forms, across space and time, from the widespread concern with fertility to "binge economies" and the historical proliferation of "luxury" (e.g. Mintz 1986, Wilk 2006). As such, there is no reason to leave the social and cultural meanings of "mainstream" versus "alternative" consumption untouched because of a stubborn adherence to an undifferentiated view of "the market."

Last, specifically with respect to consumption and the market as institution, the perspective exemplified by Helleiner reflects assumptions about the material life of places designated as "market" and "capitalist," as Danby (2004) puts it, that recent work has shown to be, if not outright untenable, then certainly in need of closer scrutiny. This is the contribution that heterodox traditions in economics, particularly new institutionalism and the post-Keynesian school make. New institutional economics demonstrates the importance of institutions in mitigating transaction costs, imperfection with markets and the problem of obtaining and using information, all qualitative and social relational issues.

In addition, the key contribution of Post-Keynesian theory¹⁶ attends to the time structure of material life, noting that in the neoclassical framework used both by economists and social scientists, transactions under capitalism are assumed to be spot transactions, meaning that they happen in zero time in the instantaneous frame of a purchasing act. This is the characteristic that most of all supports the notion of capitalist market transactions as impersonal, mechanistic, asocial and acultural, and that sets them in opposition to “moral” or “gift” economies where the emphasis is on the perpetuation of social relations (Danby 2002). Nevertheless, according to post-Keynesian analysis, even within capitalism, transactions are forward transactions, happening in real (and oftentimes extensive) space and time, and entailing elaborate sets of connections, negotiations, speculations and agreements, for which, furthermore, common representations of value and materiality are necessary. Forward transactions in other words are predicated on some kind of sociality between transactors and, as Danby writes, “an economy in which people make forward commitments to each other is clearly also an economy in which representations matter” (2004:73). This reintroduces a concept of subjectivity that is much more interesting than the neoclassical “choice.”

We are back in the domain of politics. And if the question is one of political struggles over representations of value, money, the conduit of memory and information is central to the debate.

Structure of the Work

This study argues that in Ithaca, complementary currency works to challenge the widely held perception that contemporary global monetary and financial conventions are neutral markers of “essential value.” Instead, HOURS demarcate an alternative economic model that emphasizes the interconnection of the material, the social and the

¹⁶ This discussion on post-Keynesian theory derives directly from the work of Danby (2002, 2004) and to a lesser extent Pollin (1996) and Bober (2001).

environmental on the level of lived experience. By offering an alternative means to trade, HOURS re-politicize money and by extension the construction and negotiation of economic value, the role of choice, and the creation of meaning in exchange and consumption. However the effect of alternative currency cannot be fully understood unless it is at once considered as a case of grassroots mobilization, a social organization and a market, in which, furthermore, the money may not always be confined to the functions and aims envisioned by the group of people who make up the system of its circulation. I trace these functions and effects across the three domains on which the movement purports to act, and which map on to the three spheres model of sustainability: economy, society/community, and environment.

I predicated this study on the attention to money as an institution. Chapter 2 therefore takes up the question of modern money, what it is, how it works, and what can be said to be “wrong” with it from the perspective of the complementary currency movement as a whole. This discussion focuses on the complex historical trajectory of monetary forms and policy, with particular attention to the current financial regime of monetarism, which, as the financial counterpart to neoliberalism, has a central (but far less visible) role in shaping economic realities. I then present an overview of the complementary currency movement tracing its historical development and current manifestations, examining its claims toward sustainability and covering some of the main models of complementary currency in operation today.

A brief interlude on methodology, in which I discuss the influence of action-research perspectives in my fieldwork, precedes a historical and ethnographic description of the town of Ithaca. Situated in the economically depressed “rust belt” of upstate New York, Ithaca exhibits several distinctive characteristics, largely connected to the presence of the two major universities that act as economic, social and cultural centers, but do not subsume the town. The presence of the universities has to some

extent buttressed Ithaca against extended economic depression but has also produced a largely service-oriented economy with a number of consequences for the town. Far from being “a typical college town,” Ithaca is distinctly diverse as a community. Characterized by a highly progressive segment having grown around, but independently of the universities since the 1950s and 60s, it is also marked by racial, ethnic and class inequalities. The HOURS system emerges against this background. I present a history of the system, which also corrects a number of misinterpretations and misrepresentations about HOURS that are found in the complementary currency literature.

Chapter 4 takes up the economics of HOURS. I discuss the problems surrounding an economic assessment of an alternative cash economy, and present the economic profile of the organization, as well as data from users to assess the size and energy of the HOURS economy. The picture that the data paint of HOURS is highly diverse. By and large, the HOURS economy is distinctly small, representing, as one of the system’s administrators put it, “much less than 1% of the local economy.” The majority of users also report low levels of transactions within the HOURS network, though there is distinct variability as to the size and significance of HOURS transactions among participants. The work of the alternative currency however is not limited to a quantitative measurement, but participants also identify a number of other economic functions for the currency, including its use as a networking tool, as a resource for microlending and a form of security against economic crisis. The dynamics and flows of HOURS, along with the problems they present are also covered in this chapter. The provisional conclusion drawn by the economic data is that the tenacity of the system cannot be attributed to its unambiguous quantitative contributions in the town, though HOURS do perform several auxiliary and supportive economic functions that are less immediately visible and accounted for.

Chapter 5 moves to the issues of sociality and community in the system. Do HOURS work to promote social connections, integration and social justice, in accordance to the movement's rhetoric? The very term "community" is problematic and I present a discussion on different ways to conceptualize community as network and locality. I examine two avenues of social connection: first, HOURS as an organization with a specific history, politics and development, and second, HOURS as a network of exchange. In this discussion I experimentally employ the notion of social capital as a possibly valuable tool to discuss the blending of sociality and economy. If complementary currency promotes connections that are expressed in (and in turn promote) economic exchange, then social capital may be measurable in HOURS. The utility of the concept however remains questionable in assessing the connective potential of local currency. The evolving politics of the organization are in part responsible. HOURS have been historically plagued by an aura of progressiveness that kept other segments of the population from engaging with the system. While the system has over time made some inroads to a broader section of the town's community it has not managed to significantly break present divisions of race and class. Within the network of users however, HOURS relate to some interesting patterns of sociality connected to consumption.

The theme of social integration and equity follows into chapter 6, in which I recount the Cornell Cooperative Extension project, a pilot research project initiated by one of the members of the Ithaca Hours board of directors, under a civic grant from Cornell University, which I helped to design and implement. The project was aimed at determining the resource potential of local currency for low-income residents of the county, and echoes many of the themes uncovered in the rest of my research both in terms of the problems and the potentials of local currency as an alternative social and economic system. Lastly, chapter 7 on the ecology of HOURS takes up directly the

theme of exchange, value and consumption. Taking a quasi-phenomenological perspective I examine the subjective experience of HOURS exchange in Ithaca, to find that the alternative currency suggests the emergence of an alternative consumption discourse, which presents an interesting departure from the neoclassical tenets of scarcity, choice, value and meaning.

What characterizes the following ethnographic account is diversity. This is diversity of experience, of action and of meaning, which will at times border on contradiction. The data presented paint a picture of inconclusion and indecision: There is no one solid or consistent thing –economic success, social facilitation, ecological empowerment– on which to pin local currency. Is there really something to be said about this messy, murky, dissonant movement as it was born and continues to live in Ithaca? The challenge here is to suspend this decision and instead allow oneself to be immersed in the variation and even dysfunction surrounding local currency to be found not only between but also even within individual accounts. I argue that it is precisely the ability to sustain this incongruence that is the key to understanding the unique contribution that alternative currency makes to the enterprise of not only imagining but constructing new (and more sustainable) alternatives.

Chapter 2 – Money and Movement

Money in a Global Perspective

The danger is that people are not aware of the danger. Everybody talks about the global financial markets as if they were irreversible. But that is a misconception. (George Soros in Boyle 2002:81)

Popular and scholarly understandings of money tend to share some common traits found in narratives of the globalization/modernity dyad. Money is a “fact,” a reality that almost assumes the status of an agent, an agent that is increasingly unified and uniform across sociocultural, political and economic boundaries. National moneys compete in the world scene for dominance, based on relative “strength,” the stronger currencies sometimes supplanting weaker ones across national boundaries. The European Monetary Union has consolidated a number of national currencies into the Euro, echoing the trope of homogenization appearing in certain readings of modernity and globalization. The notion of “net worth” is a standard measure of economic and social viability. While money is primarily a token denoting value, under the current global capitalism it takes on the guise of a commodity, becoming an object of value in itself. In this, it is also fetishized: it becomes the avatar of economic life and health.

In discussing his concept of “financescapes,” Arjun Appadurai evokes Mary Douglas:

To consume, whether in search of subsistence or leisure, we have to learn to contain money, that most fluid of values. As Mary Douglas has pointed out, money always threatens to slip through the cracks of the structures we build to dam, husband and restrict its erratic flows (1996:80).

It is notable that Appadurai predicates his discussion of money on consumption but here I want to first focus on this notion of the fluidity of money. In her usual, insightful style, Mary Douglas juxtaposes the entity “money” to financial structures, thus prefacing the somewhat strange observation that despite its ubiquitous, and in fact, essential, presence and role in nearly any economic discussion, money remains a mysterious, and

only very partially examined thing. This becomes additionally important with the globalizing of monetary structures. “Financescapes” then refer to,

The disposition of global capital (that) is now a more mysterious, rapid and difficult landscape to follow than ever before, as currency markets, national stock exchanges, and commodity speculations move megamonies through national turnstiles at blinding speed, with vast, absolute implications for small differences in percentage points and time units. (Appadurai 1996:35)

What is the historical context for the development of these financescapes?

Mainstream economics has consistently downplayed the importance of financial structures throughout much of its history, generally seeing money as a simple, neutral tool for the economy at large. Interestingly, this perspective was (and largely still is) held by diametrically opposing sides of the political/ideological spectrum. Georg Simmel, whose “Philosophy of Money” is still the classical text for monetary theory, called money “colorless,” a thing of “uncompromising objectivity” that lacks “any content of its own” paying no heed to interests, origins or relations (2004). In a similar vein, Marx writes: “Just as in money every qualitative difference between commodities is extinguished, so too for its part, as a radical leveler, it extinguishes all distinctions (in social relations)” (1990:229).

The view has not changed much in recent years. Addressing the wider sphere of financial products and services that have evolved around money, Benson elegantly states that their history “in general hinges on one need: The demand for ways to transfer claims over resources” (2000:1). This statement also exemplifies what could be considered a bias of modern economics, to focus on a level of analysis whose unit is not just the individual, but a particular conception of the individual, the rational maximizer of classical and neoclassical formulations. Following a line of critique increasingly levied against mainstream economics, this conception of the individual as well as the market

process fails to take account of the psychological (e.g. Lindgren 1980), as well as social, political and cultural dimensions of finance (e.g. Zelizer 1994, Hart 2001).

If money is not just an impersonal instrument for individual exchange, then what is it? Mostly, the definitions advanced are functional. According to the Federal Reserve, money is:

Anything that serves as a generally accepted medium of exchange, a standard of value and a means to save or store purchasing power. In the United States, currency (the bulk of which is Federal Reserve notes), coin and funds in checking and similar accounts at depository institutions are examples of money. (FED Website—Chicago)¹⁷

“Currency” is then defined as any form of money that is in use as a medium of exchange. In his monetary history, Glyn Davies gives a much more detailed list of money’s functions (2002:27-28).

Specific functions (mostly micro-economic)

1. Unit of account (abstract)
2. Common measure of value (abstract)
3. Medium of exchange (concrete)
4. Means of payment (concrete)
5. Standard for deferring payments (abstract)
6. Store of value (concrete)

General functions (mostly macro-economic and abstract)

7. Liquid asset
8. Framework of the market allocative system (prices)
9. A causative factor in the economy
10. Controller of the economy

There is a complexity here that validates Mary Douglas’ point: how do we contain this entity, and furthermore, how do we reconcile it with money’s deceptively straightforward conceptions?

¹⁷ I would like to draw attention to the fact that the glossary available on the website of the Chicago Branch of the Federal Reserve Bank calls money not a store of value, which is the overwhelmingly common wording for that function of money, but a store of *purchasing power*. (<http://www.chicagofed.org/glossary/>)

Another standard view of mainstream economics is that money stands in an evolutionary relationship to barter, which is, in turn, largely understood as a “primitive,” and cumbersome mode of exchange with obvious and severe limitations. Neither of these understandings is particularly accurate. Davies (2002) points to money’s multiple and diverse functions, as well as its eminent fungibility as evidence that the money form has multiple and diverse origins. Contributions from many fields including anthropology (e.g. Humphrey and Hugh-Jones 1992) have clearly supported this second view, showing that barter is not a precursor to money, as well as that all money is not the same or equally fungible. Furthermore, barter and money still co-exist in complex formations, even in today’s most heavily monetarized economies, occurring not only on the level of small-scale exchanges between individuals but on the corporate level. Large-scale corporate barter is a practice encouraged by the various tariff and trade policies enacted periodically, accounting for an impressive amount of transfers on a global scale. One estimate speculates over 40% of East-West trade to have involved at least some kind of barter in the 1980s (Davies 2002:20). According to the International Reciprocal Trade Association (“a non-profit organization of companies committed to just and equitable standards for reciprocal trade”), the WTO estimates that 15% of international trade (\$8.43 billion out of \$5.62 trillion) is conducted on a non-cash basis. Their own survey indicates that for 2004, approximately 8.25 billion was traded through corporate barter (www.irta.com). Still, standard discourse holds money as a (r)evolutionary invention against the impracticality and severe limitations of exchange in kind.

Furthermore, as Hart reminds, “The money form is not standing still, and that makes it even more imperative to probe beneath surface appearances and ask what the source of money’s value is and what we can make it do for us” (2001:237). The problematic of money thus turns to the question of monetary policy and regulation.

Furthering Hart's point, Williams, Cribb, and Errington (1997) among others, state that the modern period displays two major themes: the question of what material the money should be made from and the extent to which it could and should be regulated by national governments. They continue by noting that the source of the value of money has drastically shifted over the last two centuries, and that while money has become more flexible and perhaps more manageable, this has not been without "considerable theoretical debate and a certain amount of catastrophe" (1997:219). Interestingly, even the more recent part of this history is full of instances of what would today be considered monetary heresy. For one, the mainstreaming of finance into the forms operating today is a very recent occurrence, the world financial scene solidifying in the current form only in the last half century. The money system took its current form with the second abandonment of the gold standard and the creation of money markets starting in the 1970s. Historically there has been a myriad of money systems. There are experiments and conflicts, from "money that rusts," a money that creates holding fees, based on the belief that interest is inherently problematic¹⁸, to labor notes, and private company issued "moneys" for use in only company store, all moneys that for most people today would seem utterly alien.

While "heresy" may be more the norm however, Boyle points out that these traditional discussions about money "have dropped out of polite debate this past century," and references Douthwaite in saying that the question of what form money should take has been largely untouched since the 1930s, with Keynes being the last major monetary economist (2002:3). Boyle may be right, Douthwaite is only partly so. The latest monetary economics debate is, in fact, the "forty years' war" (Davies 2004:4)

¹⁸ There are several historical examples of such experiments with money. If this money stays stationary for a period of time, it is set to lose a part of its value (for instance, if I have a \$10 note and do not use it within a month, it will lose \$1 of its value). The point of these kinds of money is to stimulate trade by making it costly to hoard money.

over the control of monetary policy between Keynesians and monetarists, a perspective that has come to be identified with the work of Milton Friedman (Davies 2002:4, also see Hart 2001, Williams, Cribb and Errington 1997). This war, which resolved on the side of the monetarists, pitted a demand-driven model involving the State's ability to increase the money supply according to need (the Keynesian recipe of the New Deal), against a supply-side model that argued against the liberal expansion of the money supply as inherently inflationary, and arguing that the main role of monetary authorities should be to maintain price stability. Monetarist philosophy can be credited with the argument that there is an "essential linkage between money, free consumer choice and political liberty" (Davies 2002:3), the sort of economic ethos that can be said to characterize and be disseminated by today's pace-setting West. This is value, as it is encoded in our modern money.

The Complementary Currency Movement in Context

The picture of the global financial scene that emerges is filled with the peculiar, the contradictory, the counterintuitive and, in a sense, if not the mystical, then arguably the mystifying. Consider the following two quotes: "The bank hath benefit on the interest on all monies which it creates out of nothing" (The Charter of the Bank of England, 1698 qtd. in Boyle 2002:83); and, "the financial system is now driven by speculation. Over U.S. \$2 trillion goes through the world markets every day, and over 95 per cent of it is speculation¹⁹" (Boyle 2002:80. Also Croal 1999, Raddon 2003).

Even if no such language is employed by any formal financial institution today, the first statement effectively summarizes one of the most central points of contention in the realm of finance, namely the creation of money by banks that, with the advent of credit currency, has furthermore come to be backed not by any form of wealth but by the

¹⁹ Commodity futures, money markets, that kind of thing.

tension between nation-states in the form of trade and loan balances, as investments circulate globally through the money markets; Or, by what the more stern critics would call debt (Boyle 2002, Hart 2001, Kennedy 1995, Korten 1995, Glover 1995)²⁰. The second statement points to the un-reality of the overwhelming majority of monetary transactions today, in the sense that money has shed any need to represent the value of something solid but has acquired attributes of a commodity, an abstracted materialism. Money is thus increasingly divorced from production, as well as –strangely– from consumption.

The latter, money's separation from consumption, is not just a theoretical implication of money's separation from some necessary material underpinnings, and its emergence as both a thing and the measure of value rather than a representation of value. It has a very real and pragmatic manifestation in the phenomena whose most dire manifestation is poverty (Hart 2001, Boyle 2003, Korten 1995, Cahn and Rowe 1992, Cahn 2000). Much of the critique facing neoliberal development projects relates, in fact, to the use of financial tools and measures coming from particular financial philosophies, to guide, force or assess the success of states to become integrated into the global capitalist economy, without regard for the real impact of policies on the living conditions of their populations (e.g. Hutchinson, Mellor and Olsen 2002, Korten 1995). Hence, international development under this paradigm creates the paradoxical situation of the appearance of success in numbers, coupled with the reality of growing poverty and declining living standards for people on the ground (Edelman and Haugerud 2004).

²⁰ Debt at all levels is an increasingly prominent topic in and of itself. I would like to mention here as an example Katherine Verdery's observation that the fall of the Soviet Union and the communist Eastern Block in general was a function of debt to Western lenders: "The irony is that had debtor regimes refused the definitions imposed from without, had they united to default simultaneously on their Western loans (which in 1981 stood at over \$90 billion) they might well have brought down the world financial system and realized Khrushchev's threatening prophecy overnight" (1996:37).

According to some interpretations, the numerous debates and continuous tinkering on the policy and regulation fronts attest to the fact that something “does not work right” on the formal finance level (Boyle 2002, Raddon 2003, Solomon 1996, Korten 1995). Above all however, what this indicates is that, far from being a neutral tool, money has always been instrumental in the political construction of social realities (Helleiner 2002, Davies 2002, Hutchinson, Mellor and Olsen 2002 etc.). The 19th and 20th century enterprise of nation-building, colonialism, and even the Chinese Cultural Revolution all had a strong monetary component, with the centralization and strict regulation of exclusively national currencies by the respective States (Helleiner 2002, Notar 2004). In the post-modern period, the neoliberal paradigm, with its emphasis on free trade, investment flows, general deregulation, and growing global interconnection propelled by the private sector, favors monetary integration and the dissolution of financial boundaries. This is a tendency best showcased by widely divergent phenomena, such as the European Monetary Union officially tearing down national monetary borders. On a much more diffuse, privatized level, there is a recent trend of linking “bonus point” systems for using certain commercial services, such as earning frequent flyer miles by using a credit card to shop, what essentially amounts to linking different “special moneys” and making them interchangeable.

Resistance, Reform, Alternatives

Monetary reform is not only played out on the level of formal policy however. History shows the near-constant presence of a corresponding bottom-up push for change that attempts to answer economic and development problems through decentralizing (but not necessarily privatizing) money and moving it to the control of the local level. Since the 1980s, this has been the domain of complementary currency (Boyle 1999a&b, 2002, Raddon 2003, Solomon 1996). Complementary (also known as

alternative, community, or local) currencies are emerging as a substantial social movement all over the world, and are promoted as a means to empower the economically marginalized and to revitalize local economies and communities. At its most basic, the function of complementary currencies is to create an alternative means of exchange “with a boundary around it” (Glover 1995), that is to say, useable only within a predetermined space, an area, or network of people defining a community. Such an alternate means of exchange offers a solution to the scarcity of regular currency, stimulates local exchange, and by extension, assures that all profit will remain in the prescribed community.

The problem with the conventional monetary system can be summarized as follows: Money has many functions, not all of which are necessarily complementary or congruent. In the current system, the two main functions of money are the medium of exchange function, in which currency serves to facilitate transactions, and the store of value function in which money serves to reliably save value so that it will be predictably retrievable and useable at any time. How do financial regimes affect trade? The current global financial regime of monetarism is the financial complementary counterpart of neoliberalism. If neoliberalism favors the deregulation of markets, monetarism favors closely regulating the money supply as a primary means for economic stability, and ascribes price phenomena such as inflation to an overly (and detrimentally) expanded money supply. Monetarism therefore privileges money’s function as a store of value, rather than as a medium of exchange, and is concerned with the quality, not the quantity and availability of money, seeing the latter as inherently inflationary. In this way, the current regime gives primacy to financial rather than to productive capital. This essentially ties up money, instituting conditions for a chronic lack for the means to exchange, even though both the supply and the demand for goods and services may exist. The perpetual struggle between the means of exchange versus the

store of value function of money means that scarcity is endemic to the system (Raddon 2003:41, Davies 2002).

Additionally, the ways in which money is put to circulation influence the directions of economic activity. Modern money is what is known as credit money, created by the state but issued to circulation by private banks, through the process of lending. The implication of this system is that the very creation of money is predicated on the need to return more of it than was originally given out, setting up a perpetual cycle of debt. This also means that a third function of money, money as a means of payment, becomes key, as borrowers strive to pay back their loans and the accrued interest, thus placing additional demands on the existing money supply in a cycle where, at all points, there is more debt than the means to pay it. This fuels the need for perpetual economic growth, further entrenching both the condition and the experience of scarcity (Rowbotham 1998:8, Hutchinson, Mellor and Olsen 2002). This growth furthermore both supports and is supported by the logic of “free trade” to match the rapid pacing and short temporal frames of financial markets.

So far this highlights the effects of the separation of the means of exchange from the material sphere of production and consumption but it also has implications for the current course of development. The idea that the current monetary system necessitates perpetual growth meshes in interesting ways with the Marxist thesis that overproduction is at the core of capitalism’s internal mechanism for self-destruction (Brenner 1998). It is also clearly against the logic of sustainability. This effectively connects the monetary system to the need for a reconceptualization of development and the advancement of alternative development models. The complementary currency movement comes as an answer to these problems because it attempts to redress the twisting caused by the incompatibility among monetary functions. It is perhaps in this sense that it is suitable to talk of complementary currencies as “special purpose money” specialized in function

rather than restricted in use. They are a way to empower “normal” people as economic beings, placing them in a position with more options, more choices in relation to their needs, and mainly, more control over their economic lives. What forms does this empowerment take? In a much-quoted phrase, Paul Glover called it “making a community while making a living” (Glover 1995).

Just as money holds a peculiar place in the economy, the complementary currency movement presents certain unique traits that differentiate it from other forms of social action aimed at alleviating the pressures of globalization and rectifying its problems. To begin with, it is not a movement in the more orthodox sense of the term, that requires a level of cohesion in organization, commonality in goals and expressions, and according to more parochial schools of thought, a focus on opposition (Edelman 2001, Allen et al. 2003). Rather, it is comprised of autonomous, local systems that demonstrate significant variation and that may or may not consider themselves parts of a larger trend. They appear equally in developing and developed countries. They may be a community development strategy aiming at local revitalization, as in most of the U.S. and European cases or arise out of necessity, the byproduct of trouble, or outright economic/monetary collapse in the mainstream system, as was the case in Argentina (Primavera 2004, Hirota 2003).

What is more, they are not strictly an “alternative” enterprise. They may emerge through grassroots action, but also with the involvement of NGOs, governmental programming, or a combination thereof. The Clubes de Trueque, or “barter clubs” of Argentina, one of the best-known recent instances of alternative currency, had their roots in bonds issued by the provincial government of Buenos Aires that, finding itself unable to pay its workers in the midst of economic turmoil, resorted to this solution. The spread of barter clubs throughout Argentina, which at their peak are estimated to have involved 6,000,000 people, was fueled in part by the incremental involvement of the Argentinean Ministry of the

Economy (Primavera 2004). On the other side of the ocean, several successful pilot projects, including the state-sponsored *Ecoaspromonte* in Italy, have spearheaded a proposal to divert European Union development funds into the creation of a number of local currency systems throughout Europe (Komoch 2004). Interest has been expressed even by the People's Bank of China, which has actively investigated my own case study, the HOURS system in Ithaca, NY, presumably to consider implementing such local currencies in China (Notar 2004).

Another thing rendering local currencies notable is the energy with which the movement seems to be spreading. While still an obscure phenomenon to the general population, the idea is finding fertile ground in varied settings. As a community development strategy, local currencies began to appear in the late 1980s. While an exact number of local currencies in operation is not available –and in all reality, not possible to obtain both for the small scale and ephemeral qualities of many such collective action initiatives– a recent survey indicates that there are over 4,000 such systems world-wide, appearing equally in the developed and developing world. Japan alone is reported to have over 450 systems (Hirota 2003), while numbers are also rising in Europe, New Zealand and the Americas.

What is the appeal of the movement? Local currency belongs within that field of social action comprised of the “new generation” alternative movements such as slow food, co-housing/eco village alternatives, and the better-known fair trade movement. This lineage is notable in that it redefines the field of social action, seeking not so much to reform mainstream institutional and structural arrangements in economy and society through critique as to actively construct functional (and functioning) alternatives, through which to bring about substantial social change. From a theoretical standpoint, these movements are also notable in that they pay particular attention to *place*. They seem to be structured around the conscious implementation of localism with a global outlook, or

what Falk called “globalization-from-below:” the emergence of a global civil society that connects

transnational social forces animated by environmental concerns, human rights, hostility to patriarchy, and a vision of human community based on the unity of diverse cultures seeking an end to poverty, oppression, humiliation and collective violence (1993:39)

But here it is locality, be it in terms of the community in which one lives, or the precise knowledge of the place and community of origin for the things one buys that is central.

For complementary currencies specifically, there is a very clear line between what is globalized and what remains local. Ascribed to the world is the ideology of interconnections and systemic thinking, while what is in the material sphere is kept overtly close. “Think globally, transact locally” is a very fitting motto for this movement. As an ideal this may be neither unusual nor uncommon. What is notable is the approach to reforming exchange that the complementary currency movement takes. It focuses not on commodities, or even specific production and consumption habits but on the medium of exchange, directly taking up the sphere of finance, through which, as the above discussion on monetary history implies, things, labor, and value are given meaning.

Again, the innovative use of money for promoting small-scale development has a well-established presence. Some of the examples more familiar to anthropology, for instance, involve projects for microlending and microcredit in the style of the Grameen Bank. Complementary currencies however do not attempt to affect the flow of extant (and finite) financial resources but to introduce a supplemental monetary system on the local level, whose on-the-spot creation allows it to be modeled and customized to best fit local needs. This “funny money” is freer to assume any form and function that the network in which it circulates may wish. Hence, local money presents the first instance where the monopoly of both national currencies and finance conventions are challenged systematically.

The genealogy of the complementary currency movement involves a wealth of currency reform efforts throughout history, including but not limited to the following: There are the economics of utopian communities (Raddon 2003). There are the long wars between advocates of fiat (“fake or “made” money, tokens without inherent value. The money we use today is almost universally fiat money) versus different kinds²¹ of full-body money (money with inherent value, such as gold). There are the various scrip systems that have emerged at times of crisis throughout the world, of which one of the favorite examples are the systems that operated during the great depression in North America. There is even the currency issued by Norton the First, Emperor of the United States²².

There is hardly agreement among alternative currency advocates about what the problems are or how they should be addressed (Boyle 2002, Raddon 2003). What is shared is an understanding that some things are indeed wrong with the current monetary conventions and/or how they operate, and the willingness to take innovative monetary action. Beyond that, things get much more varied. Local currencies can be “hard” physical money or virtual/electronic money. They may be full-body (usually metal) or fiat money, or a combination thereof. They may be backed by, or otherwise linked to national currencies or form a freestanding system. They may be only valid for the exchange of labor, or circulate in an unrestricted, general marketplace. They may be issued by a central administration or be created on the spot between exchanging parties.

²¹ Frank Baum’s famous children’s novel “The Wonderful Wizard of Oz, published in 1900 is widely thought to be an allegory on the monetary policy debates of the 1890s, pitting the gold standard (the yellow brick road) against the silver standard (the magic slippers that, in the original work, were silver not ruby). “Oz” is of course the abbreviation of ounce, in which the precious metals are measured.

²² Joshua Abraham Norton, or His Imperial Majesty Emperor Norton I (circa 1815-1880) is a celebrated “historic madman,” a South African émigré to San Francisco who, displeased with the political situation, decided to take matters into his own hands and declared himself “Emperor Of these United States” (and occasionally also Protector of Mexico) in 1859. Despite his obvious eccentricity and the fact that he had no political power, Norton became something of a community leader, humored but also noted by San Francisco’s citizens for his many deeds and decrees, which included the issuance of his own currency.

They may be meant as a primary means to fight poverty by alleviating cash scarcity and creating alternate outlets for one's goods or services. They may have a more social/humanist focus, as a way to reward work that is not traditionally considered paid labor (such as domestic work), include people normally excluded from the labor force (such as the elderly), foster a sense of, and an investment in community (and thus acknowledge the value of all people and their contributions.) Alternately, they may be meant more as a way to promote sustainable consumption practices by emphasizing local production and exchange and promoting a sense of stewardship and control over place-based life.

Not surprisingly, this diversity makes it difficult to organize the field of alternative money for the purposes of study. In the still limited academic consideration of the movement, there is little effort to situate comparatively the complementary currency phenomenon in a broader sense, relative to other forms of social action. Acknowledging that the field can be structured in many ways, Boyle (2002) adopts a classification of the "money changers," as he refers to currency reformers, based on two interrelated issues a) what reformers perceive the problem with money to be and b) which functions of money are or most concern. The first is broken down to three general categories: there is not enough money, there is too much money, or money is simply corrupt. The second relates privileging the "store of value" function of money, or the "medium of exchange" function. As he puts it:

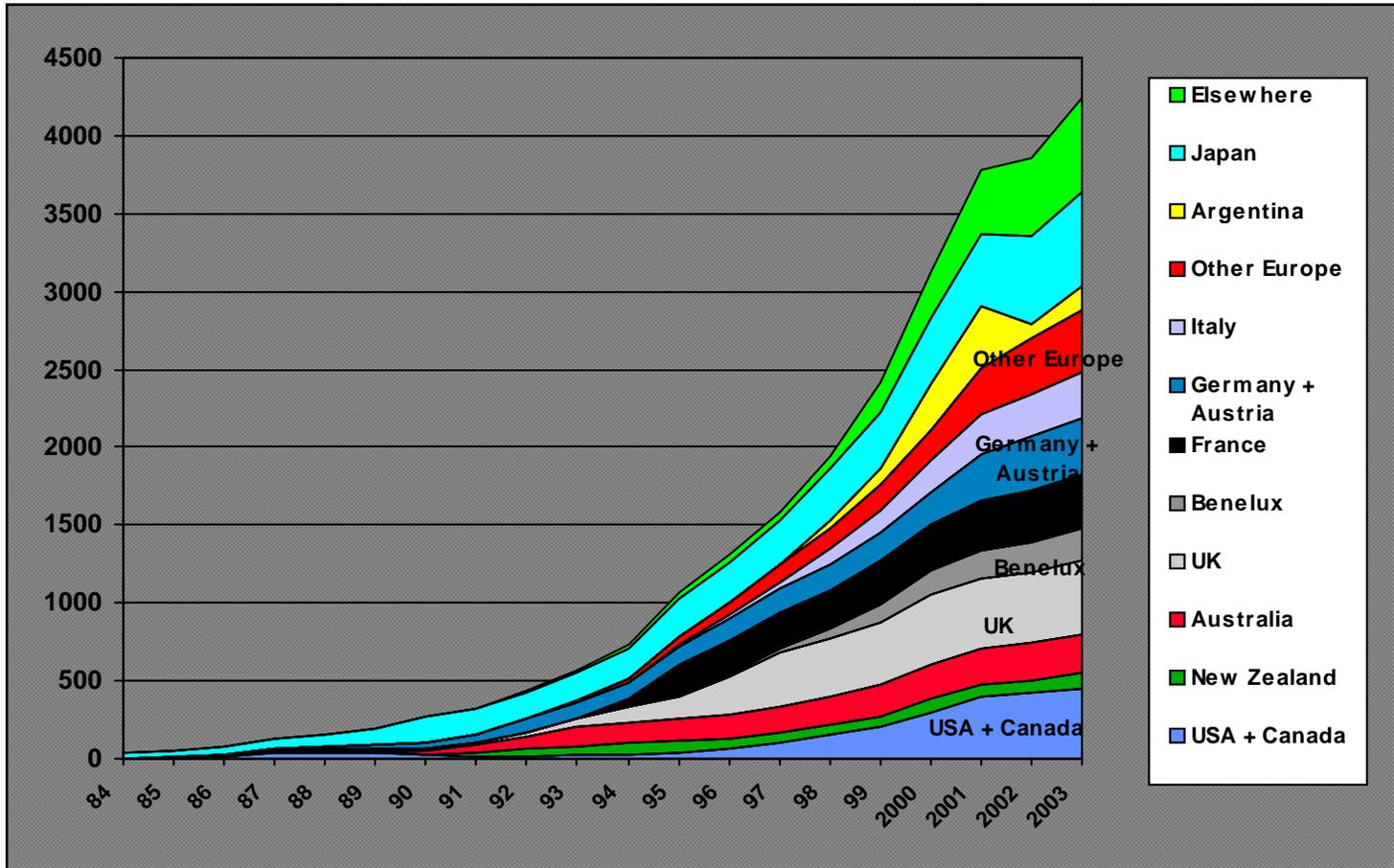
There is a broad division between those whose prime concern is to provide more money in circulation, and those whose prime concern is to make sure that whatever medium we have in circulation is based on something real – between free money and real money. And generally speaking, that's a distinction between those who see the "medium of exchange" function of money as the key issue, and those who are worried about its "store of value" function. Behind that lies the age-old conflict between debtors and creditors: the former want to keep the value of their debt intact, while the latter want it to become irrelevant (2002:4)

For the purposes here, I present this classification, which mirrors the Keynesian-monetarist divide, for two reasons. First, it provides a handy way to understand alternative currency systems on the ground, in the many settings and varied circumstances in which they emerge. Secondly, it demonstrates quite convincingly the blurry lines between what is mainstream and what is alternative when it comes to money, which, in itself, becomes quite significant when considering the re-emergence of monetary reform as a novel, still obscure, but highly innovative social movement. What Boyle calls the age-old conflict between debtors and creditors, Davies (2002) refers to as the conflict between those interested in the overall quantity of money available for people to trade with, and those whose primary concern is to safeguard the quality of money.

As I will try to show below, the determining characteristic of the complementary currency phenomenon is that it attempts to rebalance the quantity/quality relationship by opening them both up to redefinition, this time factoring in *place*. If, according to Milton Friedman, money, consumer choice and political freedom are interrelated, alternative money can empower choice and freedom.

I will now turn to the arguments and claims that the complementary currency movement makes with respect to how alternative money can impact a community's economy, society and environment, and subsequently describe some of the more common system types encountered today.

Figure 1: Rise of Complementary Currency Systems 1984-2003
(Lietaer 2004)



Local Money and the Economy

The purpose of a local currency is to function on a local scale the same way that national currencies have functioned on a national scale—building the local economy by creating a protective “membrane” that is defined by the currency itself. As the currency distinguishes the local businesses that accept the currency from those larger chain stores that do not, it builds stronger relationships and a greater affinity between those local businesses and the citizens of that place in which the currency circulates. The people who choose to use the currency make a conscious commitment to the local businesses that accept that currency. When individuals commit to buying locally first, they take personal responsibility for the health and well being of their community, laying the foundation of a truly vibrant, thriving local economy. (From an e-newsletter by the Schumacher Society)

Arguments for the economic contribution of local currency to a community indicate that local money can serve to create both opportunity and to limit transaction costs inherent in exchange. Local currency creates entrepreneurial opportunity by stimulating economic movement within the community. The introduction of an additional money supply can enhance individuals’ purchasing power while also directly benefiting local businesses both by ensuring that profit from these exchanges will remain in local circulation and by offering businesses an additional way to foster customer loyalty and distinguish their service from that of chain establishments, thus gaining a competitive advantage in the increasingly difficult arena of global trade.

By reinforcing local exchange, alternative currencies are an effective way for a community to resist the resource drain associated with a global market dominated by large, transnational corporations. Stated briefly, the argument is that, while they are commonly viewed as a venue for development, “big box” stores siphon more out of a community than they bring in. Critics charge that such corporations are given significant advantages vis-à-vis the community in regards to the use (and abuse) of local resources and adherence to various rules and standards. Although they do generate economic activity by way of employment and affordable goods to the market, they bring in mainly low-end, non-secure and unskilled service jobs, while the profits they generate leave the community to go to

some unspecified corporate headquarters (Korten 1995, Shuman 1998). Referencing the U.S. but in a statement that would resonate globally, Shuman writes: “The principal affliction of poor communities in the United States is not the absence of money, but its systematic exit” (1998:107). Local currency by contrast, moves entirely in and for the community. Wealth stays local (Boyle 2002, Collom 2005, Kennedy 1995 etc).

As a source for “extra money” local currency can also serve to support development through microenterprise, allowing people to explore business interests with diminished financial risk. This connects to another of the main arguments for the use of local currency, which is the creation of an alternate labor market. Structured in locally meaningful ways, such a labor market can serve to diminish the problems of under- and unemployment. In a related fashion, people can “hire one another” to perform tasks they are good at, or enjoy, thus achieving better efficiency while setting up conditions for compensating work that is traditionally not paid, and making it both economically and socially rewarding. In the same vein, local currency can be an incentive to develop local resources, in a sort of small-scale import substitution situation (Kennedy 1995).

What is the “potency” of such a network? In cases where the alternative currency operates alongside conventional money, that is to say, in contexts outside economic crisis where the complementary currency becomes the main medium of exchange, it is to be expected that the amounts involved will not be very large, and that they will be dwarfed by the mainstream market of federal dollars. As proponents of community money are quick to point out however, local currency can be subject to a significant multiplier effect. The multiplier effect refers to the speed of circulation as a factor in calculating the effective wealth generated by a given amount of currency (Yoshida n/d, Hargraves 1998). How quickly and how many times money changes hands directly affects the actual value a given amount of currency has for practical purposes. A small, closed network, like a local currency economy, the argument goes, can be subject to a substantial multiplier effect. This

view is reinforced by the fact that local currencies by and large are not money to be saved. As it is not an interest-bearing kind of money, and its usage is by nature restricted, there is no incentive to store/accumulate local currency. It is valuable only insofar that it is circulating, and therefore, it is argued, a small amount of money will have significantly greater economic salience. The multiplier effect will be investigated further in a later section dealing with the economic impact of HOURS on the Ithaca community.

Another argument in support of the economic benefits of local currency relates to cutting costs. Materially speaking, a local market will obviously be more restricted, offering fewer choices. On a very basic level, the economic benefits of local currency map on to those of localism in general, such as eliminating direct and hidden costs of transport and storage. On the more abstract level, costs associated with the time needed to research options, establish business relationships, and conduct transactions, in other words transaction and opportunity costs are diminished, since one is likely to have a deeper knowledge and familiarity with the local economic terrain. This echoes the key insight of new institutional economics (Acheson 2002, Ensminger 2002). New institutional economics acknowledged that standard economic theory posits conditions that do not exist in the real world, specifically the ready availability of information and perfect markets in which rational individuals make maximizing decisions based on a cost-benefit calculus. Rather, social mechanisms, and specifically institutions, are put in place to normalize the processes and minimize risk, albeit not according to rules of perfect efficiency and maximization. Markets have flaws and institutional arrangements serve both as regulators of behavior and as substitutes for information (Acheson 2002). According to the movement's literature, complementary currency institutes economic localism in such a way as to create a tighter network of long-term relationships, allowing for the development of trust and diminished risk (Glover 1995, Cahn and Rowe 1992).

The practitioners' literature on complementary currency cites many examples of the economic potential of local money systems. Among the most famous is the case of the Austrian town of Wörgl, where between 1932 and 1933 an experiment in local scrip based on the economics of Silvio Gesell took place. Gesell's "natural economic order" theory (1958) inspired many early experiments with alternative money. He maintained that at the root of economic instability is inflation due to the practice of interest payments on savings. He proposed that a better system would involve money having "holding costs" a type of "user fee" that would go into effect if money was kept out of circulation. Therefore, instead of rewarding individuals for accumulation, as is the case with interest payments, these user fees would reward usage, stimulating circulation while the holding fees would become a substitute for taxation in financing the public sector. The experiment at Wörgl was one among a number of efforts to test out these ideas throughout Europe in the 1930s.

According to Margrit Kennedy (1995:38-39), the Wörgl town council issued 32,000 "work certificates" or "free schillings," (free as in interest-free) backed by an equal amount of normal currency, and used them for public projects, infrastructural development, and civil servant salaries, convincing the town's merchants to accept them as payment. The money carried a holding fee of 1% of each note's value, payable at the end of each month by the person who held the note. Kennedy explains that this stimulated circulation that caused a significant multiplier effect. The free schillings circulated significantly more than regular schillings, and generated a substantial amount of goods and services that allowed Wörgl to see development and a significant reduction in unemployment while much of the rest of the world was in the throws of an economic depression (1995:39). Kennedy goes on to say that the remarkable success of this experiment inspired a number of communities to start their own such systems, drawing the attention and disfavor of the State that subsequently outlawed them for fear of losing its monetary monopoly.

In recent years, the case of the barter clubs of Argentina serves as a powerful example of the economic potential of alternative currency, becoming a full substitute for the national system and the primary way with which the subsistence needs of large numbers of people were met during a time of economic collapse (Primavera 2004, Hirota 2003). Complementary currency systems outside the context of crisis offer examples of economic benefits on a smaller scale. Literature, news articles and promotional materials contain innumerable personal stories, often in the form of testimonials, relating the varied ways in which local money networks have been assisting people. These may be stories of facilitating one's passage through lean financial times, contributing to the inception or growth of a local business, providing extra spending power for people trying to stretch their dollar, or providing a materially rewarding outlet for people's creative abilities or previously uncompensated or unacknowledged work (Glover 1995, Greco 1994, Raddon 2003 etc).

Local Money and Society

In the logic of the movement, since alternative currency organizes a parallel economy on the level of the community, it encourages personal relationships, fosters a sense of connection to place, and reinforces local identity. The personal nature of local currency transactions can serve to reinstate the consumer into a position of power allowing participants to be better informed about one another's economic practices, as well as having their voices heard more directly and effectively. In this way, values that are important for the community, such as social equity, the principle of a living wage, fostering interpersonal connections and building relationships can be codified into commercial life. From a social justice standpoint, local currency claims to be a way to empower the economically and socially marginalized, and provide creative and rewarding outlets for people.

These functions are often explained in terms of local currency's ability to build social capital (e.g. Collom 2005, Helleiner 2002, Jacob 2004). Unsurprisingly, the social capital concept has made a strong appearance in social movement theory (Crossley 2002) and has been picked up by the complementary currency movement as a way to discuss the multivalence of socioeconomic relationships in the life of a community (Collom 2005, Jacob 2004). To more fully explore the utility of this concept however, some further probing is needed, particularly since, despite its popularity, social capital remains a fuzzy term, in danger of being reduced to truisms such as "it is not what you know, it is who you know." Indeed, as Durrenberger has observed in a rather poignant critique, the significance of social relationships for the market and the economy at large is nothing new. It is, in fact, one of the main lessons from anthropology. Appealing to a notion of social capital, he argues, may be detrimental rather than helpful for analysis as it takes attention away from ever-present structural inequalities (Durrenberger 2001).

A clear definition of social capital has some utility not as a synonym for social relations but as a way to illuminate the mechanism by which social relationships translate into economic significance. Conversely, if no straightforward translation can be made, social capital may help explain how and why groups (and movements) persist and cohere in the absence of a classical "economic rationality," as a function of shared symbolism and imaginaries that make up the "use value" of life. Furthermore, local currencies are uniquely suited to probe into additional ways for operationalizing the social capital concept, as money is primarily a social and symbolic thing.

The term social capital is attributed to Glenn Loury, who first coined it in 1976 to refer to the sorts of resources that the members of a group (community, social network, neighborhood or whatever) have, which they can use to help one another to achieve some sort of "progress," economic, social, educational or other (Ferguson and Dickens 1999:5). Gittell and Vidal (1998) however, state that it was coined first in 1961 by Jane

Jacobs. Its meaning may vary but in general social capital is taken to refer to “features of social organization that act to facilitate collective action or cooperation” (Castañeda 2004), frequently for the purposes of development. Currently three major schools of thought on social capital claim the majority of attention. These include the work of Putnam (1993, 2000), whose conceptualization is the best known, but also the fuzziest, and the perspectives of Coleman (1991) and Bourdieu (1986).

For Putnam, social capital involves “features of social organization” such as networks, norms and social trust that enable participants to effectively act in a coordinated and cooperative fashion, in pursuit of shared objectives (Putnam 2000). Putnam emphasizes cognitive factors. In his formulation, trust and cooperation are the key elements of social capital. He distinguishes between bonding and bridging capital. Bonding solidifies in-group ties of support. Bridging capital connects one group with another. His is a micro-level approach that focuses on the individual, while however conceiving social capital as something inhering in groups. The focus on the individual is spotlighted by Putnam’s emphasis on cognitive rather than structural aspects, and is made evident in his methods for evaluating social capital that are based on individual responses to survey questions, meant to elicit levels interpersonal trust, norms of reciprocity and the like. Putnam’s approach is both the best known and the most easily critiqued on the grounds that it attempts to quantify something that is not necessarily quantifiable based on aggregate assessments of individual traits, whose meaning is defined by the researcher without the necessary attention to either interpersonal differentiation or varied societal contexts. This approach can very easily homogenize experience, and ignore essential differences of class, race and gender within a community.

A different approach is taken by Coleman, who emphasizes structural rather than cognitive aspects of social capital. He attends to what would be considered more

objective and observable network features, such as information sharing, decision-making and the like. Coleman's is more of a meso-level approach, examining the interaction between individuals and groups, in instances like community associations or classrooms. These are the units that Coleman's approach looks to in order to evaluate social capital, measuring community-level characteristics such as collective problem solving ability.

Bourdieu's work offers the third major influence on the current social capital literature. Bourdieu's definition is notably different, as social capital, for him, is one of four types of capital (economic, social, cultural and symbolic) that operate to construct and maintain sociocultural realities (1986). For Bourdieu, social capital is "the aggregate of the actual or potential resources which are linked to possession of a durable network of more or less institutionalized relationships of mutual acquaintance and recognition" (1986:68). As Bourdieu's theory is one of social reproduction, his concept of social capital contextualizes the meso-level of social networks within the larger political and social environment, connecting the structural with the cognitive. To evaluate it, he suggests assessing the size of a network, the total capital of all kinds possessed by the individuals in the network, and lastly the fungibility of one kind of capital into another.

This last point, the ability to transform social capital into other forms, is at the heart of what I take to be the concept's significance for analysis, and also where the case of local currencies can be useful in clarifying its potential contribution in the study of social reproduction as well as social change. The point here is not so much to advocate the superiority of the Bourdieuan construction, as to touch upon the breadth of possible implications of the concept and effectively move away from utilizing social capital as a synonym for social relationships in the study of collective action. This work will explore how the concept can serve to illuminate the ways in which social connectivity functions

within a community to produce varied and far-reaching results, economically, politically, culturally or symbolically.

Bourdieu's focus on fungibility effectively emphasizes the "capital" aspect of social capital. To reference Ruskin,

Capital signifies 'head of source, or root material' – It is material by which some derivative or secondary good is produced. It is only capital proper (*caput vivum*, not *caput mortuum*) when it is thus producing something different from itself (1862:85)

But capital also reproduces, setting up the conditions for growth. Social capital in that sense, should indicate social relations that operate to create something else (in the case of development, wealth), while also recreating and reinforcing themselves. What is the implication of this for local currency? While this can be said to a large extent about any kind of money, the value of complementary currency is explicitly based on social consensus among participants²³, that is to say, the willingness of participants to recognize and accept an object as representing material value to be used for exchange. In the absence of a "legislated" convention for recognition and acceptance therefore, what happens with local currency is that social relations become intentionally materialized in an explicit, tangible and usable form: money. Social capital is thus opened to more options for assessment that do not require the homogenization of lived experience and the outside assignation of meaning to these relationships.

The act of participating and exchanging in a network that shares this monetary convention reinforces the relationships between members in the network, thus presumably also reinforcing the "humanistic" aspects of sociality. This evokes both the new institutional economics insight about the importance of institutions and networks in controlling transaction costs and the imperfection of markets, while leaving room for a

²³ Who is, or may be a participant however is a question that the movement's exuberant community rhetoric does not necessarily address. The movement literature tends to emanate the positivity of idealized community inclusiveness.

consideration of an economy that is not entirely based on a mainstream economics notion of individual maximization and a purely quantitative definition of value. Rather, it takes into account “use value,” that is to say it codifies a socioculturally situated view of the economy, trade and consumption.

On the ground, the social side of complementary currency is probably best known in the context of alternative social service programming put in place with the drying-up of public-sector funds for social services and welfare. These are often programs targeting marginalized populations, such as the poor or the elderly, and seeking to set up networks of exchange for services and/or goods, thus creating a market-like system for mutual aid (e.g. Lietaer 2004). The exchanges can be as simple as trading home repairs for cooked meals, using a straightforward system that allows people to list what they need and what they can offer in exchange, and earn a credit per hour worked. They can then spend it to hire someone else in the network (Cahn and Rowe 1992, Cahn 2000, Croall 1999, Shuman 1998 etc.). Or they can be more elaborate, such as setting up an alternative way to structure community service obligations for youth (Boyle 1999a,b). In terms of social capital, it can be easily argued that such exchanges both work to reinforce and reproduce sociality while also being materialized into things of value: commodities or labor.

This service aspect of exchange is at the core of the movement’s development in Japan. Japan is widely held to be one of the countries with the highest number of local currency systems (Lietaer 2004). According to Hirota (2003), their development was directly linked to the economic downturn of the early 1990s. They were highlighted as a way to solve the social problems connected to a variety of issues such as budgetary cuts, unemployment, and an aging population. As Hirota notes, there is significant variation in the operation and goals of different systems, some being geared more towards the provision of services, some directed to peripheral populations such as

mental health patients, and some appearing as local efforts towards combating inequality and raising awareness about consumption and community (2003).

This latter argument is widely echoed in the rhetoric of complementary currency systems in North America that often see alternative money as a way to create a more equitable and just economy. Social justice in this sense moves through the domain of class inequities, reaching territories such as race and gender. Cahn (2000) describes a scene from a complementary currency exchange situation in Florida, caught by the film crew of "Inside Edition." It starts with an elderly black woman, "Daisy," who earns her complementary currency (in this case Time Dollars) by teaching "ABCs, colors, numbers and simple arithmetic" to kindergarten children. The film then shows how Daisy spends her currency: she uses it to pay a man to help her with small jobs and errands that are physically challenging for her. She seems to have formed a very amicable relationship of trust with this man. The camera shows them as he is helping her with her grocery shopping. There is, of course, a climactic twist: this man is Cuban and barely speaks any English:

The commentator catches something the camera misses: people turning and watching with interest. The voice-over notes, "That's one of the unusual things about this program—the friendships it creates in this racially divided city (2000:13-14).

The implied message is one of systemic potentiation, economically, socially and (inter)personally, effected by this different kind of money.

In one of the still rather few in-depth examinations of the realities of local currency systems on the ground, Mary-Beth Raddon considers the implications of alternative money for gender in a North American setting (2003). Beginning from the thesis that economic institutions have a gendered understructure, gender is an organizing principle of social life, and gender relations are affected by political-economic change, she asks how *intentional* local economic innovation impacts gendering. Raddon

looks to the changes wrought to gender relations by local currency as a way to assess the system's effectiveness in transforming exchange relations.

Her work is based on participation in two alternative currency systems, a Canadian LETS and the HOURS system of Ithaca, and intensive interviewing of thirty-seven members of these systems. She looks at the manifestations of gendering in the division of labor, the ever-present structural inequalities associated with gender in the economy in terms of opportunity as well as the differential valuation of men's and women's contributions, and the differing understandings of money between men and women. Her findings, she writes, highlight

The clash between community currencies and specific gendered patterns in the conventional money economy, patterns of valuing human activity, of gift labor, of monetary negotiation, and of the splitting of production and consumption into separate, specialized activities (2003:171).

In her view, current gender tropes and competing feminist perspectives are at an impasse as they cling to a dualistic view of the economy and gender respectively. Community currencies on the other hand, offer a third action strategy for social, political and economic change where "struggles for gender emancipation and economic well-being are worked out, however imperfectly, in exchange relationships between members," allowing for the creation of "new imagined possibilities" (2003:183). The people in her study often found new ways to act in a gendered economy, and the space to not only "do gender differently" but try and "beat the system" (2003:283).

The Ecology of Local Money

Raddon makes the point that community currencies are not strictly a "consumer movement" noting that their primary function is not limited to encouraging people to buy local. This brings up the question of what one can expect in terms of the environmental implications of alternative money. The ecology of local currency seems to be

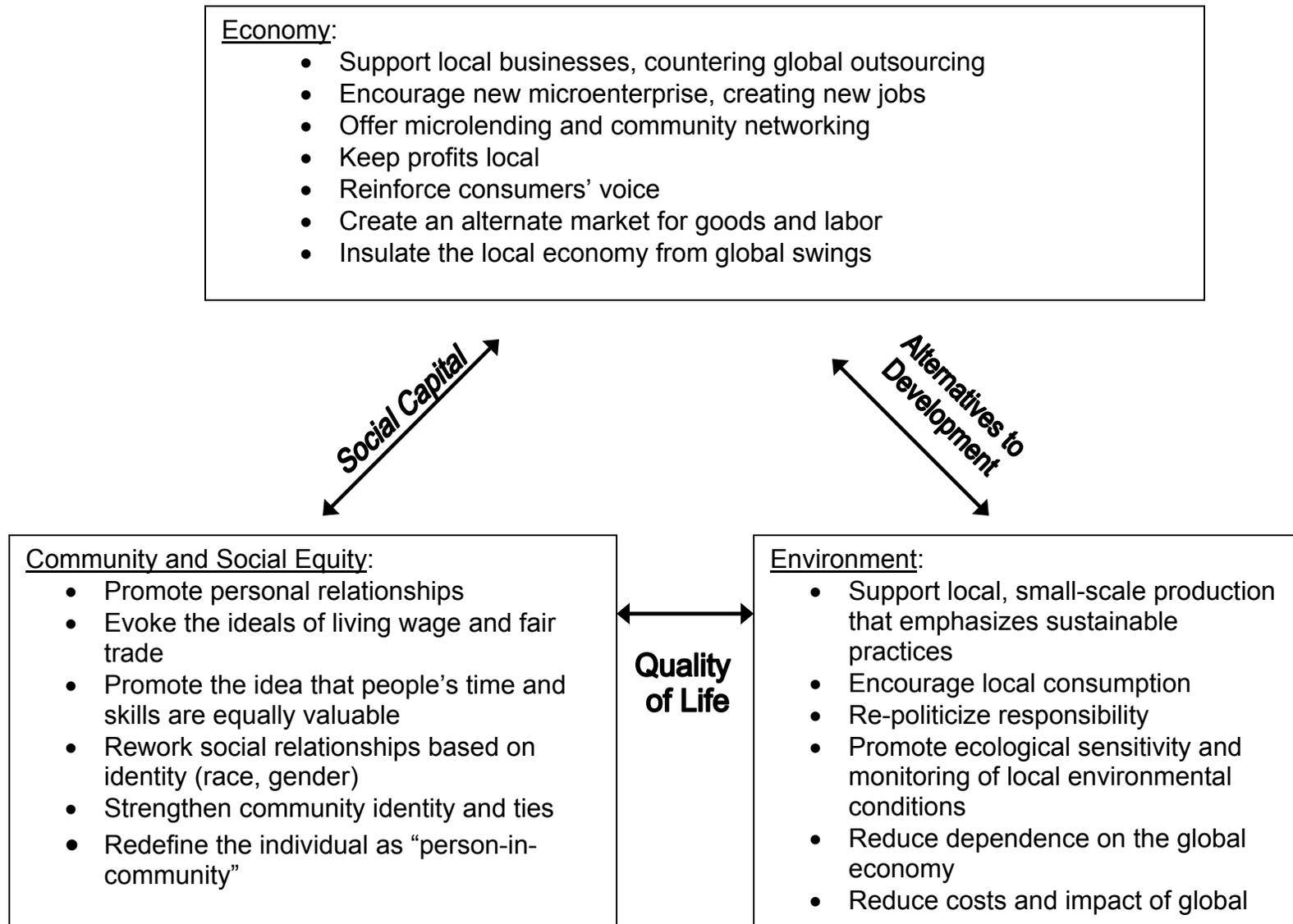
constructed around a core idea of preservation not only of the environment but also, human life, culture and community, hence echoing the three components of the tripartite model of sustainability. This is also the area of contribution for which making any definitive statements is most difficult. At present there is next to nothing by way of studies measuring the environmental impact of alternative currencies in quantitative or even qualitative terms (the one such attempt of which I am aware will be discussed at a later section). While there is little data detailing exactly how local currency affects the environment or promotes sustainability at large in positive ways, the known connection between localism and environmental health supports the argument that local currency may be an effective vehicle for both informing/raising awareness on environmental issues as well as helping people act accordingly.

Action as facilitated by local currencies does present an interesting twist however. It can be said to move in two directions. There is, first, the logical connection between environmental health and localism, a position advanced by green politics, which promotes the consumption of locally produced goods as a way to preserve natural and cultural diversity and save energy resources. In general, the argument for localism addresses the following points: For one, there is the diminishing of financial and environmental costs associated with long-distance trade and the global food/consumer goods chains. A local chain of production and consumption means significantly fewer miles traveled and a drastic reduction in the use of fossil fuels and the associated issues of pollution. Localism is also linked to an increase in food quality as what is produced will be fresher, and more appropriate to place and season, thus requiring less preservation and inputs such as fertilizers, as well as more humane and without contentious additions of hormones, antibiotics and other elements, in the case of meat. Furthermore, proximity can allow people to know their farmers and their practices. In a

very classical neoliberal tone, one can argue that localism can allow for the consumers' voice to be heard more effectively.

Community currencies are presented as a prime tool for reinforcing this cycle of local production and consumption. There is something clearly reminiscent of systems theory models from the life sciences here as well as notions of post-fordism and flexible accumulation (Harvey 1996, Gramsci 2000) from the social sciences. The tendency is toward the localized, distributed and adaptive, as it is more easily responsive to local, "microclimatic" conditions and change, for its advantages in preserving the larger system/organism.

Figure 2: Local Currencies in Principle



System Types

As mentioned above complementary currencies exist in a myriad of variations, and in some ways it could be argued that each individual system is unique, as systems are meant to be tailored to the communities, places or networks in which they operate. There are however some broad categories under which most systems can be classified.

Commodity Currencies

These are non-national currencies that are backed by a commodity, usually a precious metal. They can appear and circulate in the form of coins (gold and silver), or as paper certificates corresponding to a specified amount of metal, in a system much like the abandoned gold standard. The idea behind such currencies is that their value is inherent, and therefore they are stable, and unaffected by inflation or the fluctuations of national and global economies. Especially for precious metal currencies, their inherent value also makes them usable world-wide, at least in theory. In some but not all cases, the currency is redeemable for the commodities. Examples of such currencies include Liberty Dollars (a gold and silver currency that is designed to be used like regular money) and the Exeter Constant, an experimental currency based on the ideas of Ralph Borsodi that operated in New Hampshire between 1972 and 1973. The Constant's value was based on the running market price of 30 basic commodities (Douthwaite 1996).

Mutual Credit Currencies

These are currencies operating on the basis of labor-time exchange. Members of such systems sign up with a central "bank," registering their available time and/or skills. They earn and spend credits by hiring one another's services. Credits generally correspond to time spent working. Some of the most popular community currency models today, such as Time Dollars and LETS that will be described in a little more

detail below, are such mutual credit systems. Mutual credit systems also have the advantage of being adaptable to situations in which the legality of an alternative currency is problematic. National or regional laws often disallow currencies rivaling the national system (Germany and the State of Virginia would be examples of states with such laws). In such cases where alternative fiat or commodity currencies would not be allowed, mutual credit systems can still operate as labor-trading networks.

Fiat currencies

In general, fiat community currencies operate much in the same way as national currencies. They are usually paper notes indicating a value (labor time or an equivalent of the national currency) that circulate within a community. Their value is entirely based on convention or “faith” that the members of the community will agree to accept them as payment. In other words, the membership determines the size and type of the community currency economy by deciding the kinds and amounts of things they are willing to trade with it. These frequently mirror the conventional market for both goods and services. Pricing with fiat local currencies also usually follows that of the regular market, though members of the network are free (and often encouraged) to negotiate the terms of each transaction among them. Generally fiat currency denominations correspond to the national currency to facilitate this process of pricing and negotiation.

As can be surmised from the previous discussion on monetary mechanisms and functions, fiat community currencies differ from national currencies in that they are meant to serve the means of payment and unit of exchange function of money, rather than the store of value function. They are thus more valuable the more they circulate, fostering a condition of abundance rather than scarcity. Abundance versus scarcity is, in fact, a favorite trope of the complementary currency movement that celebrates the wealth to be found in the local land and its people (Glover 1995). Ithaca HOURS, the

topic of this work, is paradigmatic of the fiat currency model, to the point that many communities have styled their currencies copying or otherwise heavily borrowing from Ithaca.

Having outlined some general operating principles of the complementary currency movement, I would like to briefly describe in a little more detail three of the most common models of community currency in operation today, in order to trace the movement's life on the ground and contextualize the case study at the center of this project.

- o Time Dollars

Time dollars were conceived in 1980 by Edgar Cahn in the U.S., and further developed in 1987 with the assistance of the London School of Economics. Cahn envisioned the creation of a system of exchange that would fill in the gaps left by conventional money and economic fluctuations, while also placing an equal value on everyone's contributions. Time dollars are primarily a labor exchange system seeking to depart from conventional ideas of money and commodity exchange, and tap into the human resource that is disempowered by institutional barriers, to foster a sense of community and promote social justice.

Conventional economics says it takes money to activate time. This puts those who have money in the driver's seat, politically as well as economically. It guarantees, too, that much important work never gets done because it is not profitable by the calculus of the market. But these limitations of conventional economics just may be self-imposed. If one person's time can activate the time of another, without conventional money coming in between, then people can meet at least some of their needs, in effect, exchanging time with one another. This is done not just by occasional favors or by barter, but by a system that turns time itself into a medium of exchange, which people can earn to the extent that they are willing to give help. Just possibly, such Time Dollar exchanges can start to reactivate the exchange and caring that are fast disappearing from the American scene. This would be community in the root sense of the word: a locality where wealth is shared. (Cahn and Rowe 1992:10).

In this system, a time dollar is earned with each hour worked. Instead of a physical currency, computer software is used to manage participants' accounts utilizing an open access "time bank" where people can spend their time dollars, hiring one another. Clearly, the purpose of Time Dollars is first and foremost humanitarian, emphasizing the value in all people.

- LETS – Local Exchange Trading Systems or Let's Eat Together Soon

Another system type enjoying substantial popularity is the LETS model. This type was created in Canada in 1983 by a then unemployed computer engineer, Michael Linton. Noticing that people both had needs and resources to cover them but were lacking a way to identify one another and the means to trade, Linton decided to create an alternate system of exchange and LETS were born. Since then the model has spread very widely, being featured in The Other Economic Summit, and quickly becoming one of the most popular system types in Europe, the Americas outside the United States, and Australia. The name LETS is commonly said to stand for Local Exchange Trading Systems and other similar variants, but did not start as an acronym. It was rather meant as a prompt for empowerment and an invitation for consensual action, or as Linton put it, to inspire people to make it into whatever they chose: Local Exchange Trading Systems, Local Employment Trading Schemes or Let's Eat Together Soon.

Like Time Dollars, LETS systems do not use a hard currency but keep computerized tallies of debits and credits. People register with the system with an offer of goods and/or services. The defining feature of LETS however is that at any one time, credits and debits are supposed to add up to zero. LETS works in the following way: People start out with a zero balance on their accounts. By hiring someone in the system, the purchaser goes into the negative, and thus "owes" a credit to the system,

whereas the person who provided the service earns one credit that s/he can then turn around and spend in the system. What this means is that money is created on the spot, by the members of the system for the purposes of each transaction. There is always therefore just as much money as needed, never too little or too much. This is how LETS systems address the problems of inflation and scarcity. While there is potential for abuse, there is no penalty for going into negatives. People are discouraged from amassing too much debt just as they are discouraged from gathering too many credits. Individuals' accounts are public so that the balance of the system can be pragmatically regulated by the membership.

To give a brief example of how LETS works, Zuju is offering her services as photographer. Borf hires Zuju to do a shoot. If we assume that both these people started with no credits on their accounts, Zuju earns 1 credit while Borf's account is -1 credit. Zuju can then turn around and hire Borf to do yard work for 2 hours. Zuju's account will now be back to 0 and Borf's will be +1.

- HOURS – Scrip Systems

The HOURS model utilizes a paper currency that is centrally issued and can be used both for goods and services within the network. By and large, HOURS notes are pegged to a national currency and their circulation parallels the regular market. This is probably the most popular community currency system in the U.S. A main feature that gives it appeal is its versatility and its relative independence from a centralized records and accounting system. The HOURS model involves, but is not limited to, a master registry of participants, since paper bills to denote payment can be used by anyone who decides to accept them, without needing formal membership. The HOURS model originated in Ithaca as a grassroots effort, and its story will be detailed in the next section. To give a brief example, Grock the hairdresser, uses HOURS notes to pay for

his coffee at the Salty Sailor Coffee shop. The owner of Salty Sailor uses the HOURS to get a massage from Skrag, who then uses them to pay for his haircut at Grock's salon.

A Different Development? The Problematic of Alternativity

The question at the center of this project can be summarized as follows: what and how do local currencies propose as an alternative to the conventional development paradigm, and how is this evidenced by the realities of a working system on the ground? Thus far the complementary currency movement has been defined in the context of monetary history and against the problematic of the financial scene today. Its principles and parameters have been sketched out, and its multiple manifestations and uses presented. To briefly summarize, so far I have shown the rise of the complementary currency movement as a) a collective action initiative that b) challenges the contemporary global monetary/financial conventions by proposing/enacting c) an alternative model of the economy that emphasizes the interconnection of the material, the social and the environmental, and re-politicizes them by proposing as an alternative d) localism and the re-thinking of the individual as person-in-community for the purposes of a holistically conceived quality of life. While still little known, the movement seems to be gaining ground as a force in the scene of alternative development and generating increasing enthusiasm, manifesting both in advocacy and action.

But how does this movement play out on the ground? How do these principles and claims materialize in the life of a community and what do they produce locally and in the larger sense of a social movement? In this literature, ethnographic views of lived experience are missing, in part because the study of collective mobilization, particularly of this type (the global social movements of alternativity, as it were), is fragmentary. As Edelman (2001) notes about social science in general and anthropology in particular, there is still a marked lack of theoretical cross-pollination among disciplines in

approaching collective action, especially in western settings. Furthermore, ethnographic perspectives have “tended to resist ‘grand theoretical’ generalizations because close-up views of collective action often looked messy” (Edelman 2001:286).

This is very plainly reflected in the extant literature on complementary currencies. Here, one sees general theoretical or plenary works written by expert advocates that usually only take a telescopic view of the movement, practitioners’ guides and writings geared toward informing and inspiring potential participants, or brief news pieces showcasing “different communities” with little analytical depth. The scholarly works more often than not take on a conceptual perspective, surveying the movement at large (e.g. Lietaer 2004), or focusing on the theoretical implications and potentials of the movement, rather than its grounded realities (Helleiner 2003).

Lastly, there seems to be almost an unspoken tradition among social scientists studying collective action, to shy away from examinations that may appear to be too critical of local initiatives, especially if these are of the “progressive” sort (Edelman 2001). There is also a tendency to try and pass over internal conflicts and problems of movements, in favor of focusing on the more uplifting and inspiring aspects of cooperative action. While the bias may be understandable, it is also somewhat regrettable, as it is likely to pass over crucial points of information about the workings of collective agency. Writings on collective action tend to counter-pose the “community” against a larger, impersonal society. In doing so, they are liable to overlook the dynamics and conflicts borne by heterogeneity, thus passing up access to the negotiations such heterogeneity generates, and the wealth of information to be found in acknowledging internal differentiation and its effects. A key argument in this analysis of Ithaca is that this bias may also hide significant, if less straightforward, successes in collective action, some of which I will attempt to elucidate in my case study.

The desire to be supportive of alternative initiatives further exacerbates the problems and difficulties inherent in assessing alternative money systems. These problems include, but are not limited to the following: First, the majority of alternative money systems are ephemeral, either because they are conceived as “experiments” of a limited duration or, frequently, because they fail soon after they are conceived. In the first case, experimental systems are likely to be connected to some institutional or NGO structure and thus have resources available to them that grassroots initiatives are not likely to share. The second case highlights the danger of relying on aggregate counts and second hand reports to make a statement about the movement’s momentum. This also speaks to the difficulty of amassing reliable quantitative data on the spread and impact of local currencies, particularly since local currency economies often straddle the line between formal and informal sectors. At the same time, focusing too heavily on standard quantitative measurements to evaluate the movement may risk missing out on what is actually “alternative” about complementary currency economies.

These issues form the rationale for the project at hand: the ethnographic examination of a successful, grassroots system in order to determine what a different form of money has to offer in the domain of alternatives to development, in view of the problematic of collective action. Longevity primarily informed the choice of Ithaca as the primary case study. In the absence of other definitive indicators, I took systemic longevity as an important marker of success. The Ithaca system is one of the longest living local currency systems, which is furthermore, entirely a grassroots effort, having no consistent outside institutional support. This also meant that the local currency economy would likely be more mature, and that some historical depth could be gained and the systemic development could be traced. I now turn to the case of Ithaca, after a brief discussion of the methods used in the study.

Interlude – On Methods and Fieldwork

This work is based on the data collected during two field sessions in Ithaca, New York, a two-month pilot study conducted during June and July of 2002 followed by a 15-month field season between August of 2003 and October of 2004. The design involved the standard mixture of participant observation, ethnographic interviewing, and archival research but also had a component inspired by the principles of Participatory Action Research (Greenwood and Levin 1998, Hemment 2007).

First, I opted to participate in the local currency economy in the most obvious manner, by signing up as a member of the system. As I was not convinced that most skills associated with an academic anthropological background would be of particular demand in the community, I thought to see if I could exploit my ethnic background, and offered Modern Greek translations, payable 100% in local currency. Needless to say, I was not overwhelmed with calls for my services. However, the choice was somewhat intentional, as it reflected a central issue in many alternative currency economies, namely the potential difficulty that participants may face in finding something to offer that will generate demand. The very real disparity between types of offers that can exist in such a system creates conditions for a potentially severe skewing in local currency circulation. This is the disparity between offers of a somewhat particular good or service (like modern Greek language services) versus offers of subsistence or otherwise necessary goods and services, like food, construction, and clothing.

In the context of this research, my offer was of an entirely non-essential service, which however could potentially still find some use, given the substantial size of both Ithaca's academic and Greek ethnic communities²⁴. Furthermore, there was a small but

²⁴ Apparently Ithaca became a destination for Greek migrants, particularly from the Peloponnesus. The Greek community of Ithaca is rather large and active, however completely unengaged with initiatives such as HOURS. Interestingly, Greece is also one of very few European countries in which the alternative currency movement has yet to appear.

notable sector of foreign language translators already present in the network. The idea was therefore to see whether inclusion in such a community network might, in fact, connect me with a demand for my “non-market” skills, thus validating the idea that complementary currencies allow people to work doing “what they like, or know how to do best.” In fact, I did find one translating job that came about partly in connection to HOURS. My “client” was a radio journalist at the time working on a story about local currency, as well as a story about a Greek rock band made up of orthodox monks (a first-time oddity in the popular culture scene of modern Greece). We met during a local festival, as I was helping a friend set up an outdoor bench with merchandise. He was apparently scoping out the local market scene for potential material, and someone pointed me out to him. I ended up serving as an informant for his work on HOURS, strangely being cast a little bit in the role of the “scientific expert,” whose viewpoint would be more “objective, and subsequently I also translated a series of songs and some interview material for his monk piece. An interest in alternative mobilization and HOURS provided the context of our meeting. He did not, however, find me through any sort of formal HOURS network such as the HOURS system directory, nor did our exchange happen in local currency (of which he did not have any at the time of this task).

The significance of this event is that it emphasizes the difficulty in assessing systemic workings and “success,” as there is no reliable way to either detect or clearly classify such transactions. I was a temporary member of the Ithaca community and the HOURS network, while my “client” was a long-term resident, intellectually, but less so practically engaged with local currency. It was HOURS that found work for me and a needed service for him but the currency figured only conceptually in the transaction. In one sense, this was a manifestation if not of social capital, then of the networking power of money at work: it generated a social relationship that produced something material while it also reinforced itself. At the same time, such effects will remain entirely under

the radar of any formally structured effort at either measurement or interpretation of a local currency economy.

The implications of the “between the margins “ workings of local currency figure rather centrally in this study, but here I want to point out the complexities of conducting research on such a seemingly simple subject. The local currency economy, at least in the case of Ithaca, exists at the intersection of, for a lack of a better term, formality and informality in terms of both institutions and practices, which makes its study both potentially messy and full of rich intricacies. While I attempted to impose a certain order on my data, therefore, my work benefited just as much, if not more, from the random, the coincidental, the opportunistic and the interstitial. This also provides the additional justification for the Participatory Action Research component of engaging with the Hours organization, putting me at a better position to see and comprehend this complexity.

Participatory Action Research models contrast with traditional “extractive,” or detached research, in that they foster a reciprocal and collaborative relationship between researchers and the people that they study, and aim at producing solutions to specific problems on the ground. Power is a key issue in this kind of research, in the sense that the model disallows the superior and detached positionality of the observer over the observed, and “involves different stakeholders in a group research process, yielding rich ethnographic knowledge about lives and sense-making processes” (Hemment 2007:309). As such, it is seen as “particularly well-suited to ‘activist’ research, where researchers work closely with an already formed organization, group, or social movement” (2007:310). My own work with Hours did not involve the creation of a collaborative project on behalf of and for the direct benefit of Ithaca’s local currency system²⁵. However, I was fortunate to have the opportunity to volunteer with the Hours

²⁵ Davydd Greenwood, perhaps the steadiest advocate of Participatory Action Research methods in anthropology suggests that the ideal project situation would be one where a community group

organization from the beginning of my fieldwork, gradually taking on a number of supporting roles. I assisted with various outreach events, performed record keeping and general administrative work, assisted in the yearly membership drive, and in the production of the 2004 issue of HOURS, the system's annual directory, which involved tasks ranging from phone calling, and selling advertisements to writing for the publication's columns. At some point during my fieldwork I acted as the main "back end" worker for the organization, as Hours was in the process of looking for a system manager. During that time, Hours also offered me some financial support, giving me a reliable and very valuable source for local currency, that allowed for a far better understanding of the realities of transacting in the system.

The most direct Participatory Action Research aspect of this research was my involvement in the Hours – Cornell Cooperative Extension project, a pilot research project on Ithaca's low-income populations, conducted by Dr. LeGrace Benson, which I describe in chapter 6. My background in social science research came in handy in the design and implementation of the project's research procedures. Correspondingly, this project offered me access to a segment of Ithaca's non-user population that may not have been easy to otherwise identify or address. For the purposes of my general research the annual membership drive was a good source for identifying informants. The drive volunteers doing the telephone calling to solicit membership renewals agreed to also ask respondents whether they would be willing to be contacted by me for the purposes of this research. Additionally, participants, and particularly board members were extremely kind in introducing me to various people and making suggestions for further inquiry.

invites a researcher to work with them in a project to meet specific needs (Greenwood and Levin 1998).

I thus ended up collecting a total of 96 formal interviews with Ithacans, 75 with participants and 21 with non-participants in the HOURS network, supplemented by numerous informal conversations. I offer my interlocutors' profiles in more detail in Chapters 4 and 5. Additionally, I had the opportunity to speak with two people that came to Ithaca in order to study the HOURS system in hopes of beginning local currencies in their own communities, as well as three journalists, one American, one Korean and one Canadian, doing pieces on some aspect of alternative development. Lastly, I met with a number of theorists, students, practitioners from other alternative currency systems, and other interested parties in the context of the Local Currencies in the 21st Century Conference, an international conference on alternative economics, and currency experiments sponsored by the Schumacher Institute. I participated in this conference with the financial assistance and as a member of the Ithaca HOURS team.

In sum, I feel that my close involvement with Hours, and the alternative currency economy that is reminiscent of the Participatory Action Research paradigm, allowed me to enrich my own ethnographic research past the point of disinterested description and critique, to more closely engage the question of seeking and enacting change. In this way also hope to have offered something back to the local currency system, and particularly to the Hours board members to whom I am deeply indebted for their kindness, generosity, and energy.

Chapter 3 – Ithaca: History and Context

A Sense of This Place

Ithaca is located in the Finger Lakes region of south-central Upstate New York, founded on the flat land at the southern tip of Cayuga Lake, the largest of the Finger Lakes. The land is rather young geologically, formed when silt filled the edge of the lake. Glacial activity during the last ice age deepened the lake valley, producing steep sides, which the streams flowing into the lake have cut into deep gorges, forming several spectacular waterfalls. The flat land is surrounded by hills, rising several hundred feet above the lake, on which the town has expanded. The climate is classified as continental, with marked differentiation between the four seasons. The winters are cold and bring substantial snowfall, and the lake freezes for a significant distance from the shore, while summers can become hot and humid. The valley flatland has slightly milder weather, though it can be subjected to strong winds coming from the lake. The vegetation is northern temperate broadleaf forest, dominated by deciduous trees.

Native American settlements in the region date back to 3500 BC. By the 13th century AD the area was settled by the Cayuga Indians, one of the five, and later six tribes of the Iroquois Confederacy. While the Iroquois Confederacy decided to remain neutral during the Revolutionary War, four of its member tribes—including the Cayuga—sided with the British, causing General Washington to order their destruction. The Sullivan campaign of 1779 destroyed Cayuga settlements and crops and opened the way to settlement by whites. The first settlers had moved in by 1789, attracted by the area's natural beauty and resources as well as agricultural potential. A year later, Military Tract lands were awarded as payment to soldiers for service in the Revolutionary War. This arrangement divided the former Iroquois territories into 28 townships, and subdivided them into 600-acre parcels, which many soldiers sold instead of occupying.

State Surveyor General Simeon DeWitt acquired much of the land at the southernmost edge of Lake Cayuga, the largest of the Finger Lakes, and in 1804 the town of Ithaca was established. According to some accounts the name was chosen for its proximity to the nearby town of Ulysses, though a classical theme for place names is detected in the larger region, which anecdotal sources attribute to the desire of early founders to enhance their status by way of the classics.

The town quickly grew as an important regional and even national commercial hub, taking advantage of the Erie Canal and developing boat building as a local industry. With the advent of steamboats and the railroad, Ithaca firmly established itself as a commercial center. This growth fueled the founding of churches, and in 1823, a community-supported Academy was established. In 1865, Ezra Cornell, a New York State legislator who made his fortune in the telegraph industry, donated a public library to the county. That same year, Cornell University was chartered using New York State's Morrill Land Grant and opened three years later with an initial enrollment of 412 students. Cornell University's unique position as a semi-public, semi-private institution attracted and continues to attract a widely diverse population. With its development over time into a notable center of intellectual production, it has played a major role in many aspects of Ithaca's life. Ithaca's position as an academic center received a second boost in 1892, with the establishment of the Ithaca Conservatory of Music that developed into Ithaca College. While much smaller and of distinctly different character than Cornell University, Ithaca College has become the second major educational institution to define the town.

The presence of the universities has had a profound influence on Ithaca's life in the context of upstate New York. As is to be expected, the educational levels of the area are markedly high. Census data for 2000 show 47.5% of individuals over the age of 25 in Tompkins county to have a bachelor's degree or higher. In the city of Ithaca proper,

this number rises to 57.9% whereas the state of New York rate is 27.4%. By comparison, the national rate for the US is 24.4% (U.S. Census Fact Sheet). It is to be expected that this population distribution would have far-ranging implications for the community, primarily, —though by no means solely— in economic terms. Historically, Ithaca has been part of the northeastern U.S. industrial region, later to be known as the “Rust Belt” which was characterized by union-scale manufacturing jobs with stable mid-level incomes. This region was strongly affected by the globalization of capital and the migration of industry to the low-wage labor zones of Mexico and Asia. This move meant the loss of manufacturing employment, leaving the region at a severe economic disadvantage. While this and other events such as the farm crisis of the 1980s have contributed in making Upstate New York an economically depressed region, with sustained problems of poverty and underemployment (Fitchen 1991, Jacob et al. 2004), Ithaca has been largely protected from these changes, finding a buffer in the academically propelled economy. Cornell University and Ithaca College count among the town’s top employers, while the type of economic activity they generate is less immediately responsive to the fluctuations of the global economy.

Today, Ithaca is the county seat and commercial center for Tompkins County, a county of about 100,000 residents. The city of Ithaca, comprised of the town of Ithaca and the villages of Lansing and Cayuga Heights, counts close to 29,000 residents. This number is effectively doubled by the student population, with Cornell University numbering nearly 20,000 students and Ithaca College over 6,000. Though few current students count themselves as permanent residents, Ithaca’s social and ethnic makeup has been shaped by the influx of people from around the world, fostering a cosmopolitan cultural climate. Attracted by the creative atmosphere and progressive energy often associated with major educational institutions, many former students and people at the periphery of the institution also choose to make Ithaca their home.

The Land and What Grew on It

The land itself has been at the center of much activity in Ithaca. Agriculture, important well before Columbus, became one of the disciplines mastered at Cornell University. This dovetailed with the social and political activism of the 1960s, which bore the “back to the land” movement to produce a distinctively local agricultural economy. The back to the land movement is widely held to be one of the precursors of modern-day environmentalism and the more focused voluntary simplicity and ecovillage movements, as well as a driving force for the development of organic production methods, alternative forms of energy, cottage industry, and the bartering of goods and services. For Ithaca, the deliberate emphasis on small farms and local trade that infused the area with the self-sufficiency ideals of homesteading, was also informed by cutting-edge agricultural technology and ecological innovation and research. This resulted in the creation of a vibrant small farm community with an orientation toward environmentally-friendly production methods that occasionally go beyond organics, to biodynamic and other sustainable agricultural practices. These are coupled with extensive local production of handicrafts and food, in the same alternative vein.

The establishment of an innovative farmers’ market to serve as a venue for local growers and craftspeople in 1973 contributed to the success of small-scale production in the area. Today, Ithaca’s Farmers’ Market includes over 125 vendors of overwhelmingly local products and has become a landmark institution in the area. The market is almost an exhibition of possibilities for sustainable consumption. While conventionally produced items do exist, an impressive array of indicators for handcrafted, organic, biodynamic, heirloom, free-range, unprocessed, all-natural, vegetarian/vegan, and macrobiotic are the order of the day. Local products are also channeled to the local market through standard venues, including small to medium scale natural grocery stores, and by an extensive list of locally owned commercial businesses, cafés and restaurants. Attesting

to a strong demand for local products, this trend has been picked up by the larger commercial chains, which prominently feature locally produced goods and produce whenever possible.

There is, of course, a corresponding network of institutions and organizations promoting, supporting and complementing these alternative consumption practices. While the state of New York has provisions for glass recycling for instance, in Ithaca, recycling of a wide range of materials is commonplace a near universal. There is residential service for the more common paper, glass, aluminum and plastic and though it is not required, there are facilities for more difficult to recycle materials. Composting is also widely practiced and classes on different methods and uses, from the simpler to the most advanced, are offered by a wide variety of organizations that may or may not have a primary environmental focus. During the course of this research for example, I saw classes on various levels and methods of composting being advertised in places as varied as a women's community center, Cornell's cooperative extension and a credit union. The alternative inclinations of the town have overtime acted as selective forces, creating and maintaining a community that in many ways seems to epitomize the notion of "thinking globally, acting locally." Engineering and construction firms specializing in energy efficiency, green building and renewable energy, a multitude of independent media in print, televised or virtual forms, alternative healthcare as well as non-western medical and wellness practices meet with socially conscious financial services and a general environment of lively social and political activism.

Among the more well-known entities evoking this progressive spirit are the Ithaca Ecovillage that, since its founding in the early 1990s, has been growing and thriving, and the Alternatives Federal Credit Union, a credit union "that grew out of the Alternatives Fund, a community chest/revolving loan fund set up by area coop businesses" and, designated as a Community Development Financial Institution is "dedicated to economic

justice” (alternatives.org). Alternatives has become a prominent player in Ithaca’s financial scene, focusing on financial education, credit repair and small business development, and cooperating with and supporting various community organizations and activities. As such, it has played a significant role in the development of Ithaca HOURS, being an early and prominent member that lent various kinds of technical support and financial know-how to the system, while concomitantly investing the alternative currency with the legitimacy of a “real” financial institution. Another up and coming high-profile initiative is the Ithaca Health Fund, an alternative healthcare plan built on a cooperative model offering limited but substantial coverage at minimal cost. The health fund is the project that Paul Glover, the founder of Ithaca HOURS, picked up after establishing the local currency. Other kinds of social and political activism also abound, as exemplified by a strong living wage movement, vivid protests against the war in Iraq, and other military-political issues, mobilization for immigrant welfare, and support for a variety of national and international causes.

Ithaca’s progressive environment, reflected in the multitude of alternative initiatives, is also marked by what, at least until very recently, has been absent, namely several of the large corporate names, the “big box stores” that, epitomized by Target, Wal-Mart and the like, are the exemplars of unsustainable, corporate globalization. An in-town McDonalds opened and then closed, and to date, large commercial names are few and far between at the center of the town. Famously, between 1994 and 1995 Ithaca was the site of a celebrated campaign to stop the construction of a Wal-Mart store inside city limits, a case that has become emblematic of the backlash against corporate globalization. The story is that as in the early 1990s, some developers became interested in attracting big corporate retailers and a site on the southeast end of the town was chosen for the construction of a Wal-Mart store, with plans for further development. This sparked growing opposition, as the community resisted the perceived adverse

consequences of corporate encroachment such as the threat to the much smaller local businesses, the environmental stress and sprawl it would cause, and the faceless, impersonal market it would create, eroding community relations and becoming more of a drain rather than a boon for the local economy. “Big box” stores would whisk away major profits and, in return, create low-paying, and insecure service jobs in a homogenized environment.

After intense mobilization, the campaign succeeded, and in 1995 and the city rejected the proposed plan. While public outcry was undoubtedly influential in that decision, as the main organizer of the campaign explained, success was eventually based on a technical issue regarding the location of the proposed store that would have destroyed a valuable vista from a nearby state park. The effect of declaring the original plan inappropriate was that the large retailer did not seek a new location or a different site plan. The explanation that one of the key organizers of the campaign gave for this development was that the formulaic strategies for expansion that Wal-Mart follows can render it inflexible, and thus when the initial plan failed the company did not pursue it further. While the town of Ithaca proper remained without “big boxes,” a commercial center that included many of the large retailers developed instead in the nearby village of Lansing. Thus, large corporate encroachment was not stopped but displaced and deferred. As early as 1999, more plans for development in that same location were being reviewed, and within the last few years, the usual array of mega-stores has made its appearance in Ithaca, though still raising significant controversy and resistance. The “stop Wal-Mart” campaign of the early 1990s however was a significant event, not just in that it delayed large corporate encroachment and poignantly brought public awareness and voice to the problems of a declining small business base. It also galvanized Ithaca as a progressive community, which mobilizes in creative, alternative ways, and helped bring under the spotlight other local initiatives that presented themselves as true, local

alternatives to the corporate globalization model of development, one of which was local currency.

Ithaca's distinctive atmosphere of globally conscious localism and its correlates of social and environmental sensibility draws much media attention, frequently placing the town high on lists of "best places to live," and has prompted the Utne Reader to declare Ithaca "the most enlightened town in America." Echoing a common sentiment one of my informants remarked: "Ithaca is a very different world. Have you heard it being called 'the little Moscow by the lake'?"

Communities in Community

While the image that Ithaca's activist history paints is not inaccurate, it is also quite partial. As the previous informant continued, "but also this is a community that has very sharp divisions within it. There is the Cornell community, the downtown Ithaca community, which is a very few business owners..." Structural problems and sharp divisions within the community belie the impression created by relatively positive statistical expressions and a celebrated progressiveness. On the economic front, high levels of education and low unemployment numbers hide a chronic problem of underemployment in the area, as well as the existence of a large gap between the highly and the under-educated. This gap is accentuated by the fact that an academically driven economy is by and large a service sector economy whose character, as indicated previously, is no longer tempered by the presence of a solid manufacturing sector. As the town has taken a firm turn toward this service economy, "what one sees today in Ithaca, is a polarization or bifurcation of the labor market, with minimum-wage service workers on the one end of the income divide and affluent professional and technical workers on the other" (Jacob et al. 2004b:44). Additionally, the student population that

fuels much of the economic activity of the town also creates competition, especially for lower-end service jobs.

At the same time, the student economy drives up prices especially in the housing market, an increase, which is not evenly countered by the relatively higher average incomes shown for area. Lack of affordable housing is a growing problem. According to the Tompkins County Chamber of Commerce, as much as 75% of the property in Ithaca is rental property, with students accounting for 50% of the renters. This doubly skews census data for Ithaca since many people belonging to lower income brackets cannot afford to live there. Indeed, Ithaca draws significant labor from the surrounding communities. Indicative of this pattern, almost a quarter of the labor force of the neighboring Schuyler County, one of the lowest-income counties in the state, commutes to Tompkins for work.

These socioeconomic imbalances segue into the presence of several significant lines of separation, between universities and community but also within the community itself. Ithaca is not a stereotypical “college town.” This would quickly become evident to an outsider even if it were not one of the first things that Ithacans themselves like to point out in conversation. Despite the unequivocal relationship manifested in the economic interconnections, social and cultural makeup, and the numerous partnerships that link the universities and the community, Ithaca’s hills mark a boundary between transience and endurance, and in some ways, academic and “pragmatic” activity, that differentiate the life of the colleges from that of the town. This is especially notable for the significantly more sizeable Cornell, around which has formed a second social and commercial center that serves nearly half the people present in Ithaca at any given time. Given this, it is not uncommon for Cornell students to remain mostly “on the Hill,” venturing out to the more standard commercial mall in the village of Lansing, and the

large chain super markets rather than patronizing the smaller, local merchants in the town proper.

This separation creates certain friction and dissatisfaction among the different sectors in the community, and various measures to counter it are continuously tried by both the universities and the town. Among the latest such plans, Cornell University is preparing a new office building in a downtown location that will bring about 400 people to work in town. Cornell has also started "City Bucks," a prepaid declining balance account that would allow students, staff and faculty to use their Cornell account to make purchases at locations outside the university. Cornell has been promoting this plan to Ithaca's merchants, encouraging them to also offer special deals as further incentive for people to come down from the Hill. This plan has received a variety of reactions among Ithaca businesses, not all of which have been favorable, thus underscoring the far from straightforward symbiotic relationship between the institutions and the city.

Inside the community proper, the social picture is further complicated if one attempts to analyze differences in terms of class. The traditional material indicators of income levels or labor status, are not sufficient for making a distinction based on "class" meaningful, as moderate jobs and incomes can be as much a matter of deliberate choice consistent with alternative models akin to sustainable/simple living, as they are matter of power and political economy. This was first expressed to me as a distinction between the "real townies" versus the "downtown folks." The former would be the people for whom more mainstream understandings of class and culture would be applicable, while the latter represent that segment that has grown around Ithaca's progressive core. There is, then, reason to consider an additional "class" in Ithaca's social structure, the "alternative" or as some have called it, the "cultural creative" class, which one cannot distinguish based entirely on the more common material indicators.

The position of this class in Ithaca's society is also variable. A positive disposition toward its spirit produced comments such as the following:

I landed in Ithaca to take care of my grandmother and fell in love with it. It is intellectual, laid back, creative... There is an incredible healing quality of kindred spirits here. Alternative lifestyles here are progressing. As the world gets more and more f**ed up people start to look for places like Ithaca. [...] The initial vibe I got in Ithaca was healing. The quality here is amazing. It's so stimulating, plus the whole combination with the country.

There is, of course, a negative view, which alternates between suspicion and dislike toward behaviors and attitudes that are seen as "too liberal," or unrealistically ideological, and a deep critique of the genuineness and effectiveness of such alternative practices. At its more extreme, the first view may employ language such as "crackpots all have their say" and "the hippie crowd downtown," evoking a familiar imagery appearing in mainstream critiques of alternative or countercultural styles. A second view brings up a more substantive concern that can be levied by "the progressives" as well as the "townies." As one person put it, "Their orientation is towards doing things that feel good and make them feel tolerant. They are not. Take the low-income and black neighborhoods. They don't get snow plowed!"

As this indicates, Ithaca's aggressively progressive character serves in some ways to obscure deep social divisions within the community along the lines of class, race and ethnicity that manifest themselves sometimes more openly and sometimes more covertly. Much of the information on this topic gathered during fieldwork relates to Ithaca's black community, which has historically been quite strong. Upstate New York had significant Underground Railroad activity, with some prominent leaders, namely Harriet Tubman and Frederic Douglas, living and operating in the area. In Ithaca, the St. James AME (African Methodist Episcopal) Church, reputed to be the oldest church of the town and one of the oldest AME churches in the country, was an important transfer point for the railroad, providing refuge for slaves making their way to Canada. As such,

it became a focal point around which the town's black community grew. Ithaca is also the home of the first national black college fraternity, the Alpha Phi Alpha, formed in 1908 at the basement of St. James, by a group of black Cornell Students who had been refused entry to the school's extant fraternities. Given this history it is perhaps not entirely expected that race-related problems and tensions, whether or not overt, should appear in Ithaca to the extent that they do. As one person put it,

Ithaca is very diverse but also odd. It gets some strange distinctions, like that "most enlightened city", and we celebrate the diversity. But in reality this is a thin layer of progressiveness and liberalism, but you peel that back and the picture is very different. It is hard for this community to talk about issues of oppression. There are some people who are truly liberal and progressive but many others...

Another of my informants was far less subtle. When discussing what he thought were the largest problems in the community he responded:

Racism! This is the worst racism I've ever seen especially among people who think they are so liberal. Like, people of color don't get the good jobs here. Even in organizations that proclaim their commitment to equality and what not.

"People of color" in this case also include several pockets of immigrants from Latin America, the Caribbean, Asia and Eastern Europe, transient or long-term. As many people indicated, discrimination is also most frequently expressed infrastructurally, when, for instance, during the long winter months of severe snowfall, the streets in some neighborhoods are last to get snowplowed or many not get plowed at all, and damage from snow and ice does not get repaired²⁶.

The picture of Ithaca that emerges then is complex and diversified, with an economy and society that display some seemingly divergent traits, orientations and needs. This is the stage in which Ithaca's alternative currency emerged and the

²⁶ During my fieldwork I was also told that the Ku Klux Klan has a strong and growing presence in the larger Finger Lakes region.

backdrop against which it must be examined for a substantive understanding of its workings to emerge.

That Other Money

Creation

The Ithaca HOURS system is probably the alternative currency that has received the most extensive publicity nationally and internationally. Though still a somewhat obscure phenomenon to the general U.S. population, HOURS has attracted the attention of alternative and mainstream media alike, appearing in the pages of publications such as *Forbes* and the *Wall Street Journal*, and even being the topic of prime time news shows and documentaries by major television channels, such as ABC and the BBC. In alternative development circles, Ithaca HOURS has been widely credited with inspiring a large number (if not a majority) of scrip-based local money systems, and is celebrated as the most successful local currency experiment to date (e.g. Boyle 1999a, 1999b, Shuman 1998, Helleiner 2001, Raddon 2003). There is a certain archetypal or even legendary quality in these reports that hold HOURS as the exemplar of an alternative venture that has gone against the norm set by mainstream economic and social theory, to trump conventional wisdom about globalization, development and human agency. In this town, alternative development is a “fact” and local currency is not only viable but a key component of life. Along with celebration, there is also a fair amount of misreporting and inaccuracy perpetuated in many of the most widely circulated sources on HOURS. One of the more common such misconceptions is that HOURS grew out of Ithaca’s campaign against Wal-Mart. The HOURS system predated this campaign and was in fact preceded by an effort to establish a LETS.

Any history of HOURS must start with Paul Glover, the primary creator, driving force, and for many years the “face” of Ithaca HOURS. The Ithaca LETS experiment

was his first large-scale foray into alternative finance. Glover is a native of Ithaca, with a long-standing interest in, and extensive work on issues of sustainability, as well as intensive participation in green politics. His formal background includes education and work in marketing, graphic illustration, philosophy and city management. His informal background is even more diverse, including occasional occupation as a farm hand, dishwasher, sidewalk artist, massage therapist, free-lance writer with a number of publications and contributions with locality as a common theme, his remarkable hike from Boston to San Diego, and in 2003-2004, the Green party's candidacy for the position of mayor of Ithaca along with consideration for the party's presidential nomination. His 1983 work *Los Angeles – A History of the Future* arguing for the democratization of urban design attracted the attention of LETS creator Michael Linton, who visited Ithaca in 1988 and met with Glover. Glover had recently become acquainted with the notion of alternative currency as he had learned of the promotion coupons for downtown merchants that a South Dakota county printed to encourage people to shop locally, and combined this with an interest in barter and ways to facilitate it. The meeting with Linton inspired the effort to establish the Ithaca LETS. However, while it was successful in getting some initial members, including the Alternatives Federal Credit Union, and remaining alive for two years (while I was not able to locate records, some reports place this number at a maximum of 90 people), the system never quite got off the ground. A few of the reasons cited for this unfavorable course of events included the intangibility and complexity of the credit/debit system that the LETS model utilizes, along with the complicated and centralized record keeping it requires. The few participants of the Ithaca LETS whom I was able to locate reported never having made any transactions in the network.

Still, the idea of a local currency had been planted in the community, and a new and entirely different effort was soon under way. As Glover himself writes, inspiration came from different sides:

Two years later, early in 1991, while drawing pictures with my girlfriend's nieces, I sketched a cartoon "Ithaca Money" note. A few weeks later I saw a sample "Hour" note issued by British industrialist Robert Owen in 1847. This Hour was negotiable only at Owens' company store and based, I discovered in 1993, on Josiah Warren's "Time Store" notes of 1827 (Glover 1995)

Other sources of inspiration, such as the Deli Dollars of Great Barrington, Massachusetts, supported by the S. F. Schumacher Society, a group committed to social and environmental sustainability, coincided with a decisive push that came when Patrice Jennings, at the time a college student interested in alternative economics, asked to interview Glover about the Ithaca LETS in May of 1991. Their combined excitement about local economics and barter led to the proposal that a grassroots trading system be revived, and HOURS were born. The hallmarks of this new system were that it would use a printed currency that could circulate independently, and that it would include not just people exchanging labor, but also local businesses trading commodities. Soon, the designs for the one HOUR and half HOUR notes were drawn, prominently featuring local themes. On them was written "In Ithaca We Trust. This note is useful tender for many local needs." Building the system was an informal, and relatively unstructured process since everything was new and the organizers had to address every issue as it would arise.

Patrice Jennings started working on the more formal publicity and fundraising role, while Glover took on the task of promoting the new currency and inviting people to participate. Glover's grassroots, personal approach and his charisma in promoting the new system in the streets, markets and other public places, as well as the fact that he picked up a large part of the work needed for developing and running the system, quickly

identified him with the currency, and made him the face of Ithaca HOURS for many in town. While Glover was technically not the sole founder, and took specific action to keep this a joint, communal effort, this identification with the system still holds for many Ithacans, even years after Glover stopped being involved with the administration of the system. Within four months of the initial conception, Glover started issuing *Ithaca Money* (later renamed to “Hour Town”), the system’s newsletter listing people and services accepting HOURS, and distributed free throughout the community. The first issue that circulated in October of 1991 included about 90 people listing over 200 offers and requests. That same month, the first batch of actual currency (1,500 1-HOUR notes and 1,500 ½-HOUR notes) was printed, and 382 HOURS were disbursed to the first members, setting the system in motion. Among the earliest participants one counts a number of individuals, a local independent movie theater, and the town’s most upscale restaurant at the time.

Most accounts of the early days of HOURS present a neat picture, explaining that one HOUR was set to be the equivalent of \$10 US, as this was the mean hourly wage for Tompkins County at the time, evoking the principle of a living wage and demonstrating the system’s commitment to social equity and justice (Boyle 1999a). They also note that the system was administered by the Barter Potluck, an open and democratic assembly, where anyone was welcome, and where the members jointly decided on procedural matters. This was soon supplemented by an advisory board that examined and refined proposals for the Barter Potluck to consider and vote on (Boyle 1999 a, 1999b, Helleiner 2001, Shuman 1998, etc).

Somewhat regrettably, this image omits the informal and energetically experimental beginnings of the system where people could sign up without being entirely sure what it was in which they were being asked to participate, as the currency evolved

dynamically. Initially, this meant finding a few people who were willing to try this new way to trade between themselves:

That same day, on October 19, I bought a samoza at the Farmer's Market with half HOUR from Catherine Martines-- the first use of an HOUR. Neither of us knew what a Half HOUR was worth, since the \$10/HOUR rate was then merely suggested. Several more Market vendors enrolled (Glover 1995).

The exchange rate of 1 HOUR = 10 USD was not established from the beginning but was declared standard only after trading with HOURS had taken off, and more and more people and businesses were beginning to accept the new currency. This rate was an arbitrary decision made by the participants and only later was it established to match the mean hourly wage for the county. Equally, the name "Barter Potluck" as a formal regulatory body was an invention that became necessary as the system increasingly attracted publicity and inquiries as to how it functions. The reality of it according to Glover was that

We'd just get together, whoever wanted to come; We'd find a spot and we'd bring food and have a potluck and talk about things, maybe arrange trades, discuss proposals... But people were asking "who runs the system?" "How do you do this?" And so here it was: the Barter Potluck.

The ingenuity of the idea coupled by a context that was receptive to community-based initiatives aided in the system's early success. The Alternatives Federal Credit Union, which had also supported the LETS venture, was among the first to sign up, lending the fiscal credibility of a large financial institution to the system. Ithaca's commitment to localism, linked to the development of a solid small farm base with the revitalization of the countryside since the 1970s, was a key component in this success as well, as it created a strong tradition of local trade, an ideal setting in which to utilize a local currency. The Farmers' Market became one of the first venues for the circulation of HOURS, and it still remains one of the main trading centers for it.

An accident also contributed to tying HOURS to the local food base. Soon after the Farmers' Market had closed for the winter, GreenStar Co-op, a cooperative grocery market, which has also evolved into one of Ithaca's alternative landmarks, burned down. Local vendors selling through GreenStar organized a temporary mini-market, and most of them agreed to accept HOURS. When the co-op reopened, it eventually got into the system as well, becoming yet another prominent participant and a main location for HOURS exchanges.

In addition to the favorable community context, timing played a very large role in the system's success, as HOURS emerged during a period where the local and regional economy was going through a downturn. Described as a recession by some, a depression by others, the downturn of the 1990s had effects that, as some claim, are still felt today in certain sectors of the economy. Even Ithaca's economic buffer against dramatic fluctuations in the economy was challenged, as Cornell University implemented a hiring freeze, followed by some layoffs. A growing feeling of uncertainty about the future contributed to the appeal of local money as a security measure against the cycles of a global economy that appears both distant and all encompassing. As is to be expected on the pragmatic end of things, the downturn also meant a reduction in consumer spending, and particularly in discretionary spending, which strained many local businesses. In this context, HOURS were a way for consumers to be able to reclaim some buying power while businesses had an additional way to advertise in the community through *Ithaca Money*, and to attract more customers. According to one of the earliest HOURS members with a long-term involvement in running the system, "People had needs and people had skills but did not have a way to trade between themselves. That is what HOURS did."

This sudden burst of activity created certain problems for the system though, as HOURS flowed disproportionately into a few destinations, which were not necessarily

able to return them to circulation in an equal rate. This is one of the most common dangers that alternative currencies face, as overaccumulation in the hands of a few threatens the integrity of the system by removing large chunks of cash from circulation as well as creating the risk that those who accumulate far more than they can spend will drop out. The organization had to intervene. As one early participant described it,

Builders and contractors and pretty much everyone in those trades were starving during the recession. So Paul went to businesses and asked what they needed, and connected those businesses to the building trade. They took pay all in HOURS but had no other business. Some used them for discretionary spending but these people needed to pay bills and buy food.

In this way the HOURS base was solidified, as the currency was not a novelty but an actual resource for people. The following is the experience of just such a trades person:

When I first started working I worked almost entirely for Ithaca HOURS. That lasted for about...In Fall '95 I started part time, and in '96 I started full time [as a carpenter]. Before that I was a grad student in natural resources. I have a master's in natural resources from Cornell. I learned carpentry and such from my father while growing up, plus through all sorts of experiences, on the job training. I decided to take it up professionally in January of '95 after looking for work anywhere locally and turning most every stone that I knew to turn. When I heard about the list in '95 I thought this was for me. A great way to see if people who wanted to try out a business could see if they could do it without much investment. And since people would hire you directly from the list there was a sense of community. Like "we're all in this boat together" and we'd all turn around and spend the HOURS. One way we used Ithaca dollars (sic) was to finish our home renovation. We paid for dry wall finishing entirely with HOURS.

This rapid development required an increasing amount of time and work that, for Paul Glover, became a more than full-time job. It is important to note here that the system has never engaged in systematic fundraising to cover the cost of operations, and does not even charge membership fees. Work was (and is) paid mostly in HOURS. There is a small fee (in the order of \$5-\$10 U.S.) asked of members but this is a listing fee, needed to cover the cost of publishing the directory of members and services. For the members, this is more or less an advertising fee, which is furthermore returned in the

form of a disbursement of HOURS that all members who sign up get, as a starter for participation. Dollars, in other words, are minimally present even today. In the early days, the continued development of the system was fortuitously facilitated by the Alternatives credit union. As a community development financial institution, Alternatives received three VISTA grants for a community outreach program in 1993. One of these was offered to Paul Glover to continue work on HOURS.

Mobilization against Wal-Mart started around the same time as well, which brought much public attention to Ithaca and helped further propel HOURS into the spotlight, as a very real, and indeed already practicing alternative to corporate globalization. The system kept attracting local, national and international media, along with more and more participants, reaching a peak, according to many of my informants, between 1995 and 1996. The idea itself also spread, and HOURS became a source of inspiration for communities all over the country and beyond. Various experiments with local currency began appearing, which consulted, and frequently copied the Ithaca model.

As the carpenter's story above shows, HOURS were successful in their intention to create a sense of community among participants. However this community did not always map on to the larger community of Ithaca. Along with support, the system also faced criticism. Much of this antagonism followed along the community's extant lines of separation. HOURS were dubbed the "hippie money," at best a novelty, at worst a questionable scheme, relevant only to the alternative crowd, and maybe a few downtown businesses. The fact that Paul Glover, a devoted, and also quite vocal environmentalist and activist, was the system's main spokesperson, and produced much of the HOURS-related material, inadvertently infusing it with that spirit, imbued the currency with a particular kind of aura that did not necessarily help in making it more approachable to the more mainstream segments of the population.

Evolution

The system however needed to expand, both to remain viable and, in terms of principle, to truly be a resource for the entire community. Additionally, sustained growth brought about a need to regularize and structure the system's workings in a more formal manner. In part this was driven by a need for consistency in the organization's practices, also necessary for the system to maintain legitimacy and the good faith of its members. As time passed the need also emerged to make sure that HOURS could survive beyond the work of a single leading organizer. Many members put time and effort into the system, by participating in the potlucks, taking part in the advisory board, and/or doing various other kinds of work. In fact, getting people actively involved had always been one of the main tenets of the system. However, Paul was still the central figure, having the most detailed knowledge of the system's processes. Provisions had to be made to standardize these processes in a way that they were available for anyone to utilize or examine. What is more, Paul himself had started turning his attention to other projects and wanted the freedom to devote his energy in the development of an alternative health plan. Lastly, for the organization itself, formalization would provide a way to enhance its legitimacy in the community, provide a safeguard against possible legal and tax issues, and allow it to develop better support as a participant in the public domain.

Given these concerns, the system moved to incorporate, and in 1998 it was registered as a not-for-profit with the State of New York, under the name Ithaca Hours Inc. (since the name "hours" can refer to both the currency and the organization, the two are distinguished by capitalization. Capitalized, HOURS, or HRS refers to the currency while "Hours" refers to the organization). The articles of incorporation called for a board of directors with a minimum of seven members, elected democratically by the system's membership. That is to say, the advisory board was reformed into the board of

directors, with a formalized election process and particular requirements for its operation. Incorporation brought about a period of transition in which there was intensive internal restructuring, formalization of policies and processes, and a drafting of bylaws and mission statement. Internally, this also meant trying to find an equilibrium between the free-form, creative and charismatic origins and the more corporate, standardized and formal development model, not all of which was entirely smooth. Switching to a board format meant that multiple perspectives, visions and aims of and for the system had to be presented and negotiated, especially in view of an overarching goal for expansion into the more mainstream segments of the community.

From the users' perspective there was barely any change, as the basic workings of the system remained the same. The transition did, however, bring about a drop in visibility as the "face" of HOURS gradually stepped down and the complexities involved in the changing of the guard did not allow for a seamless continuation of outreach efforts. This created a general perception that the system was losing momentum, as people would forget to put up their signs showing that they accept local currency and no one would be there to remind them, HOURS were less readily present in local news and in events, and *HOUR Town* switched from a bimonthly newspaper to an annual directory format, as did the official membership meetings.

The impression that the system is waning is expressed in some of the more recent scholarly writings on Ithaca HOURS that also point to the fact that most experiments in local currency are relatively short-lived (e.g. Jacob et al. 2004 a & b, Collom 2005). However, this conclusion is not necessarily supported by the data. Membership and offers listed have not declined, and in fact they have increased in the recent years. In 2004 the system listed nearly 800 participants offering over 1400 goods and services. Furthermore, these figures do not take into account that trading in HOURS also happens at the periphery of the system, among people who either neglect

or do not wish to register formally. Equally so, HOURS still remain a prime model for other communities, as well as retaining their celebrity status among alternative development circles. While there has undoubtedly been a drop in visibility and member participation in the nuts and bolts of the system since the transition, as will be discussed in greater detail in the next section, my data have not shown that the same holds true for levels of trading. There has been no consistent response for how often and in what quantities the people consulted in this study see and use the actual currency, and while for some trading has dropped over time, others reported an increase in the recent years.

Furthermore, with the completion of the transitional period and the regularization of board and systemic functions, the organization has turned its attention specifically to this issue of visibility as one of its top priorities. The new, formal presence has also allowed Hours to look for external funding to assist with the system's various goals. Hours was awarded a grant from the Ben and Jerry's Foundation with which it was able to hire a system manager/volunteer coordinator who was crucial in "cleaning up" and organizing the operations of the system, as well as work on re-establishing the system's presence in the community.

In 2003, LeGrace Benson, an art historian and long-term Hours board member, was awarded a civic fellowship from Cornell University to explore ways in which local currency can help the Tompkins County's low-income population connect with the local economy and be better able to meet their needs. This project is the main topic of Chapter 6. In general though, Hours is moving toward a period of organizational "maturity" that raises important questions in regards to the role and potential of local currency in the project of sustainability, but also in regards to what is considered "success" for a collective action venture such as this, and how it can (or cannot) be measured or assessed. These questions furthermore, cannot be answered without a detailed understanding of systemic workings and the interpersonal dynamics involved in

grassroots organization, a topic generally sidestepped in the extant literature on local currency. This is, therefore, what I will turn to next.

Mechanism

HOURS circulate in the following denominations:

2 HOURS	=	\$20
1 HOUR	=	\$10
½ HOUR	=	\$5
¼ HOUR	=	\$2.50
1/8 HOUR	=	\$1.25
1/10 HOUR	=	\$1

Denominations were added over time to accommodate trading needs, the latest addition being the 1/10 note, which came out in 2003 as a solution to the somewhat arithmetically cumbersome quarter and eighth HOURS. The notes are very colorful, each depicting a locally inspired scene such as the Ithaca Falls and a local species of salamander, or paying tribute to a local figure, such as the commemorative one HOUR note for Beverly J. Martin, a local leader and educator, the “first paper money in U.S. to honor an African-American” (ithacahours.com/hourfamily). The original notes had a large format that was soon replaced with normal-sized notes for ease of use. The notes are serial numbered. For every printing there is an effort to find rare or distinctive paper to discourage counterfeiting, which in some cases has yielded particularly unique notes (such as 2 HOUR and ½ HOUR notes printed on hemp paper) that are now collectors’ items.

To this day, the system has not deviated much from the way it was originally developed. It is not meant to create a separate market but it works alongside dollars, as another currency that people can use in normal transactions. The caveat is that the participants get to choose their rate of acceptance, balancing between regular and local money at their own level of comfort. That is to say, there are no requirements for acceptance, and people are in fact encouraged to accept HOURS conservatively to

avoid overaccumulation. In some cases this means that only a percentage of the total cost of a good or service or only a set value will be payable in HOURS. Some choose to accept HOURS only at specific days of the week, during certain times of the year, or take them variably for the different goods or services they provide. A non-negligible portion of the members will accept HOURS in full payment. For example, Greenstar, a large cooperative grocery accepts $\frac{1}{4}$ HR (\$2.50) for a \$5 dollar purchase, up to a $\frac{1}{2}$ HR (\$5) for a \$10 dollar purchase or above. Certain restaurants accept full HOURS on certain days of the week. In my personal transactions I have had people refuse to take any HOURS on account of having too many at hand at that particular moment, or accept more than their official policy because they did not feel they had enough, or because of the nature of the good or service they offered.

It is also not uncommon for people to negotiate acceptance on a case-by-case basis. Negotiation is, after all, part of the effort to re-localize, personify and humanize transactions, one of the core pursuits of an alternative finance system. Occasionally, these arrangements may seem a bit unusual. One store owner, for instance, had no formal policy for acceptance and said that he did not turn down HOURS for transactions of any size but if the client did not have the exact amount, he was unlikely to give change: "If you buy something for \$9.50 and give me an HOUR, I am not going to sit there and fiddle with it." For some, it requires a complex ideological calculus. When asked what he accepts, a designer replied:

This is always tricky. It depends on the size of the job. Officially I get 25-100% [payment in HOURS]. Generally I am running 40-50%. Typically I get 100% from the Hours [Inc] folks themselves. To the extent that I can I try to synchronize acceptance rate to the client's acceptance rate.

This leads into the issue of pricing in an alternative currency economy. While HOUR to dollar equivalencies were not built into the system from the beginning, and

extensive discussion of what prices should mean and how they should be counted in local currency continues to take place among the theoretically inclined, by and large, the HOURS economy follows the dollar. Primarily, this also means that the idea behind the name “hours,” meant to evoke the equal exchange of labor under the notion that since an hour of time is the same for everyone, an hour of labor should be the same for everyone, was never implemented in practice. The name thus is the cause of some confusion and occasional dissatisfaction: “everyone’s hour is NOT the same,” or “I think it was the biggest mistake calling them ‘HOURS.’ It could not ever work as a pure hour to hour, and it is confusing.” From a practical standpoint, standard market pricing solved many of the potential difficulties with negotiating transactions. It certainly helped with attracting a wider array of participants but also facilitated control for the purposes of taxation, asserting the legality of local currency, which rests on it being taxable, and the profits from transactions in it being reported as income.

To date, over \$120,000 worth of HOURS has been issued in the community. The amount that actively circulates cannot be reliably determined. The actual number is definitely smaller, as many notes leave Ithaca as souvenirs, while others simply remain unused. For example, a good number of notes had been sitting in my wallet for show and tell purposes, most of them having since been given away to people in the U.S., France, Greece and Guinea. A couple of dollars’ worth of HOURS are taped on my advisor’s desk. At the same time however, the fact that this is an open system, meaning that one does not have to be a member of the organization to earn and spend HOURS means that the currency circulates more extensively than the official boundaries of the system. Furthermore, as advocates point out, local currency is only valuable insofar that it circulates, thus creating a multiplier effect: value is contingent not on the amount of money that exists but on how fast it changes hands in the local economy (Hargraves 1998, Yoshida n/d).

There are no membership requirements or dues, and the only criterion of use is that for someone to become a *registered* member, one has to live or work in the area. One need not be registered with the system to accept of use the money however. Registration involves filling out a simple form with contact information and the product or service one wishes to offer to the system. Membership gives one a voice in the system, a vote in the board elections and a formal linkup to the network of other HOURS users. The system lists three kinds of membership. The overwhelming majority are people who agree to accept HOURS for their goods and/or services, and are listed in the HOUR Town directory. Upon registration, these members receive a small disbursement in HOURS (usually 2-4 HOURS, the equivalent of \$20-40), to get started in the system. The second category includes people who may not have an offer to make but who are employees of businesses that accept HOURS, and commit to accept any portion of their wages in local currency. Employee members also receive a disbursement. Lastly, one can register as a supporter of the system, even without having a consistent way to earn HOURS. This type of membership can still participate in the decision-making processes of the system, but does not receive a disbursement.

The disbursements are one of the ways in which the currency is disseminated in the community. To acquire HOURS, one can also exchange dollars for them at the system's "bank," housed in a downtown bookstore, at the Alternatives credit union, GreenStar cooperative, or from any one who has them and is willing to exchange. The main way in which large chunks of HOURS enter circulation however is through business-related loans and grants. Committed to local community development, the system offers loans in local currency to individuals or businesses who want to develop an aspect of their business. The requirements to receive such a loan are relatively lenient: the venture has to be deemed valuable for the community, the business plan has to be generally solid, and the applicant has to show how s/he intends to use the

HOURS. The reasoning for this requirement is that the system wants to assure that the currency will be useful for the recipient but also circulate widely in the community, and that it will not, for instance, end up in one of the major HOURS clearinghouses, or be returned unused. These loans are interest-free and the system individually negotiates payback with each recipient in very favorable terms. They can be paid back in either HOURS or dollars. These loans have helped several local businesses to different degrees, and the system boasts a less than 2% default rate, which it credits to the community spirit that the money invokes.

Hours also offers grants to non-profit organizations in the community usually in order to fund specific events. The application process is very simple and mostly requires that the applicants demonstrate how they are planning to use the HOURS. To give an example, during my fieldwork in Ithaca, there were grants given to a women's music festival, an urban beautification program, a Spanish language education camp and an initiative to bring books to county prisoners. In these initiatives, the currency was used in various ways such as for personal compensation/honoraria and the purchasing of food or supplies.

As has been mentioned before, Hours operates with a minimum of "real" money. In the earlier days, engaging in fundraising was a contested topic, as some people felt that the local currency should be entirely independent from the "mainstream" financial sphere. Incorporation opened a few more opportunities for finding funds but the general informality of the system, and practical matters such as not having an actual office up until 2004, along with the disruption caused by the transition to an incorporated organization were not conducive to extensive fundraising. Some dollars come into the system from various sources though: loan repayments in dollars, dollar for HOUR exchanges from the system's bank, and mostly, listing fees and advertisement sales for *HOUR Town*. These are largely, but not entirely in U.S dollars, and go directly to cover

the cost of printing the directory²⁷. “System grants,” small grants of HOURS that the organization issues itself, and a dedicated group of mostly volunteer workers and system members who agree to be compensated in HOURS cover the rest of the costs that the system incurs. Systems grants have been a common tool throughout the history of the currency, and it is only reasonable that a system in the business of creating money would use some of that money to pay for itself. They have also been a long-time cause for concern and close control as the board does not want to allow the practice to get out of check, for the potential ramifications to the system’s integrity and accountability that it could bring.

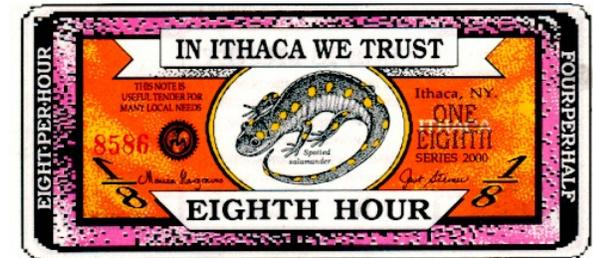
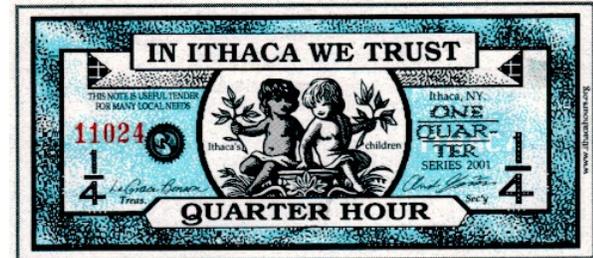
This, in turn, demarcates the unique situation of Ithaca HOURS and underscores the essential grassroots foundation of the system, that is, as has always been the case, run by a few very committed (and mostly uncompensated) volunteers. Indicatively, the composition of the advisory board that formed into the board of directors has changed much over the years but there is an observable trend for long tenures by a small number of people who have defined the course of the currency. Their stories and motivations vary widely: political and social activism, intellectual challenge, practical expertise, personal concern as community members and/or small business owners, among others. Their role in the survival of the currency though, is as central as it is underexamined, something which I will address later in this work. To understand the HOURS phenomenon it is necessary to triangulate three systems: the organizational issues, the dynamics of the user network in the context the community, and the influence exerted on these relationships by the fact that the object in question is *money*.

So far, a history of the currency in the context of the community has been drawn and its mechanics presented so that the issues surrounding them can now be raised.

²⁷ Printing costs are covered in large part with HOURS, as the artists, printer and other factors accept HOURS in whole, or large part.

Next, I will turn to how the system operates on the ground, and how it compares against the principles, notions and claims advanced by the complementary currency movement regarding alternative, community-focused models of development. A review of the (relatively small) body of academic work on HOURS will be followed by and contrasted to the findings from the present study.

Figure 3:
Ithaca HOURS Local Currency



Chapter 4 – HOUR Economy

How Much Is an HOUR?

The windows of the Tompkins County Chamber of Commerce overlook the lake. A bright, midday sun is reflecting off the surface of the water. It creates that calm vibrancy, so unmistakably Ithacan, that brings out ideal forms in things. In the chairwoman's office, the mood is light. We are laughing.

We have gotten phone calls by people who are planning to travel here and have heard of HOURS. There was this one guy who was really anxious about it. He was asking "are there places to exchange dollars? Can you get them at the airport?" Some people hear about it and they thinking that this is *all* we use in Ithaca.

So far I have described the complementary currency movement, its principles and claims vis-à-vis the problematic of money and the role of monetary policy in the development of global capitalism, and sketched out the ethnographic context for the present study. If the goal here is to explore what alternative models of development are advanced by the movement, as evidenced in Ithaca, one must now turn to assessment: do the principles and claims of the movement become realized in Ithaca, and if so, in what ways? I will examine the economic, social and environmental role of HOURS in the Ithaca community, counterpoising standard and alternative measurements and interpretations.

The information discussed here comes primarily from three sources. First is information gathered from the actual users of the currency. This information is the most ethnographically rich but less consistent and presents certain problems that will be discussed below. In addition to participant data, there are two other sources for quantitative information central to this study, this time more detailed and reliable but not without their own set of limitations. Both of these are sources from the Hours organization itself. The first is systemic information on circulation: issuance, loans,

grants and other operations. The second is from the business side of running the Hours organization: the operational expenses and general accounting of Hours Inc. Having volunteered to work for the Hours organization from the beginning of my fieldwork, I was responsible for keeping track of the system's finances for over eight months, which gave me both access to detailed information and a good understanding of the complications involved in running a local money system. In addition, I attended almost all board and committee meetings in which organizational finances, budget, and circulation were discussed. While extremely useful in tracing the field in which the local currency economy operates, system data is of limited scope, leaving out what occurs once the currency has been issued. The finances of Hours Inc. can be used as an exemplar case of an operation based on local currency.

The System's Outline: Currency and Members

When people ask, we usually tell them that HOURS account for less than 1% of the Ithaca economy. In reality it is much less than 1%.

By May of 2004, a total of 12,273.243 HRS (= \$122,732 U.S) had been put to circulation since the system's beginning in 1991. Of these, 10,998.65 HRS (= \$109,986 U.S.) have been issued to new and renewing members, or as grants to community organizations, and as system grants to cover the cost of operations for the HOURS system. Another 733.343 HRS (= \$7,333.34 U.S.) were exchanged for dollars. It must be said that the precision of these reported numbers is not certain, as the quality of the records kept throughout the system's history is variable. Some data may be missing, especially where HOURS to dollar exchanges, disbursements and loans are concerned. Early on, the system had not developed a solid budgetary and bookkeeping practice with the implication that there is a possibility some information may have been lost or improperly recorded. At the time of my research an effort to consolidate all available records was under way, in connection with a newly revived effort by Hours inc. to

straighten the system's accounting and develop a budget. The possibility of misplaced records was a concern voiced during an Hours Inc. budget committee meeting, though the treasurer indicated that any deviations are not likely be particularly substantial overall.

There is also a running sum of HOURS given out as loans, of which only the outstanding balance is counted into the sum of HOURS in circulation. Loans are not considered full issuance of currency. They are put to circulation temporarily and then returned to the system in the form of repayment, at which time they are taken back out of circulation. As HOURS loans are interest-free, they are simply a temporary transfer of buying power. Though HOURS loans can be paid back in either local currency or dollars, they are overwhelmingly paid back in HOURS. The system boasts an impressively low default rate of less than 2%, which, per the Hours board, is far lower than even the most successful mainstream financial institution. Since 2000, 3,920 HRS (= \$39,200 U.S.) have been given out in loans, and in mid-May 2004, the outstanding balance of loans amounted to 539.25 HRS (= \$5,392.50 U.S.) still circulating in the local economy. The surprisingly large figure for HOURS loans will be explained below.

The system shows a moderate but steady rate of growth over time. The following chart shows the new and renewing HOURS issued as a result of registration or renewal of registration with the system, as well as the HOURS exchanged for dollars at the system's "bank," operating inside a local bookstore. It must be noted that this bank is only one of the places in which people can exchange dollars for HOURS, but the only one operated by Hours itself. Other such places include the Alternatives Federal Credit Union and the Greenstar cooperative, which however exchange from their own stock of HOURS and the system receives no record of these transactions.

Table 1: HOURS Issued 2000-2004

	2000	2001	2002	2003	2004 (to mid-May)
New HOURS	98 HRS (\$980)	136 HRS (\$1,360)	170 HRS (\$1,700)	210 HRS (\$2,100)	34 HRS* (\$340)
Renewing HOURS	197 HRS (\$1,970)	316 HRS (\$3,160)	330 HRS (\$3,300)	300 HRS (\$3,000)	196 HRS* (\$1960)
HOURS Exchanged for Dollars	N/A	63.95 HRS (\$639.5)	98.2 HRS (\$982)	96.025 HRS (\$960.25)	94.81 HRS** (\$948.10)

* January through May

** January through July

Complied from data provided by the Circulation Committee & Bank Reconciliation sheets

For 2004, it must be noted that the figures only reflect membership and HOUR to dollar exchanges until the middle of May. However, the bulk of new memberships and renewals starts in the fall: many participants sign up or renew their registrations in person, during the annual members' meeting, which usually takes place in October of each year. The annual meeting also kicks off the Hours' membership drive for the production of the annual directory of goods and services. Therefore, the 2004 figures do not reflect the majority of new and renewing memberships for that year.

Another thing that bears mentioning regarding Table 1 is that 2004 shows significant activity in the system's bank. By July 2004, 94 HOURS were exchanged at the bank, considerably surpassing previous years' exchanges at the mid-year mark. However, bank data are limited, since such exchanges are the only way for people outside the system to obtain HOURS, and it is impossible to determine what happens with this currency, for example whether it stays and circulates in the community or is taken out in the form of souvenirs or collectors' items. The reason for this spike in exchanges is therefore uncertain. Still, it does hint at a certain rise in active awareness

by locals and/or visitors. As has been mentioned previously, visibility, especially since the period of the system's reorganization, has been an issue with which Hours have been continually confronted, and it also influences people's ability to navigate the local currency economy. Lack of visibility is repeatedly brought up in the literature on HOURS, and commented upon by both Ithacans and visitors. An increase in dollar-to-HOUR exchange could reasonably be considered a sign of a rising public prominence.

As the new and renewing HOURS would indicate therefore, membership registration has been steadily increasing in the past 5 years. However, the HOURS issued to new and renewing members do not cover all the members listed in the directories for each year (736 individuals were considered active by mid 2004). As I was involved in the membership drive to produce the 2004 directory and was in charge of maintaining the membership database between January and September of 2004, the informality which the system regularly displays quickly asserted itself as the cause of these seeming discrepancies in membership. My fieldwork revealed early on that what people know and understand about the system is highly variable, and that this significantly affects the way they operate in the system, as well as the way the system itself has to adapt to accommodate this variation. These issues will be discussed more extensively below in connection to the economic side of HOURS but, as will be seen, they are a running theme in all aspects of the local currency network.

As explained previously, HOURS are issued in the form of a disbursement of a few HOURS to new or renewing members. Registration involves a small "listing fee" for the inclusion of the member's offer in the directory. With this disbursement, the system effectively reimburses people, and provides a little extra "seed money" with which to start trading in the local currency economy. The disbursement usually ranges between 2 and 4 HOURS (\$20-40 U.S.). For comparison, the listing fee was set to \$5 U.S. for a number of years and only recently received an increase, to reflect the rising costs of

producing the system's directory. Regardless, members clearly receive more money than they spend for their listing, in the form of local currency.

However, not all members correctly complete the registration and renewal process, creating this discrepancy in records. When organizing a system of local trade, Hours not only has to come up with money to pay for producing the directory but has to also ensure that the directory is accurate and up to date. During a period of about two months, a number of volunteers (largely board members) try to contact registered participants, check that each person is still accepting HOURS, and verify that the listing information is correct. The members are then asked to send in the listing fee, in return for which they will receive their disbursement. It is not uncommon for people to fail to send their listing fees for whatever reason, or to send their fees well after the fact, creating a lag in record-keeping. At other times, the volunteers are unable to reach members. In those cases, the listings may still be kept in the directory but no disbursements are issued.

Generally, Hours is inclined to keep listings that it has reason to consider valid, even if the renewal process is unsuccessful. There is quite a bit of sense in this policy. Many of the people I identified and interviewed through the directory still considered themselves part of the system and were happy to accept and talk about HOURS but when asked, they said they had never thought about or renewed their registration. Many said they had never concerned themselves with the practical side of running the system. For some, knowing Paul Glover and having at some point agreed to use HOURS had been thought sufficient to verify their continued affiliation with in the system.

In fact, one of the most common errors people made was that they confused Ithaca HOURS with Paul Glover's latest undertaking, the Ithaca Health Fund, an alternative healthcare initiative in a cooperative model. At least 5 of the people I interviewed and a number of other community members with whom I spoke, were under

the impression that the two organizations were somehow linked and that by being members of the health fund, they were automatically members of Ithaca HOURS. This misconception had become a big enough problem for the Hours organization that, at the time of my research, the board was considering several courses of action to clarify this relationship publicly.

From the system's perspective, this practice also underscores the peculiar mixture of formality and informality that is characteristic of Ithaca Hours, which emphasizes pragmatism and agility over rigid process. That it is possible (and in fact done) to stipulate the position of an individual with a fair degree of accuracy, in a system of 800 people, speaks to the presence of a "human" or social factor in this parallel economy that allows for two things. First, it demonstrates that even with its development into a formal organization, social ties (however tenuous) are still maintained in this system. Second, it shows that social relations are in fact at the core of economic transactions using alternative currency, a case of "social capital" at work, as it were. Here, social capital in the form of community members' knowledge of one another, creates the space for economic opportunity and so interpreting such actions in terms of their financial impact is not a straightforward matter.

Table 2 shows the amounts for HOURS loans and grants between 2000 and 2004. Loan and community grant data for the same 5-year period is more erratic. In fact, many of the board members of Hours expressed the belief that the loans and grants programs were somewhat underutilized. Loans and grants do not reflect a growth trend but a relatively small, steady stream of awards over a period of the past 5 years. Some grant recipients are repeatedly supported by HOURS, such as a local, independent newspaper, and Cornell University's Committee on U.S.-Latin American Relations (CUSLAR), though the system has offered its support to a diverse assortment of causes, organizations and events.

Table 2: HOURS Loans and Grants 2000-2004

	2000	2001	2002	2003	2004 (to mid-May)
Loans	3,270 HRS (\$32,700)	390 HRS (\$3,900)	0	210 HRS (\$2,100)	50 HRS (\$500)
Grants	242.13 HRS (\$ 2,421)	133 HRS (\$1,330)	290 HRS (\$2,900)	256 HRS (\$2, 560)	75 HRS (\$750)

Source: Ithaca Hours inc. Circulation Committee

An explanation is required for the loans total for the year 2000, which obviously stands out. The number reflects the loan of 3,000 HRS (= \$30,000 U.S.) that Hours made to the Alternatives Federal Credit Union for the construction of the credit union's new building. While at the time there was much excitement generated by this move, and the credit union had outlined a strategy for utilizing such a large amount of local currency, it never quite implemented it, and the majority of those HOURS were returned unused. Without this loan, the "normal" range of loans amount to a few hundred HOURS each year. The year 2002 shows zero loans, though the reason is unclear. Grants show steadier numbers. However, especially during the period of transition into a not for profit incorporated organization, Hours did not make concerted efforts to publicize and push the loans and grants programs, which may account to a significant degree for the fluctuation in awards.

A broad overview of the system data shows a definite trend toward stability and in some significant ways, growth. Membership continually increases and, while there is always some attrition, the real extent of participants in the network is larger than the pool of registered members. There has been a steady increase of HOURS currency funneled into the network. Particularly where membership and exchange figures are concerned, an increase in registrations and dollar-to-HOUR exchanges would indicate a rise in

visibility and greater public awareness of the system, a significant indicator of its success.

What is the real extent of HOURS' contribution to the Ithaca economy? In what senses and measures can the claim that "local currency makes a community while making a living" be substantiated by the data? Clearly, "much less than 1%" of a county's total economic activity cannot claim unequivocal significance. But as the preceding discussion on money may have hopefully hinted, there is more to quantitative assessments than production, consumption and use-value, making it possible to claim that, in a field of economic activity where measurement has not escaped the world of material exchange, "a little goes a long way." Small amounts may matter in different, if not more pronounced ways, as I will discuss in Chapter 6.

Also, it can be claimed that there is a fundamental qualitative difference between exchange in normal money and exchange in alternative currency, as local currency is not only non-speculative, but also quite strictly bounded. It may, therefore, not be accurate to compare the HOURS economy to that of the entire county, as much of the Tompkins economic activity is well beyond the "local economy." As the president of the Chamber of Commerce observed, "The number one employer in town is Cornell, which is fundamentally an export business [implying that the university's inputs come from outside the local economy]. You can't compare HOURS to Cornell." Furthermore, as my previous example on finding a job as a modern Greek translator shows, there is more to a parallel market economy than the amount of local money that circulates through it, in the form of things like entrepreneurial opportunity, jobs, and a reorientation toward local spending, that may or may not involve the actual exchange of HOURS.

By and large, the budding literature on local currencies does not include many thorough studies on the economic impact that these alternative economies have on their respective communities. To date, I am aware of two systematic studies attempting to

map out the HOURS economic terrain that will be summarized below. The first is the work of Noboru Yoshida, a Japanese Fulbright scholar at Cornell University, who produced two works on Ithaca's local currency during 2002, the first an econometric assessment of the economic impact of HOURS, and second the environmental impact of HOURS on Ithaca, which will be examined at a later section. Also, in 2004, a team of Canadian sociologists from the University of Calgary collected economic data from Ithaca HOURS users in order to analyze the social and cultural capital of community currency (Jacob et al. 2004a).

A Macroeconomic Take

By examining the HOURS economy from an abstract, aggregated angle, the work of Noboru Yoshida provides a useful contrast to the more direct ethnographic approach frequently seen in discussions of local currency. In this approach, Yoshida (n/d) utilizes input-output economics. Input-output economic models are based on the idea that final demand (from consumers, the State or any other entity) drives production, which in turn generates more demand for goods and services. The concept of the multiplier is meant to describe these interactions. This approach emphasizes that the relationship between production and consumption that is not a unidirectional, linear progression but a more complex, systemic one. To map out these interconnections, Yoshida breaks down the economic effects into three categories: the direct effects of buying and selling, the indirect effects generated by the output of goods and services, and the induced effect generated by the circulation of income that economic activity entails. Because input-output analysis traces flows of goods and services within and between different sectors of economic activity, it has become an important tool for economic planning and decision-making at the state level in the recent years.

In his study of Ithaca, Yoshida attempts to discover the effect that participants in the HOURS network have on the economy at large based on the indirect output of the produced goods and services in the HOURS-accepting sectors and the induced output deriving from the circulation of the income generated from the other output. He is specifically interested in the concept of the multiplier, a key notion in input-output analysis, which he calls “an economic indicator of high utility,” and a “strong persuasive tool” that “attracts stakeholders in the local economy” (Yoshida n/d:3-4). The multiplier concept he uses is the input-output economics definition also known as the Leontief multiplier, named after Wassili Leontief, one of the main figures in input-output analysis. The Leontief multiplier is based on a “domino effect” or systems theory type of effect, accounting for things such as the demand of a particular product, which “ripples through the economy, generating employment and employment compensation, and increasing demand for products in other sectors” (Yoshida n/d:3).

In his design, Yoshida utilizes the standard input-output method, considering 102 aggregate manufacturing and service economic activities in Ithaca. He divides them into HOURS-accepting (53) and non-HOURS-accepting (49) sectors, and calculates their contributions to the local economy in terms of direct, indirect and induced effects using specialized software.

Yoshida does note the difficulty in reliably quantifying the HOURS economy, beyond the known amount of HOURS issued into circulation by the system. He therefore starts from the assumption that, since the HOURS economy parallels the regular economy, transactions in HOURS happen for the same kinds of things as transactions in dollars. Therefore, interconnections based on the final demand for goods and services are likely to happen regardless of what money is used, and it is reasonable to assume that the interaction and transactions between industries happening in local currency will parallel those happening in U.S. dollars. There will not be, in other words,

a significant difference in the rate of “inter-industrial transactions,” as he calls them, depending on which currency is used. He also assumes that everyday transactions involving the use of HOURS will also involve U.S. dollars, perhaps even in higher proportion than the local currency. He therefore asserts that the general input-output table of Tompkins County that contains information about the general level of inter-industrial transactions can be used as a baseline.

Noting that there is no information about the actual final consumption paid for by HOURS, he assumes that a total of 30 HOURS/day (10,950 HRS/year, the equivalent of \$109,500 U.S.) is the average final demand/impact. He derives this number by considering that, according to his interview data, 10 HRS (= \$100) per day is accepted by the GreenStar Cooperative grocery store, one of the biggest destinations for HOURS, and assuming that twice that number (20 HRS= \$200) per day covers HOURS final demand in the other sectors. From this, he calculates that 12,638 HRS (= \$126,380) is the sum of direct, indirect and induced effect of the HOURS economy, with a Leontief multiplier of between 1.34 and 1.6, meaning that out of \$1.00 change in economic activity, there will be between \$1.34 and \$1.60 in total value to the economy actually generated.

This work constitutes an interesting effort at quantifying HOURS but it is also rather preliminary. As Yoshida himself does state, sufficient data to back up the assumptions he is making in his calculations are unavailable. His findings do not take into account variables such as the seasonality of certain transactions²⁸. They assume homogeneity in the ways HOURS sectors transact, and have no way of tracking transactions happening informally, which cannot be accounted for in his sector breakdown. What is more, his estimate of 30 HRS/day may be a very conservative one,

²⁸ For example, the Ithaca Farmers' Market, which generates much HOURS traffic, does not run in the winter months.

since, as he acknowledges, he did not take into account certain notably large businesses with a robust HOURS circulation in formulating that number. On another note, he does not sufficiently clarify how the performance of the HOURS economy compares to the dollar economy. Elsewhere he states that the “normal” multiplier for the local economy is 1.2, but does not offer an authoritative opinion on whether or not the difference is significant. While he offers a sense of the *energy* of the HOURS economy, in other words, he does not attempt to establish its weight.

Still, while inconclusive, Yoshida’s work does demonstrate the potential of local currency in terms of indirect and induced effects in the local economy, an observation that is consistent with the claims of economic benefits made by the movement in general, and the Ithaca system in particular. The lack of precise data however leaves the scale of these effects, and hence the overall impact of the HOURS economy, still to be determined.

The “Active User” Perspective

In contrast to Yoshida’s macroeconomic perspective, Jacob, Brinkerhoff, Jovic and Wheatley (2004a&b) take a more first-hand approach in assessing the HOURS economy. Using social capital as their theoretical background, this team of sociologists from the University of Calgary conducted an interview survey of 42 HOURS participants, probing into usage patterns as well as attitudes and political, social and environmental ideologies. In terms of usage, the authors collected personal data on their informants’ age, occupational type (self-employed, salaried etc.), educational levels, family status, their history of involvement with the HOURS system, the volumes and frequency of trade, and involvement in other aspects of the system, such as social events and administration. Their sample was as follows: 61% of the interviewees were male (n=26) and 49% were females (n=16). The age range was between 22 and 72, with a median

age of 40, over 60% being married or partnered, and just over half having children. Consistent with what one would expect of a college town such as Ithaca, education levels were markedly high. Their sample definitely tended toward the self-employed rather than salaried.

In terms of usage patterns, the team considered people's length of involvement, differentiated between the earning and spending of HOURS, and whether activity was mainly related to their informants' business or personal use. They enquired how many HOURS their informants had in their possession at the time of the interview, how many HOURS they used, how many transactions involving HOURS they typically conducted in a month, and finally, whether they participated in the system in other ways, such as by taking part in social events. Additionally, they considered how participation in a local currency system affects general economic behavior (such as consumption patterns), how local currency meshes with people's ideological proclivities, as well as what other non-economic benefits members may derive from the system.

The authors approach the assessment of the HOURS economy from the users' perspective in a way that is very similar to my own in the present study, trying to get at the significance of HOURS from a variety of angles. There is however one significant difference that limits the usefulness of their data in describing the overall HOURS network. As they state, their main goal was to sketch out the "typical" HOURS user. As such they used a particular sampling strategy that was clearly not designed to capture a wide range of experiences within the system. Their strategy consisted of asking the president of the Ithaca Hours board of directors and its administrative assistant to look through the HOURS Annual Directory and identify, to the best of their knowledge, active users.

Out of 120 potential candidates generated by that process, 42 were finally selected for the study. While Jacob et al. acknowledge that their sampling method did

not fit the criteria for a random sample, they state that they are unaware of bias, citing the wide distribution of behaviors and responses across the sample as evidence for its adequacy. However, as they themselves admit, their sample is very likely to have included an unrepresentative number of people with large volumes of trade in HOURS (around 15% of the sample reporting more than \$2000 worth of HOURS transactions a year). As they say, such a concentration would likely not show in a truly random sample (2004a: 45), which, ultimately, limits the utility of their quantitative data for the purposes of assessing the HOURS economy at large.

With these caveats in mind, these are the results of their survey: On average, survey participants reported being involved in the system for 8 years, out of the 11 year history of HOURS at the time of the research. Two thirds indicated that they participated in HOURS through some form of business, be it part or full time, which furthermore tends to be their primary mode of living (54.8%). They did not, in other words, find a different/additional occupation but integrated the local currency into their main productive activity. Survey participants were asked to estimate how many HOURS they earned and spent in the year prior to the survey. About a third of the people surveyed reported earning and spending from 0 to \$100 in HOURS, and another third reported in the range of \$100-500, resulting in 70.7% and 68.3% respectively earning and spending less than \$500 in HOURS. Significantly however, 15% reported \$500-\$2000, and another 15% reported over \$2000 in earnings and spending. Of course this upper end group is particularly unrepresentative of the HOURS community at large. Very generally, they found that earnings closely matched spending in all brackets but with some variation. Notably, those in the lowest brackets also showed the largest discrepancy, apparently making the least effort to spend the few HOURS they had.

However the fact that earnings closely matched spending in most cases indicates that people managed to keep HOURS in circulation, which is particularly notable

especially among the high-end users. This issue appears again when considering how much local currency one may have in one's possession at any particular time. At the time of the survey, two respondents held rather impressively large sums, one having \$1500 worth of HOURS and the other \$7000 (again, also pointing to the bias of the sample). A modest 9.8% of the sample had \$350 or more but the overwhelming majority (75.6%) had \$100 or less. The average was calculated to be \$30, or 3 HOURS per person. In terms of the number of transactions, 50% of the Calgary research sample estimated 4 or fewer transactions involving HOURS per month, with 15% reporting zero transactions. Of the rest, 27.5% reported more than 15 transactions a month and the remaining 22.5% reported more than 30 transactions a month. Jacob et al. do not make clear whether these include both earning and spending transactions.

With respect to the indirect economic effects of local currency, Jacob et al. solicited information about the impact of local currency on their informants' consumption habits as well as their impressions on the effect HOURS have had on their own business. In terms of the business-building aspect of HOURS, the team asked whether other exchange relationships were put in place and strengthened because of involvement in the local currency network. Over 60% of their sample agreed that their local currency experience put additional transactional relationships in place, with an overwhelming 80% agreeing that HOURS transactions are conducive to establishing trust in exchange relationships. Furthermore, an overwhelming majority (76.4%) felt that HOURS did help in bringing them more customers, though in varying degrees.

What about consumption? Jacob et al. found a positive but not strong response to the question of whether HOURS gave people access to goods and services they would have otherwise been unable to acquire. Just under half of their sample indicated that HOURS contributed (at any level) to spending power. Even if not immediately affecting people's level of spending however, HOURS positively affected the direction of

that spending. An overwhelming majority (89.1%) of the sample agreed or strongly agreed to the statement “I consciously try to shop or purchase services at stores or practitioners who accept local currency” (Jacob et al. 2004:52), indicating that local currency correlated positively and significantly with an active focus on local spending.

To summarize the Canadian team’s findings, the profile of HOURS users they constructed indicates a range of ages with an emphasis on the middle years, high educational levels, a tendency toward self-employment and a wide range of incomes as well as volumes of transaction with local currency. They exhibited inclinations toward activism, liberal politics, ecological sensitivity and spirituality. The users they interviewed tended not to have trouble spending their HOURS and were inclined to shop locally. They generally agreed or strongly agreed that HOURS were helpful in building on business ideas, attracting customers, developing entrepreneurial self-confidence, using old skills and developing new skills, and enhancing their access to goods and services. However, the strongest point made by the data is that HOURS participants appreciate the social and community building aspect of local currency, and the statement it makes vis-à-vis the global consumer economy. As such, the survey participants saw HOURS as positively contributing to their quality of life.

Lastly, the Toronto researchers sought to introduce a “participant observer” aspect to their study, in order to assess the purchasing power of local currency more directly. For that purpose, one member of the team exchanged \$200 U.S. in HOURS, and spent them about town for many daily expenses. This person offers a laundry list of things s/he bought with those HOURS, identifying many of the most active local currency centers, and concludes:

Although the percentage of purchases I could pay for with HOURS was sometimes small, pride in the currency was high in Ithaca and I didn’t meet a single person in town who was unaware of their local currency (2004a: 54).

With the addition of this experiential component, Jacob et al. conclude:

While HOURS have not yet, nor will they likely in the foreseeable future, become even a second-choice currency for most Ithaca residents, they nevertheless carry a symbolic value far beyond even their economic potential. They represent both a celebration of the virtues of a self-reliant economy and a resistance to the dehumanizing effects of the global economy (2004a: 55).

As is to be expected by the nature of this sample, the results of this survey cannot be generalized to describe the entirety of the HOURS network. Furthermore, while Jacob et al. asked astute questions that approached a topic lacking in reliable quantitative information in interesting and creative ways, thus balancing the consistency of the participants' responses, not all items in their data collection, at least as presented in their written work, were equally discriminating. For instance, while the question of whether or not people try to consciously shop in places that accept local currency does demonstrate a commitment to the local economy, it says little with respect to the origin and direction of the relationship between local currency and local spending. Did HOURS sensitize people to spend locally or did a commitment to the local economy find further expression in the local currency network; that is to say, were HOURS causal or symptomatic of this local focus? Also, how representative was their sample of participants of Ithaca's population at large in terms of race, class and ideological leanings, and what could be said about the local currency network vis-à-vis a differentiated community?

While they identify social capital as the theoretical context for their study, the Toronto researchers only seem to attend to bonding social capital, the type of social capital, that is, which establishes and strengthens ties within a group. They establish a profile for "ideal users," and find that for these users, there is indeed a social and community-building component to their participation in the HOURS system, which, furthermore, may in many cases be more important than the purely financial/economic

aspect of alternative money. In some ways, identifying ideal users to exemplify the “early adopters” of sustainability innovation can be a useful undertaking, if the goal is to identify the conditions under which such alternative initiatives find fertile ground and the ways in which these pioneering innovators appropriate and utilize them in order to develop a prescription for building a sustainability aware citizenry. From this view, the Calgary team’s findings are not surprising. To summarize, HOURS participants tend to be self-employed and highly educated, though not necessarily wealthy, with tendencies toward spirituality and activism. In short, they can be said to belong to a “cultural creative” class that is generally found at the avant-guard of social innovation. This profile is consistent with the general culture of Ithaca, and the local notion of HOURS as “hippie money” I described in the previous chapter. It also fits with a recent publication in the journal *Environment and Planning* on the social environments in which complementary currency emerges and survives in the U.S. (Collom 2005).

In this study, Collom tries to compile a list of local currency systems that have been attempted in the U.S. in the recent years, that is as complete and current as possible, and then examines population data for the places in which these systems emerged. He describes the regions in which these systems appeared and utilizes city-level census data to determine in which type of social environments local currencies are likely to emerge and survive. Collom’s study indicates that cities where local currencies emerge are characterized by higher poverty and unemployment rates, lower household incomes, and higher levels of self-employment. Places where local currencies actually survive though, are also characterized by a lower population age, higher educational levels, fewer marriages and higher spatial mobility. In other words, local currencies emerge and survive best in particular sociocultural “niches,” which also include the “alternative crowds.”

There are two problems here with respect to the Toronto researchers' findings. With respect to Ithaca, the HOURS user profile they compiled seems to affirm that indeed, the HOURS crowd closely matches the town's alternative crowd. While it is good to have a profile of the "model citizen," of sorts, it would perhaps be more useful to know if and how such an alternative undertaking relates to the other varieties of citizens. If social capital is the central concern, this question is translated in terms of assessing not just bonding social capital that reinforces within-group connections, but also bridging capital that links different social groups.

Furthermore, there is little in these data to indicate the mechanisms by which social capital operates, even in its bonding function. The "experimental" component of the Toronto team's research is ambiguous. On the one hand, the researcher who took on the role of participant observer seems to have easily found her/his way through the HOURS economy. Even as someone newly arrived to the community, this person's report indicates that s/he easily navigated the HOURS network, engaging in both basic and secondary consumption, without encountering problems. No one "was unaware of their local currency." Arguably however, the short duration and purposeful character of this spending experiment do not necessarily make for a representative picture of what it is like to use HOURS in the daily life of network participants. Additionally, both the experience of a researcher focused on the idea of local currency and the experience of active users as identified by two specific administrators do not adequately capture the range of knowledge, understandings, interpretations and utility of local currency to be found among members of the community, for whom local currency is part of a complex daily life. In my own experience, quite a few people were, in fact, "unaware of their local currency" and what is more, how they understood the system itself, and the scope of trade it encompassed for them, varied widely enough to make it a valuable resource for

some, and an unworkable proposition for others. Again, a pertinent question is the degree of knowledge and ability to navigate the system that influences usability.

This leads to the second problem, which brings in a time dimension to the debate. One of the things that distinguishes Ithaca HOURS in the field of alternative currency, and indeed one of the main reasons it was chosen as the topic of my study, is the system's longevity. HOURS are in their fifteenth year of existence, and regardless of how one assesses the system's success, it is still actively in place. Given this time horizon, it is less relevant to talk of early adopters and ideal users and much more salient to look into the course of the currency in the community over time. How has knowledge of the local economy evolved? Is there evidence of bridging social capital? Are there interstitial spaces in which the currency may have seeped out from its "normal" channels and mixed in with the rest of the community? Is there integration in the local economy in which the local currency plays a role, and if so, how do HOURS operate within and between various groups? My own work attempts to do just that.

While many of the questions and interpretations of the local currency economy that informed the design of this study closely resemble those of Jacob et al., my work sought to probe into a decidedly wider, and hopefully more representative, section of the HOURS network and to contextualize it within the larger Ithaca community, noting points of interaction, influence or contention over time. Additionally, I was interested in mapping out in more detail the nature and direction of interactions between the mainstream economy and that of the local currency, noting potential influences (negative or positive) between HOURS and earning and spending habits. In which ways did local currency actually present an *alternative*?

In the remainder of this chapter I will explore the material aspects of the HOURS system but before doing so, it is necessary to discuss some problems with this data that emerged during the course of the study. As will be seen, quantifying the HOURS

economy presents substantial challenges that bring to question the validity of any single methodological perspective for assessment. However these difficulties also provide some interesting clues for further probing into the local currency phenomenon and its interpretations.

Study Design and Problems with the Data

The total of \$122,732 obviously does not make HOURS a major economic player in the entire community of Ithaca, for which the U.S. Census Bureau reports a 1997 figure of over \$600,000,000 in retail expenditures alone. Even using Yoshida's (n/d) multiplier of 1.6, the dollar value of HOURS in May 2004 would come out just under \$200,000. At the same time however, the fraction of the community that directly participates in the HOURS network is but a small percentage of the larger community. As discussed previously, in mid-2004 the system only registered close to 800 formal members. Even doubling that to account for non-registered users, which would likely be a significant overestimation of the actual number, HOURS would directly circulate among 2,000 people at best, a small fraction of the 29,000 permanent residents and nearly 50,000 total residents, counting the student population. This represents 6.9% and 4% of the population respectively, showing quite clearly that the HOURS network is small. What does usage look like for participants then?

Perhaps one of the most intuitive things that anyone studying local currency may think to do in order to assess the extent to which HOURS propose an alternative to the mainstream economy, is to see whether one can live off of them alone. It will not take long to determine that no, one cannot, at least not without an extremely detailed knowledge of the community, significant skills in researching and negotiating, a hefty dose of resourcefulness, and the willingness to make fairly drastic concessions in one's way of life. Some of the basic necessities are excluded: you cannot pay the light bill or

your taxes. For the things that are available, there is still some significant maneuvering to be done, mapping the network, negotiating transactions, building relationships and generally, structuring your life around the spotty, if rich, terrain of the local currency economy. Still, if you do not give up the experiment but continue your involvement in the local currency economy, as I did during the course of this research, sooner or later you may start noticing certain patterns: that even small amounts may count more, or count differently in local currency; that use may be episodic but still significant. At some point, you may start realizing that you have come, in a way, to rely on this money, that it constitutes a type of wealth, even if it does not take up the exact same spot as regular money, that you miss it when you do not have any and that it has, in many ways, become part of your daily economic idiom. But how do you go about operationalizing this experience?

To begin with, any economy that is strictly a cash economy presents several difficulties for quantification, since there is no assurance of correct and consistent accounting. Initially, the design of my study called for collecting several kinds of quantitative information from a number of different sample categories. It must be said that a full assessment of the HOURS economy, if at all feasible, was never the intent of this study. I did however hope to collect reliable information as to the size and significance of the local currency economy for its participants and the community at large. As explained previously, there is a wide range, and in some ways, large disparity, among system participants, moving broadly between those who offer necessary, basic or otherwise widely demanded goods and services, and those who offer novelties of various levels of specialization and obscurity. Basic foodstuffs like bread and produce for instance, will conceivably have a higher and more consistent demand than vegan, wheat-free, corn-free organic dog biscuits (an actual listing from a previous year but no

longer active). To draw a representative picture of the HOURS economy then, I concluded that information in at least three tiers of the system was necessary:

1. Information from individual users
2. "HOURS centers" by which I mean users or businesses displaying particularly heavy flows of local currency, and
3. Systemic information including issuance and circulation data, loans and grants, and any other indicators of the local currency economy the Hours organization could provide.

Starting with individual users, the "general population" of Hours, my plan called

for triangulating data in much the same method employed by Jacob et al. (2004) in their study. I wanted to get to this information from many different angles, and so my plan for inquiry was based on the following questions:

- How long have you been participating in the system and how long did you know about it prior to participation?
- What is your mode of participation (are you a registered member or not? Do you have an offer listed in the system's directory? Are you a salaried employee partially compensated in HOURS, or a supporter who had no way to trade for HOURS and was thus exchanging dollars for them)? Has your mode of participation changed overtime?
- What is your offer? Is it a primary occupation or a secondary venture?
- What is your acceptance rate, how it was decided upon and whether it has changed overtime?
- How much do you typically earn and/or how many transactions in which you earn HOURS do you typically conduct in a year (personally and per household, and potential periodic changes in earnings)?
- Do you have customary HOURS clients? Who uses them to pay for the goods or services you offer?

- How many HOURS do you have in your possession at the time of our conversation?
- How much do you typically spend, and/or number of transactions in which HOURS are spent in a year (personally and per household, and potential periodic changes in spending).
- Do your HOURS go toward business-related or personal expenses?
- Do you spend more, less or about equally what s/he earns?
- Do you have any particularly memorable transactions involving local currency, positive or negative (such as a particularly sizeable transaction, an uncommon experience, or a difficult experience)?
- How do you account for and budget the HOURS you earn and spend?

I also asked whether people would share their budgets with me and explain how HOURS fit in them.

The reason for such a (nearly repetitive) set of questions was that, as it turns out, local currency does not always inspire the same concern as dollars in terms of people's accurate recollection and accounting for their money. For example, more than one shopkeeper stated that HOURS were instrumental in building relationships, and that they were a good tool for fostering customer loyalty and for giving them an edge over the competition, and when asked about their volume of transactions in local currency to report next to none. Vice-versa, some would claim to hardly ever think about HOURS but would then proceed to describe several transactions in recent memory in which local currency was instrumental.

More importantly however, the main problem with collecting local currency data has to do with obtaining numbers. Not a single individual user and only a handful of the businesses with which I spoke had anything akin to a budget that took account of HOURS. In several cases people simply avoided quoting numbers outright, and at best,

preferred to give vague ranges of what they thought (but were not sure) they had. On several occasions, my informants would state that they had “just a few notes lying around” and when I probed for specifics these would turn out to be in the order of a few hundred dollars. Or conversely, more than one person stated that they had “a lot,” which upon closer examination turned out to be more like twenty or thirty dollars. Interviews therefore are valuable for understanding people’s perspectives on their usage and general relationship with the system but not so helpful for constructing an accurate account of transactions. Inconsistencies in the tracking of HOURS were also occasionally matched with conflicting reports.

One of my first contacts with a commercial establishment involved a retailer with relative prominence in the system. Inside the store there were two different signs indicating that HOURS were accepted, the one noting the store’s acceptance policy and the other a picture posting the dollar-to-HOUR equivalencies. First, I spoke with Barney, the store’s only full-time employee:

HOURS is common knowledge in the area. It makes sense to keep money local. [...]
I have contact with HOURS through the store but I have never used them personally.

I then asked how much the store received, and how they used them.

Umm... 2-3 HOURS (= \$20-30 U.S.) a week? The acceptance policy is ½ HOUR (= \$5) per purchase. I am not sure what we do with them. Maybe the other people use them... or maybe they use them to get food when we have gatherings...

Not feeling like he had much more information to provide, and saying that he was rather new at the job, Barney directed me to speak with Alvin, the chairman of the regional board of directors for the company. Alvin had much to say explaining the development of this business and its relationship with HOURS: “Why wouldn’t anybody take them? They are no more hassle than Visa, or American Express, or Discover.” He explained that in his view, HOURS work because they raise awareness about three main issues:

local economic development, community and social justice, and the environment. But when it came to actual usage, he reported that they had very little contact with it, and that they earned “less than \$10 a month,” which they mostly used for advertising.

Curious to see if the situation could be clarified, even if it involved such small amounts, I lastly spoke to the store manager. She did not come up with specific figures, saying that their earnings were variable. She did however clarify that she was responsible for using them, which she did whenever she remembered. Much of their earnings did indeed go toward advertising in local publications, including covering the cost of the store’s listing and an advertisement in *HOUR Town*, the HOURS system directory itself. Many of the store’s HOURS, in other words, went into maintaining the business’ formal affiliation with the HOURS network, and the rest were used for various other small purchases.

Another difficulty in quantifying the HOURS economy arises from the fact that since money is a part of material culture, it occasionally also takes up the role of an artifact. Local money in general, and Ithaca HOURS in particular, sport attractive and creative designs. At times they appear in a variety of special editions that appeal to not just numismatists. Just as coin collectors are unlikely to count the face value of their coins as part of their wealth, many local currency users separate some of their HOURS for purposes other than use. It is not uncommon for people to collect certain notes, or keep full sets for souvenirs or to show to others, and some limited editions are quite sought after, not only by community members but from outside collectors.

Also, collecting HOURS is not only a numismatist’s enterprise. Other meanings associated with local money can become the focal point in treating these notes as artifacts. In one of the more memorable occasions, Salvina, a long-term participant and heavy HOURS user, proudly showed me a rather intimidating stack of HOURS notes, all from a particular edition that was printed on hemp paper. She purposely collected those

notes for the symbolic value they held for her. The stack was well over 3 inches thick and contained 1/2 HOUR (\$5) and to a lesser extent, 2 HOUR (\$20) notes. She regarded this collection of notes quite differently from those she used, and kept them with a few other items that were special to her: “ Look! I take out all of these that I come across and put them aside. I like looking at them and thinking about what they mean,” she explained.

Particularly when it came to businesses, the “irregularity” that HOURS introduced on the practical level became evident, as owners adopted widely different accounting methods, allowing an equally varied degree of accuracy. One establishment using a technologically advanced register system found it no trouble to set up separate keys for punching in HOURS. As the manager explained, even before they acquired the computerized system, they had rigged their old registers to have HOURS buttons. In other cases, business owners erased any separation, simply recording the dollar value of the HOURS they received in their total earnings. Spending would then be done opportunistically. For example, one owner, new to the system, initially started using her HOURS to occasionally “treat” herself to gourmet coffee whenever she remembered to take some out of the register.

In one case where HOURS were granted to a non-profit organization that produced an independent newspaper, which operated under the auspices of a larger, umbrella organization, the tricky accounting that was required for tax purposes resulted in a system where the dollar value of the HOURS claimed was that of the HOURS actually spent by the non-profit, and not the total sum of the grant available to the organization. The reasoning was that HOURS did not constitute money until it was put to use. Lastly, in a related but less transparent manner, there were instances where HOURS were left entirely unrecorded. The owner of a popular business explained: “It does not go through our bookkeeping. We do not claim it as income. But you can’t

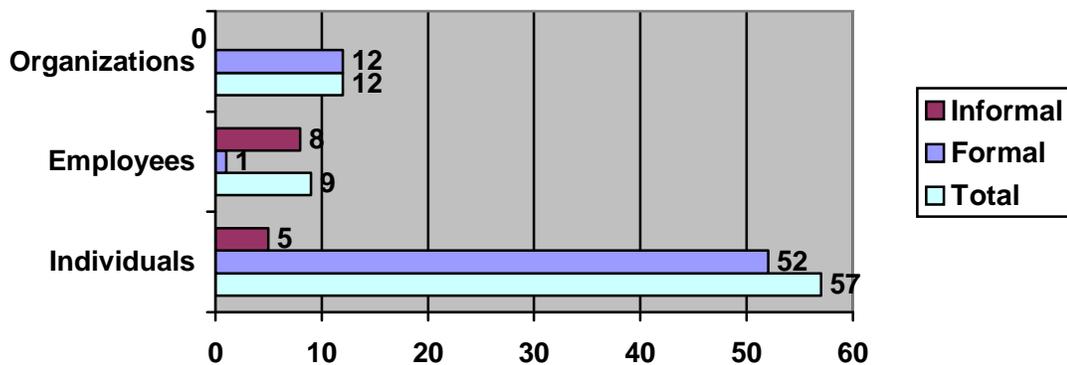
deposit them so what record would I have? My records of earnings are my daily deposit.”

There are many inferences that can be made from these varied behaviors with respect to the role and significance of the HOURS economy on individuals and the community at large, which will be discussed later. But specifically with respect to data collection, one basic implication is the inconsistency in responses, with the subsequent problems this creates for analysis.

Users

I collected transaction data for 75 participants in the local currency economy. A third of these informants can be said to fit the criteria for a random sample, as they were identified randomly from the HOURS directory. The rest were opportunistic. Of the 75 total, 57 are individuals accepting HOURS, 9 are employee members who receive HOURS as part of their wages, and 12 are “organizations,” either non-profits and other such groups or large businesses with more than one owners. Three individuals that had a dual role both as employee members that also derived HOURS from other sources.

Figure 4: Participant Types



It should be noted that not all of these individuals were formal members of the system. Fourteen of these 75 were currently not, and/or had never been, registered

members. Of the 9 employees I spoke with, only one was registered with the system, which again illustrates the variable ways in which people understand and utilize the system.

To give a brief overview of the profiles of my informants, out of the 66 individual members and employee members, 34 were male and 32 were female. The data did not reveal any gender-specific transaction patterns in my sample. Ages ranged from 18 to the mid-70s, though over 90% of the individuals in my sample were between 30 and 60 years of age. Within this sample, education levels were markedly high. Of the 59 individuals for whom I gathered educational data, 13 people had completed high school, 22 had graduated from or had completed some college and 24 individuals had graduate education. That is to say, 78% of my sample had some college education and above. This is consistent with the findings of Jacob et al., whose sample showed 85.4% of respondents having some tertiary education (2004:46). While Ithaca displays a trend toward high education levels, these numbers are definitely at the upper end, showing a high degree of education for HOURS participants. Educational levels did not necessarily line up with occupational choices however. Among my sample there was a definite trend toward self-employment, with an emphasis on commercial and trade skills. For instance, one person with a master's degree in economics worked in alternative health. Two people with a master's degree in environmental science and computer engineering respectively worked in carpentry and general contracting, while a person with a master's degree in theater was training as a carpenter while taking on sundry jobs, including clerical work, performing elder care, and working as a farm hand.

The race and ethnic composition of the network are notable. The overwhelming majority of users I met, and most of the people I spoke with were white. On my first visit to Ithaca there was one African American member in the board of directors who, when I returned for the main part of my fieldwork, was in the process of withdrawing for lack of

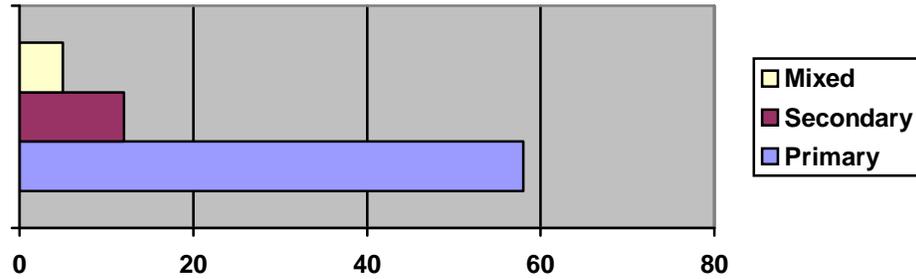
time and ability to commit. I claimed earlier that my sample of HOURS members was close to being random since most of my user interviews came from random calling from the system directory, much of it done in conjunction of the system's annual membership drive for the production of the directory. I did not happen upon a single African American user in that fashion. Aside from the board member, the only African Americans I spoke with about HOURS were two participants in Cornell Cooperative Extension project, an outreach project undertaken by the system described in Chapter 6, and the director of a community center with a heavily African American clientele, who said that she did not use HOURS personally but accepted them at the center. She commented that she supported the idea behind the system and saw great potential for social community integration as well as financial benefit for Ithacans but that the system had not found a way to sufficiently engage the different race and class segments of the town's population²⁹.

The overwhelming majority of participants I interviewed utilized local currency in connection to their primary occupation. Of the 75, 58 earned HOURS from their primary mode of living, and another 5 derived their income from a number of activities, and earned HOURS through one or more of them. Of the remaining 12 people, 4 had no way of earning local currency and would engage with the network by periodically trading dollars for HOURS. This is interesting with respect to two things. First, it allows the assumption that participants in the HOURS economy are generally not finding themselves in a novel exchange environment but rather in one where they already have, or are working toward an established presence and, presumably, experience. Second, it generates a question as to how to compare and understand participants who are using

²⁹ The Hours organization had long been aware of this, and did make occasional efforts to engage more and different people, but these efforts were generally spotty and not sustained. I take up the significance of race and class more extensively in the next two chapters of this work.

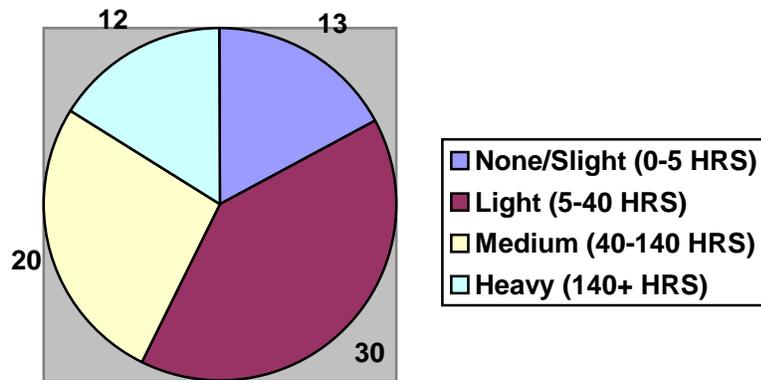
this in their main moneymaking activity alongside the more “casual” users for whom HOURS involve a tertiary occupation.

Figure 5: Type of Economic Activity in which HOURS Are Used



Given the preponderance of participants that utilize local currency in their primary mode of living, how much do people actually use HOURS? As mentioned above, exact numerical amounts were not available to me in the majority of cases but the combined information that my informants provided with respect to their trading patterns allowed me to classify them as follows based on their level of earnings per year:

Figure 6: Levels of Earning per Year

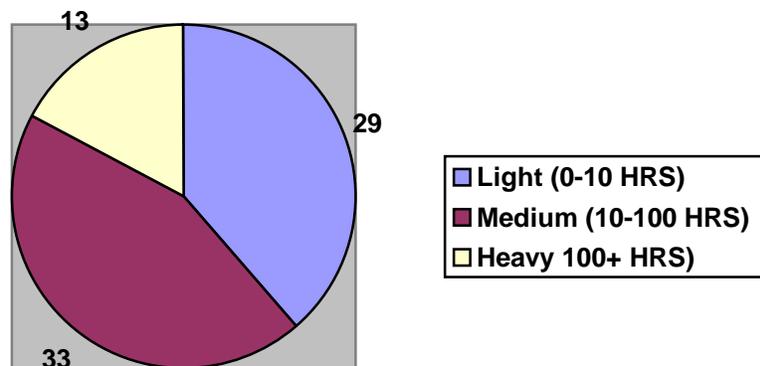


The upper end of participation involved sums as high as \$10,000 U.S., which was the amount held by the Alternatives Federal Credit Union at one point during my fieldwork. However, the 12 “heavy” users are not the 12 organizations in my sample. Rather there was a mix of types of users at each level of earnings. While this distribution is not

dissimilar to that of Jacob et al. 2004, and in fact may emphasize the upper end of participation, there were a number of conversations with Ithacans I identified as possible informants, both opportunistically as well as through the HOURS directory, who declined to be interviewed on account of “never having earned or spent an HOUR.” Furthermore, people tended to cluster on the lower end, and my conversations suggest that most of the people represented in the 0-5 HOURS/year category only receive HOURS through the system’s disbursement upon renewing their registration each year. It must be noted that the cutoff points in the above classification are arbitrary, as I wanted to differentiate between those who have zero or nearly zero transactions using HOURS and those with at least some activity within the system. However, 44% of this sample received less than \$100 a year.

To illustrate the data in a three-part frequency distribution (that means folding in people who only dealt with the disbursement in the “light user” category), the result would be as follows:

Figure 7: Levels of Earning - Alternate Scaling



with over 80% of participants earning less (and in most cases much less) than \$1000 worth of HOURS per year.

Transaction Patterns: Earning and Spending

The pattern of slight participation in the system signals more clearly the potential for a negative feedback loop with respect to confidence and circulation that was partially confirmed in my study. In any money system, loss of confidence can bring about crisis, as people are likely to limit their transactions, in turn, weakening the system. A common reaction to local currency that I encountered was doubt that alternative money would be both useful and easy to use. Different levels of knowledge and understanding of the currency and network, as well as the willingness to invest time and effort in navigating this by definition more limited economy again come to play here. Evidencing this difficulty was first the level of unfamiliarity displayed by many participants. The ability to remember denominations and make conversions and calculations was generally not very high both among my sample and in the random transaction experiences I had during my fieldwork. Also, one of the questions I asked my informants was where they wish they could use HOURS. Nearly half (44%) gave responses that included a business, type of goods or service that was in fact already available through the HOURS network. In some cases, people named specific providers they frequented, obviously being unaware of these providers' already established involvement in the network.

Generally speaking, ease in spending was correlated with familiarity along with how widely or narrowly system participants considered the usefulness of local currency. This includes how flexibly they could maneuver between personal and business-related spending, and make changes and substitutions in their consumption choices toward a more locally-oriented routine. A business owner whose inputs were chiefly imported, for instance, would have to allocate his HOURS earnings toward other kinds of spending, primarily personal, in order to make it work. This necessity to compartmentalize currency and allocate it differentially for business and personal use was a limiting factor, and was in fact one of the main reasons several business owners who declined to

accept HOURS gave me for their decision. A local specialty bookseller, who had decided against accepting HOURS, said that he had considered the idea but had not been able to find a way to fit local currency in his business. "All my inventory comes from outside. Where would I use HOURS?" he said.

Problems with spending appeared in all earnings tiers of my sample. It was particularly pronounced among those earning none to few HOURS. For example, Gloria has been in the system for at least 7 years. Sharing in a motif common to the area, she had come to Ithaca to attend Ithaca College and never left. As she said, "why I wanted to stay is that it (Ithaca) supports things like HOURS. I grew up in an area that was very mainstream. Ithaca is more forgiving of individualism."

She started offering her services as an editor and an expert e-bay merchant. Her interest was not purely ideological. Raising three kids, she was always looking for ways to stretch a dollar. Still, she hardly ever finds herself using the currency, and says it does not fit in her routine.

I stick them in a drawer but don't use them much... certainly not a regular event... maybe 2-3 times all these years. It would take special effort and special intention for me to use this. I do remember once throwing HOURS out... putting them in with my recycling paper.

While definitely on the low end of earnings, Gloria was successful in her association with the HOURS system, finding at least a little demand for what she had to offer. For others who do not find demand, the urge to spend them seems even less compelling.

Fey can only remember a single situation in which she received HOURS for her alternative health products:

I am willing to accept 100% HOURS. I also do a discount for the Health Fund and use a sliding fee scale. But in 7 years I have only had one person pay in HOURS. It is not a draw at all. Even with the Health Fund, so many people into alternative remedies are not members. I have only gotten \$40 in HOURS that one time. [...]

I would stick them in my wallet and forget about them. Once a year I sign up and get more. Unless people have a sign up [that they accept HOURS] I do not use them.

This is not solely a symptom of the fact that, in its effort to bring together a unified community as an alternative to the global economy, the HOURS system inadvertently includes members whose offers are of vastly different scales, as would be a part-time clown and a banking institution. Certain small-scale participants are finding no trouble or contradictions in using their local currency. Karla is a long-term member, offering her services as a foreign language translator.

I earn very few HOURS in general. One of the biggest jobs was for Paul himself. When he was publishing very actively, I translated a foreign article into English for him. Even that was maybe not even 10 HOURS.

[...]

Is it easy to use HOURS? Yes. I have always been able to spend them, on routine purchases. I have never kept HOURS terribly long. It is relatively easy: you put in \$7.50 you get \$20. It is not like I am racking my brains about doing my listing and also, it is an ad, which means the potential for more work.

However, Fey's and Karla's examples indicated another interpretation with respect to this low-end user distribution. Difficulties in spending HOURS were only the second biggest problem that emerged from my conversations with Ithacans. The first was an inability to earn them. Many of the people I spoke with reported minimal, if any exchange opportunities using HOURS, even for things that would normally be considered of high demand, such as childcare. For example, the director of a childcare facility commented:

We have not had any customers using HOURS since I have been here. This is 4 years. We have never had anyone offer them in my time. We have over 250 families here. No one has ever paid with them. The first time I've even seen this was with the disbursement.

She explained that the decision to join had been made by her predecessor, and they kept renewing the membership, partly because the philosophy of local currency matched that of the center.

Interestingly, as the case of the childcare facility indicates, a lack of response or easy entry into the local currency economy did not necessarily dissuade participants from remaining in the network, even at the absence of active involvement. On the contrary, in certain cases people would actively experiment with different ways of articulating with the system. Divina is an example. As a single mother of two with a graduate degree in sustainability education, she worked as an educator until she began her practice as an increasingly successful yoga instructor.

I have been in HOURS since the beginning. It was more challenging to fit in when I was working for someone else but much easier now that I have my own business. It makes more sense. [...]
I understood HOURS immediately that it was meant to build community and the local economy. The reality of it? It was harder to participate as a teacher. But it is still hard, as my clients are not tapped into the HOURS system. I think this is the main obstacle why it does not work as well as it could. It is hard for people to tap into it.
My offer now is 50% but I would take more, as I am not earning that much. [...] I think people need more opportunity to be involved and earn HOURS. Spending is the fun part. Earning is difficult.

Divina had another reason to consider local currency a resource worth her continued investment in the system. An environmental education project in which she was heavily involved a few years ago had been awarded a grant from the system, of which she was the main recipient. With HOURS as part of her salary, she had a way to relate to the practical, as well as the ideological side of local currency, which could explain her commitment.

Similar attitudes were however found among people who had consistently been at the margins of the system. Chris is another long-term participant who has tried offering more than one service to the system, initially signing on as a communications consultant and subsequently developing a jewelry design business.

I thought it could be a possible way to generate business. It was a very inexpensive way to advertise my services and to become integrated with the community. I also liked the idea of it... alternative bartering. Just thought it was interesting. But I never got any business from it, at least

not for my technical/business writing. The disbursement when you sign up is a great incentive. They give you money! [...]
Right now my involvement is pretty much just the disbursements. Some day I hope it will kick in and I'll get involved eventually. I think it is a great idea and I want to be involved. It probably makes more sense with my jewelry business and more people will need my services. I personally want things that are more necessary than massages. I think it is great you can buy food, for instance.
Right now, I will accept 100% HOURS. I offer this because I can get things I need and also I am just starting out with my business.

These attitudes signal a disjunction between the degree and ease of articulation with the HOURS network and the value ascribed to it by participants. This is reinforced when one looks at other levels of transaction, where HOURS start to make a more significant economic mark. Here, one again finds a range of transaction behaviors and attitudes. However, there is no single, direct relationship between the levels in which people engage with the system and their valuation of it. For some, it is just another, albeit consciously (and some times laboriously) exercised aspect of economic life. For others, it appears as a proactive strategy for investing in oneself and in one's community.

Sonya grew up abroad and has been living in Ithaca for three years. Well connected with Ithaca's alternative element, she derives her income (and HOURS) from a variety of sources. At the time I met her, her main occupations included working at a local restaurant and running one of the many independent newspapers that circulate in town. Upon meeting her, perhaps the first thing she said to me was: "HOURS? I love them. I pay my bills with them!" Needless to say, this gave me pause. One of the main concerns that people consistently expressed about HOURS was the nature of the currency's limitations. While several primary/subsistence items and services are available, one cannot use local currency to ride the bus, pay a fine, or any taxes. It is certainly not useable for standard bills, like utilities. In the best of cases, one could hope to find one of the relatively few landlords who would accept HOURS as part of rent.

Throughout my fieldwork, I encountered only a handful of such cases. Sonya continued to explain that she was introduced to HOURS by her significant other, who had described the workings of local currency in Ithaca to her, in glowing terms.

Coming from outside the country I was used to different money anyway. I am not stuck on U.S. dollars. Plus they (the HOURS) are much more interesting visually. [...]
(My partner's) stories seemed a little over the top when I realized you can't just walk in anywhere and expect them to take HOURS. But then I realized it *is* possible. Here is where creativity comes in. I've been able to pay utilities by exchanging HOURS. [...]
I exchange some with my housemates. The people who volunteer with the newspaper also exchange some. The new office we have is 100% HOURS. We never have leftover HOURS from edition to edition. [...] I am always able to spend them. When I have a substantial amount I call people I know will exchange with me. I don't mind asking.

For Sonya then, the effective limit to the utility of local currency is set by the individual user, and she herself is finding it possible to be creative and resourceful with them. Her practice of exchanging HOURS for dollars not only allows her "to pay utilities with HOURS" but it also means that in her social network, there are people who will make these exchanges with her, signaling that they are also able to use this extra, unanticipated, local currency. Sonya also indicated that she would ask other people if they would accept HOURS when not sure whether they did (or even when she knew that they formally didn't), thus helping spread their use while also deriving the benefit of spending power for herself. By the list she gave me of where she spends her HOURS it was pretty clear that she was not at all unsuccessful in this effort. Given this, she is also very liberal about acceptance in her personal life but also in the sale of advertisements in the newspaper she runs. As she says, the newspaper has "no rigid rules for acceptance" but they just "want to see how much they can accept," allowing for different deals and variously negotiating favorable arrangements. In her view, it would be a bad business move to do otherwise, as she believes they would otherwise lose a significant portion of their advertising income.

With some businesses we have an arrangement for 100% HOURS because that is the only way they can do it. Using HOURS has actually really helped us get advertisers. I can think of at least 6 people that would not have been able to advertise otherwise.

Sonya's experience with the local currency economy gives her a solid belief in the strength and vitality of the system. However, her experience is relatively unusual in terms of the ease in which she moves through the system, which is in part facilitated by her advantageous positioning with respect to Ithaca's progressive/alternative community.

Different social configurations produce different experiences. Hugh is a long-term HOURS user, working as a graphic designer. A native of Tompkins County with a degree from a local community college, he does not fit the stereotypical demographic profile of Ithaca's "alternative class" of college-centered, liberal émigrés, though he is vested in the politics of community and place. He describes his initial reaction to the idea as being cautiously skeptical:

Barter was never much direct use to me. I do it but I am not just raking it in, so I avoid trading for things I did not really need. HOURS works like barter but exists for the same reason that money does. It provides much more flexibility. The money circulated. [...] The lawyer in me could not see how this is legal: as if you could do it until the feds found out. The first couple of years I was in the system with the possibility that the government could sweep in at any time, in my head. But it's not like I was stocking huge amounts that would hurt if I lost it, and eventually I got convinced it is legal. It will be very hard for the government to pull the plug, as long as it is not a real threat to corporations and the government. And if it does...

This initial caution has morphed into a steady, if moderate, flow of local currency exchanges, averaging a little over 100HRS (\$1000 U.S.) a year. Hugh is very conscious of maintaining a good balance between what he earns and what he can spend, also tailoring this acceptance levels to the specific circumstances of each exchange. In both earning and spending, he expresses a meticulous care for fairness, and reciprocation, wanting to push the boundaries of the local currency economy without creating discomfort to himself or the people he trades with.

To the extent that I can I try to synchronize [my] acceptance rate to the client's acceptance rate. I try not to accumulate more than I can spend, and I try to keep them moving as best I can. My biggest incentive in getting payment is to increase the supply out there. They shouldn't be too liberal with disbursements.

For a couple of years now the supply is constricted.

For Hugh, HOURS serve as a networking tool. He explains that he does very little advertising, mostly working through personal connections. He was expecting HOURS to potentially be a supplement for U.S. dollars but they have mainly proven to be a good networking tool. While his most regular sources of HOURS are clients he was in contact with before the local currency system, he says that he has gotten much business through HOURS transactions, including business from places he normally spends them.

Mostly it is a good networking tool. The best thing, it enabled me to continue to be a shopper at the Farmers' Market and encourages us to buy all produce we can there. This stuff is traveling only 15 miles and not all the way from wherever the hell it normally comes from. Also, there is a certain exotic edge. For example, my Internet Service Provider payment. One does not normally expect that. Things like the Farmer's Market are more common. But there are two local ISPs in Ithaca. Some years from now it will all be Earthlink and MSN. I am not looking forward to this. If something is not working I much prefer to deal with local people.

Hugh has a very pragmatic approach local currency, showing a notable degree of awareness in terms of both the power and responsibility of community members to direct their economic choices in such a way as to help bring about the kind of economy and community they desire. In some ways this vision is a conservative one, desiring to maintain better control and a stronger voice in the technical, as well as ideological matters of the economy. While HOURS may be neither a necessary nor a sufficient resource for acting on the economic, social and cultural environment of the town, they present yet another, generally advantageous opportunity.

The latter appears to be a main drive behind many of the larger-scale business participants in the network. Baris is the co-owner of a quite successful local food business, which has developed into a cornerstone for the system, and is clearly one of

the “heavy use” participants in my sample. He explains that, in his view, HOURS can help to keep money local and maintain the unique character of Ithaca against the homogenizing effect of mass consumer culture. Of all the participants I examined in this study, Baris’ business was one of the most efficient in terms of HOURS use, exemplary in navigating through the system and striking a balance between commitment and practicality. According to his account, the business adopted a cautious but open strategy of experimenting with HOURS from the beginning. Over the years they gradually increased their acceptance as they found more ways to utilize the currency, and they currently turn over a dollar equivalent of over \$20,000 a year. Of that, the business absorbs a fair amount, using them to pay several suppliers, and for other business-related expenses. The rest is picked up by the owners for personal use, assuring that the business’ involvement in the system remains functional. According to Baris, it is the problem of establishing a cycle of trust. His business receives a heavy flow and is proactive in circulating what they get, but they would accept even more if their suppliers did so too. This business takes an active role in energizing the local currency economy as well, the owners negotiating with supplies and service providers. This business relies substantially on local producers and over time, it has gotten some of its suppliers to accept local currency. According to Baris, the system “feels like it’s about my staying in business longer.” Perhaps unsurprisingly, many of these suppliers also spend some of their HOURS back at this business. In fact, Baris’ list of local currency trading partners indicated a partial HOURS loop for the exchange of products and services.

Not all users hold such proactive attitudes with respect to trading in HOURS however, just as the value and economic importance ascribed to the system do not necessarily correspond to users’ structural positioning vis-à-vis the local currency economy. Moira offers a case in point, and a sort of counterexample to the case of

Baris. In a town like Ithaca that has a strong alternative current, which creates a demand for things local, and values the small scale, Baris' business is still quite successful but not unique. Moira is also the co-owner of a food sector business, with a specialty in vegetarian and vegan items. This business operates on a much smaller scale, but has a solid presence in the market. Moira was introduced to the system through Ithaca's Farmers' Market, one of the main places for the circulation of HOURS. Like many others, she describes her initial reaction as a favorable one, finding it first and foremost a compelling idea.

Especially starting a small business I didn't have any money, I was trying to make money. So it allowed me to get things I could not otherwise have gotten but also getting the *idea* that I could do all sorts of things with barter, like some professional services for my business. It is hard to quantify these things with numbers but I felt that since I supported this thing it would support me.

In practice though, both valuation and interest diminished.

The reality was it was more a supportive environment than a financial relationship. In terms of the money I do not necessarily think it has brought us more business. It is in those other, intangible things. [...] Yes sometimes it is a pain in the ass. And when I have a lot of HOURS I get a bit unhappy with the system.

Moira does a non-negligible amount of business with HOURS, up to 80% of which, by her own estimate, she is able to use for business-related expenses. Still, she does not see it as a contributing factor to financial success, but as a "good will" gesture, a convenience, or "good karma."

For her, there is a clear separation between local currency and "real money," and while Moira is apparently able to use her HOURS, this is not enough to convince her of their validity and value. They remain a sort of coupon, a discount given for the cultivation of good relationships and loyalty with her clientele.

Indirect Effects

On a different level, Moira's reasoning for accepting the currency, the "potentiation of entrepreneurial imaginaries," so to speak, and the cultivation of relationships with people that includes customer loyalty, point to the possible field of secondary, or indirect economic effects that HOURS may have on both the individual and the community level. The above stories have already touched upon the relational/networking aspects of local currency. Especially in the early years, the system was instrumental in aiding several people get through tough financial times and even build successful businesses. Like an environmental engineer, who has over time moved away from the system stated, "when we moved into Ithaca we did not have a lot of connections and a lot of jobs. So I did a lot of HOURS work then. People used them a lot back then."

What is more, as may have already become evident through this text, the effects of HOURS may be at times difficult to detect. Exchange partners who may have found one another directly or indirectly through the HOURS network, may or may not a) inform one another of this association and b) may or may not trade in HOURS. A number of the people I spoke with indicated that they had found an exchange opportunity through the network but federal currency, instead of HOURS, had been used. Also, for many people it was unclear whether the HOURS network was in fact a source of business. As one person commented, "I can't say I have gotten calls from the directory but people comment that they have "seen my name all over the place" and I assume that includes the directory."

One thing that must be commented upon relates to the time element implied, or explicitly stated here. In some of the above cited examples there is an implied message that the networking and supportive aspect of the HOURS system was most prominent in the past, near the system's beginnings, when Ithaca was experiencing a

recession/depression, and its strength has waned over time. This was a consistent theme in my interviews but also a position expressed in much of the recent work on HOURS and the complementary currency movement (e.g. Collom 2005, Raddon 2004). However, this position is contested in the statements of Ithacans gathered during my fieldwork, as well as presented above in the number of users, amounts traded and activity in the organization. While some have lost touch with the system and find little opportunity to trade in HOURS, for others, activity has increased. What has happened however, is that there are continuous, if slow, shifts in the channels through which HOURS flow, partly as a result of the organizational development of the system but also in part as a “natural” development of a living economy. These issues will be considered in more detail later.

Labor and Value

As the above examples indicate, the HOURS network worked both as a way to get extra cash and as well as a source for opportunity. These effects vary greatly between users. One of them concerns labor and labor relations.

As explained previously, the name “HOURS” implies the principle of equal time exchange among members of a community. While this was never meant as a formal pricing practice enforced by the system, it has in fact been the cause of both confusion and contestation since the beginning. It has helped raise awareness and, as Moira suggested, allowed people to think more broadly about labor and pay. This has led to a wide variety of viewpoints and practices with respect to labor and labor compensation. I have already touched upon the debate over the symbolic and practical implications behind the name HOURS, which suggests equal pay for equal time. For the more theoretically inclined users, this topic was connected to a larger debate, taking place within the complementary currency movement, over what rules should apply for pricing

within complementary currency systems, and whether or not they should follow the values defined by the regular economy. For some, local currency systems should follow the regular market, both for convenience and to reinforce the non-exclusionary intent of these local economies. For others, there is a sufficient difference in the nature of local currency transactions that they should not be subject to the numerical values for goods and services established by the global economy, but should reflect the currencies' commitment to an alternative material structure (e.g. Lietaer 2001, Boyle 2002).

As may be remembered, in the beginnings of the HOURS system, the equivalency of 1 HOURS = \$10 U.S. had not been established and, at least for a short while, exchanges were made without really knowing the value of what was exchanged. For instance, Paul Glover describes the very first HOURS transaction as taking place in the Farmers' Market, where he bought a samosa for an HOUR that the vendor agreed to accept. In "real" terms, that would mean that he spent \$10 on a samosa, hardly a reasonable amount for such an item even in 2005, and certainly not for 1991. Nevertheless, for the two parties involved in the transaction this was seen as fair. While values were quickly mainstreamed, resolving on the side of following the regular market, the system did however leave plenty of room for individual decisions regarding pricing and compensation.

This debate on pricing did have an effect on labor. Throughout my fieldwork, I found evidence that HOURS affects how people conceptualize compensation. This is not at all to say that people were uniformly in favor of equal pay for equal time, or even the concept of fair, or livable wage for all sorts of labor. Minimally however, local currency revived the issue, emphasizing the aspect of personal decision involved, since the currency itself only had value based on a consensual decision, without referents external to the community. In dealing with this local money, people had to consciously construct what they thought was fair, and what they thought was possible as both buyers

and sellers. Obviously, this would have the most pronounced impact at the lower end of earnings. For example, Moira, while a cautious entrepreneur who is very mindful of the financial health of her business, said that when she pays her employees in HOURS, she pays them an HOUR per hour, which is higher than their regular hourly wage. While this practice was not the norm among the employers with whom I spoke, the potential for renegotiated wages was manifest to at least a portion of the users. "Beats minimum wage," a store clerk told me.

Reminiscing about some of his early experiences with the system, Kelly, a former community organizer working in an environmental engineering firm, explained that, while for him local currency had never been a main component of his income, he could remember a number of people who operated almost completely on HOURS during the time he was actively involved. Kelly is not currently active in the system; in his words, "I have been fading out since 2000. [...] Currently I think I am an inactive member. I did get a call to renew but never returned it. Forgot or something." He remembers having found both spending and work opportunities with HOURS, doing a variety of jobs. He described being paid an HOUR per hour doing general labor like shoveling snow, which would have otherwise been compensated at a lower rate. He also related another transaction in which:

The guy who called me from the HOURS list paid in dollars but agreed to pay \$10 an hour. I asked for that rate but it was the HOURS hourly rate that gave me the inspiration. That is what I would have gotten in HOURS. Otherwise I may not have asked for that.

Effects were also observed on higher levels of earnings, where, when HOURS were involved, people would occasionally offer services at much lower effective prices than they would in the standard market. For instance, I was told of a local dentist who would use a very loose sliding scale fee when dealing with clients who are active in the

local economy, liberally negotiating compensation for services rendered. Another user commented:

When I was doing carpentry I was charging 1.5-2 HOURS per hour. Later on with computer work I was charging by the job. But I don't remember what my concession was. I think it was closer to the \$10/hour than if I was charging normally.

While from the point of view of the individual these may seem like unfavorable financial decisions, a case can be made for the creation of opportunity and the overall economic activity within the community, facilitated by both extra cash and more affordable prices. Here, it is not only opportunity, but the *knowledge and awareness* of opportunity and space for creativity in exchange that are important.

HOURS as a Safety Valve: Crisis Management and Emergency Resources

Much of the discourse on the economic effect of local currency in my study concentrated on its role as an emergency resource. Here, the concern was not so much with growth or immediately realized advantages as it was with safety and preservation. This discourse took two main forms. The first relates to HOURS as an actual alternative resource in the absence of either or both cash or work. As the above discussion and stories already presented indicate, this was a primary draw for HOURS especially as the beginning of the system occurred in the midst of a regional economic recession. The function of HOURS as a "small business incubator," providing a supportive environment and a financial boost to local entrepreneurs also figures into this consideration of local currency as a local safety net.

There was a second view with respect to the material advantage conferred by HOURS however. This one related to the possibility of a generalized financial crisis, or according to my more pessimistic informants, collapse of the regular economy. One man indicated that his family, tired of the overpopulated, urban conditions of their

previous city, was looking for a new home, and HOURS were among the primary factors that made them choose Ithaca. He saw local currency as part of a community's sustainability. But this was sustainability in the more immediate, practical sense that would allow a local system to remain in operation, in the face of disturbance and disruption. He explained that they looked for two things. First, a "human-sized city" that he defined as having a population of around 40,000 people, and second a place with "self-sustainability." On this matter, he listed the following features for Ithaca, that made it a self-sustainable town: A lake for water, organic agriculture, therefore its own food supply, the intellectual potential of a university town, and Ithaca HOURS. He explained that a town having its own money is part of sustainability:

I saw it, and still do, as developing a side-by-side monetary system for if and when the main system collapses. Ithaca will have its own food, water and money. Even if everything works out ok, it creates community. But you have to have it *in place*.

One early participant in the system, who credited HOURS for playing a role in getting his business off the ground even though he had since moved largely out of the network, explained his commitment to the system in similar terms. Despite the fact that he had not done HOURS work for years, and that he described his clientele as removed from the local system, he invariably renewed his registration each year.

But I support it. I renew each year and would still accept some if anyone offered. If the economy goes south again I know me and my family can tap back into the system. [...]
If there is another economic crisis, local currency will be very valuable.
This is why it is important to sustain the system in some basic level.

On a more immediate crisis management level, the Hours organization itself can act as a recourse in times of emergency. During my fieldwork for instance, the organization stepped up to assist at least one community member facing an acute crisis through a grant in HOURS.

In certain cases, the impact of HOURS can be significantly more substantial. Sometime between 2000 and 2002, a local retailer, "The Snicker," had taken out a normal business loan in U.S. currency, through a financial firm connected to the HOURS network. By 2002, The Snicker found itself unable to meet its payments, and was dangerously close to being forced to default on the loan and possibly go bankrupt. The Snicker was in this position as a result of alleged malpractice by employees that had gone undetected for an extended period of time. The case of malpractice could not be proven and the losses were unrecoverable. In order to avoid defaulting and potentially losing the business, the owners of the Snicker, another long-term participant in the HOURS system, agreed with the financial firm to obtain a loan in HOURS with which to repay their debt. The Snicker would then take advantage of the favorable terms under which HOURS are lent (HOURS loans are interest free and repayment schedules are worked out through negotiation with the recipient) to recover their losses and rebuild the business. The Snicker was thus able to continue operating and managed to overcome this difficult situation, steadily paying back the HOURS loan to Hours Inc.

The situation of this loan affords an interesting insight into the workings of the system, demonstrating the potential multi-valence of complementary currency for the local economy but also the complexities and dangers in managing the field of a parallel economy. In this case, the retailer and the financial firm negotiated their deal independently. To Hours, they simply presented an agreed-upon request for the loan, without further consulting with the organization. Given that both these businesses have been long-term supporters of the system and that the request was made in such a manner, the loan was made without precedent. Nevertheless, a problem quickly arose. Having received The Snicker's entire payment in HOURS, the financial firm suddenly found itself with a reserve of local currency larger than it was comfortable with, and sought to resolve the problem by limiting its general acceptance policy. This solution

was of course not acceptable for the Hours organization that found itself with a compromised part of the usual circulation network. Through cooperation with the Hours organization, the firm managed to utilize extra HOURS, bringing its stock to a more comfortable level so that the problem was largely resolved. This situation highlights both the intricacies involved in balancing the local currency economy as well as the problem of overaccumulation that is a very real threat to any local currency system.

When Shopping is Difficult: An Overaccumulator's Tale

Unfortunately for the system, just as some of the small-scale users have no trouble with HOURS, some of the large-scale participants that, furthermore, serve as cornerstones for the currency's legitimacy also encounter problems. At least 4 of the 12 large-scale participants in my study were having some kind of overaccumulation issue at the time of my fieldwork. One of them, a popular restaurant, significantly reduced its acceptance policy, at least until they were able to bring down the stock of 250 HOURS (\$2500) they had accumulated to something more manageable. As the manager told me, this accumulation was in part their fault as they had not been diligent in using the HOURS they got. Spending however was not necessarily a straightforward task for them. As the manager explained, since the restaurant serves an ethnic cuisine that requires certain things year round, they cannot always rely on local producers and suppliers, whose fare is seasonal. He went on:

We have played around with using them to pay people. No one is really interested in being paid in HOURS. We did a bonus for a while but people were more resentful rather than grateful. It was like "oh, getting **this** instead of real money."

Despite these obstacles, they were still willing to continue accepting local currency, or to devise new ways to spend it. They expressed a firm belief that HOURS matched very well with the spirit and clientele of the business. However managing HOURS requires

an amount of work and effort without any direct economic benefits for them, and is by necessity lower on their list of priorities.

The other three cases regarded similar situations. There was too much influx and not enough outflow, though how each business chose to deal with this issue varied. One of these is, perhaps unsurprisingly, the Greenstar natural foods cooperative, one of the most prominent members of the system. Greenstar has a relatively restrictive acceptance policy from clients, allowing at most a ½ HOUR (\$5 U.S.) per purchase. It is also extensively involved with a network of local suppliers and producers, some of whom also trade in HOURS. Additionally, the cooperative does have a payroll option where employees can opt to receive pay in HOURS in the amount that they choose. At the time of my fieldwork, not many people took that option, by some accounts at most 3 employees, of whom none were registered with the system. Consequently, the situation has not escalated to a point where the cooperative makes any move away from local currency, but the concern exists.

The third case is a bit more peculiar. It involves a very successful local coffee shop chain whose owner was an early supporter of the HOURS system, and who ventured into his current business partly with the help of a business loan by the HOURS system. The owner was not only a long-term participant but became heavily involved in the administration of the HOURS system, serving on the board and doing much work to support and maintain the organization. This involvement was coupled with a 100% HOURS acceptance policy in the business' stores. Over time however, there were fewer and fewer efforts to use the collected currency to the point where usage may have nearly stopped completely. According to the owner, he was not sure exactly how many HOURS he had, and my offer to count them for him was not accepted.

Lastly, the fourth case of overaccumulation involves the Alternatives Federal Credit Union. Another long-term supporter of the system, lending the credibility of a

financial institution to the local currency, Alternatives has been instrumental in the growth of HOURS. Early on it lent its expertise and ensured financial support in the form of a VISTA grant for the development of the system. It has sponsored the printing of HOURS notes and has generally been a valuable ally for local currency. Alternatives receives HOURS in a number of ways, including accepting HOURS in full payment of fees for certain services, and accepting as much as 2 HOURS (\$20 U.S.) per month as payment for certain loans (a fact that while public, is not excessively publicized either). At some point the Alternatives board decided to keep a stock of HOURS that was, however, not to exceed 500 HOURS or \$5000 U.S. The reason for keeping this reserve is unclear. Alternatives offers a payroll option for HOURS, which again appears to be only utilized by two or three employees. The Credit Union does pay its employees a Christmas bonus in HOURS. However, as my conversations with a few AFCU employees indicated, this practice was not equally popular among the staff.

Right around the time when I was beginning my fieldwork however, this reserve had doubled, reaching close to 1000 HOURS (\$10,000 U.S.). In part, this accumulated stock was due to leftover HOURS from the loan issued to them for their new building mentioned previously in connection to the abnormally large loans amount for the year 2000. This prompted the Alternatives board to react and consider the possibility of diminishing acceptance, which, in turn, caused a flurry of activity and protest from Hours. After much negotiation and work by the Hours organization, the credit union delayed (to my knowledge indefinitely) the cuts, and by the end of my fieldwork, the stock of HOURS had diminished significantly to more acceptable levels. This was done through AFCU's renewed efforts to spend the currency, aided to some extent by the Hours organization. Hours offered assistance in identifying potential spending venues for the credit union, and undertook a limited publicity/education campaign for AFCU employees, to inform or remind them of the utility of local currency. A cut in AFCU's acceptance would be a

significant blow for HOURS, as the credit union has always been one of the most significant supporters of the currency, both in terms of its status as a financial institution and in practical terms, as a very active trading member. Through these efforts, the crisis for the HOURS system that limiting credit union involvement would potentially bring about was averted but the danger of similar problems remains.

Partial Summary and Discussion

Quantitatively speaking, the scale of the local currency economy is undeniably small. It operates with a user base of about 800 registered individuals and businesses, and an unknown number of unregistered users, from a population of 20,000 permanent Ithaca residents. It is important to note that the currency flows out of its formally registered channels and circulates more broadly among people in the community, though the effective range of this extended network cannot be determined. Transactions among this user base draw from a total of 12,273.243 HOURS (= \$122,732 U.S), which is the amount that has been issued to circulation since the beginning of the system. However, these numbers do not accurately reflect the actual extent of the HOURS economy for a variety of reasons. Primary factors hindering exact assessment include the difficulties inherent in data collection in a cash economy, the inconsistent availability and quality of records by users and by the Hours organization from the early years of the system, and the challenge of tracking the size and velocity of transactions through this network, in which, furthermore, exchanges may mix local and federal currency. Nevertheless, the system shows steady growth over time, with the continuous increase of members and currency funneled in the community. Anecdotal accounts of decline and an increasingly expressed impression in the local currency literature that the system is retracting are not substantiated by my findings.

Within the system, there is a wide range of participation, with most users operating at the low end of the spectrum. For some, transactions amount to less than \$200 U.S. a year. On the other end, a few participants see a much more substantial amount of transactions, well into the tens of thousands of dollars, with a significant portion of the membership falling in between the two. There is also a very wide range of participation experiences and evaluations. Differential placing within the Ithaca community and economy affects how easy it is for participants to articulate with the system, though there is not necessarily a direct relationship between ease and frequency of earning, ease and frequency of spending, and overall evaluation of the economic significance of HOURS by the users.

The results of the present study indicate that the most significant barrier to participation relates to an insufficiently developed sense of how to navigate the system on the part of the participants. This manifests in the difficulty most people exhibit in performing the calculations necessary for transacting in HOURS, but primarily in their differential understandings and knowledge of the possibilities offered by the HOURS economy. Many users, even those that have been involved in the system for a number of years, are unaware of where or how to use their local currency. Frequently, participants have a limited view of the possibilities and reach of the local currency network, directing the currency through specific, and at times significantly restricted channels, and thus both underestimating and underutilizing the capacity of the system. Some users fear that HOURS may not be easily convertible to goods and services. This shows that participation in a local currency system requires additional effort for both individuals and businesses, regardless to how closely the local currency economy parallels the mainstream market. Specifically for Ithaca, this also shows that the fifteen (and counting)-year history of the currency has not been sufficient to “naturalize” HOURS use across the community as evidenced by instances of overaccumulation.

As noted above, the economic significance people ascribe to HOURS, their level of commitment to participation and the overall valuations of the system they provide, do not directly correlate with their volume of transactions in local currency. The economic significance of HOURS however is not limited to direct, quantitative effects such as increasing spending power or generating more business. In terms of indirect effects, local currency can create a space where participants can renegotiate rules of economic behavior, possibility and opportunity, discover new options and experiment with new business and spending concepts. This can be observed both in entrepreneurial innovation facilitated by the local currency as well as in the role HOURS can play in the renegotiation of value, labor and labor compensation. HOURS are also valued as a security measure. They can act as a very real emergency resource for community members and are also viewed by many participants as a solid, auxiliary system that can help protect the local economy in the event of a crisis in the mainstream economy.

The reason why this particular set of stories is important is because it shows that HOURS are an extant force in the local economic scene but a force that is neither necessary nor sufficient in itself to bring about change. It underscores the fact that HOURS can offer a decisive economic advantage or provide a crucial resource to some people in the community. On the whole, however, the system's persistence cannot be explained as an effect of its direct and consistent economic contributions to individuals and the community at large. Rather, other significances must be sought.

Chapter 5 – Social Life in a Local Currency Economy. Take One: Phenomena

Being against community these days is like being against motherhood or policemen on the beat. But it is also a reminder of a previous generation's experience of feeling trapped by a narrow group of disapproving neighbours who twitched curtains, spread rumors and limited lives. Fear of social disapproval from neighbours was exactly what lay behind much of the social revolution – from Angry Young Men to the Spice Girls– we have all experienced since the war. People don't want that kind of community. (Boyle 1999a:7)

Paul Glover's oft-quoted coda "making a community while making a living," captures the centrality of social relations in the mission of HOURS, a theme, which is strongly articulated in the rhetoric of the complementary currency movement at large. It is perhaps no accident that the social and community-building potential of local currency is the aspect most emphasized in the literature. This thematic emphasis is not unique to local currency, and is, in fact, reflected in the discourse of many of the new social movements and alternative practices of localism, which advocate reconnection with the social as well as the spatial/environmental place as two linked facets of sustainability (Barlett 2006). By emphasizing locality as the structuring principle of community, the complementary currency movement attempts to offer new perspectives and solutions to a variety of social problems, including alienation, segregation, and social equity. The complementary currency literature specifically, is full of stories and examples of social empowerment, the crossing of ethnic, class and gender boundaries, and the production of new or renewed commitments to place and its people (Cahn 2004, Raddon 2003, Jacob et al. 2004).

But what does "community" mean in these formulations and how does it function, particularly with respect to the business of advancing an alternative mode of development? The term is trickier than the ease and frequency with which it is used across contexts and purposes would make it seem. As Boyle's example reminds, community can connote exclusion, domination and coercion as well as inclusion, empowerment and cooperation. It can become a gloss under which internal differentiation is ignored and social margins and interstices overlooked, where problems and conflicts are perpetuated or even recreated in new, and maybe increasingly insidious, ways.

This chapter explores the meaning and practice associated with community in Ithaca's local currency economy. Despite its commonsense appeal however, the term

“community” is problematic if not contentious, and thus I begin the discussion with overview of some theoretical approaches to community that have informed my study, mainly social movement theory and the concept of social capital. Social capital (based on the work of Coleman, Bourdieu, Putnam and others) has for a while now been garnering much attention as a way to analyze and understand community. Social capital has been such an attractive conceptual tool precisely because it allows thinking of community and sociality in terms of process, functions and outcomes, without having to rely on nominal axioms of boundaries, inclusion and exclusion. Despite this, the concept has also been critiqued as deeply flawed, because it defies exact definitions, measurement and analysis. It is in this sense primarily that utilizing the concept to analyze Ithaca HOURS appeared the most appealing, as, through local currency, social connections are materialized in the real terms of economic exchange.

The data and analysis parts of the chapter therefore first lay out the social context of HOURS, the characteristics and divisions to be found in the town, within which the system has had to develop. This is followed by a description of the ways in which Ithaca’s local currency system has tried to define and build “community,” which looks at the system’s rhetoric, and the “culture” developed and practiced by the system’s administering organization over time. For this I use both textual analysis and interview data. I then consider the process of “making a community” on the ground, looking first at opportunities for connection and networking created by or in connection to the organization, and second, opportunities for connection and instances of sociality created through the process of local currency transactions.

The Problem of Understanding Hominids En Masse

Recognizing the problem of defining and understanding community, social science has tended to adopt one of two general definitions. The first looks to the spatial

component of community, assuming that people occupying a common space will also share, to a significant extent, a common government, cultural forms, and/or historical heritage. The second calls upon the shared identities and connection to be found in a social group of people with common characteristics or interests, and which may perceive itself, or be perceived from the outside as distinct. Neither of these definitions is without complications. The formation of shared identities and group cohesion is at the center of an entire body of literature concerned with the emergence of collective action, whose own trajectory more or less mirrors, as much as it elucidates, these evolving understandings of community and collectivity. Indicatively, this literature started by regarding collective action as a negative “mass behavior.”³⁰ It was a view from economics that spurred the move of collective action literature toward progressively rationalized models of organized group behavior. This is the contribution of Mancur Olson (1971) who, as an economist, refused to accept that people would act in ways that did not, in some way, serve them. Hence the “economic man,” in this case helped validate, rather than refute collective action. The field has since grown in many different directions, dominated by sociology, while anthropology has until relatively recently “remained to a large extent on the periphery of social scientific theorizing about collective action” (Edelman 2001:285):

While the field has been notably diverse and, by most accounts, compartmentalized (Edelman 2001), theories of collective action have tended to cluster around two poles, one on each side of the Atlantic. Following Olson’s lead in tracing the rationality of organizing, the American tradition “seeks out specific empirical conditions which facilitate and inhibit the development and flourishing of movements” (Crossley

³⁰ The significance of this is that, perhaps unsurprisingly yet amusingly, representations of social movement activity as “mass behavior” in the negative sense are still a common rhetorical tool for dampening or invalidating collective action of any alternative flavor. Elements of this can be found in the talk of supporters and detractors of local currency in Ithaca, adding to the complexity of the phenomenon as is seen later in the chapter.

2002:10). Most widely known under the labels “resource mobilization” and later, “political process,” the American paradigm focuses less on the “why” of movements, that is to say, on their context, motivations and goals, and instead, looks more to the “mechanics” of mobilization: the organization, strategies, political opportunities and recourse access and allocation, both internally within a movement, as well as between the movement, society and the state. One of the highlights of these two approaches is their attention to preexisting communication networks as a prerequisite for movement activity, recognizing and attributing primary importance to the existence of some form of “community” (however tightly or loosely defined), or a constituency, which either shares the assumptions and ideology of the movements, or is at least receptive to them. In that sense however, community is asserted rather than examined.

Coming from much more clearly Marxist roots (though not lacking connections to Durkheim), the European school proceeds from the tradition of class analysis, to examine other areas of social conflict, which emerge alongside new (late/post-capitalist) configurations of power. European thought (widely known as New Social Movements theory) is, therefore, deeply “thematic” as opposed to the “structural” U.S. models (e.g. Crossley 2002, Kelly 2001, Johnston and Klandermans 1995). This perspective captures the centrality of issues of ideology, identity, and culture in a post-industrial and increasingly globalized world. It emphasizes the formation of collective identities, and how cultural practices work to construct the meaning of political conflict and action. However, this tradition also promotes the view of an “idealized” community, in which cooperation and social integration can emerge to solve problems in this new, global society. This is a notion exemplified by theories of the “Third Way” (Giddens 1998) and renewed attention to concepts of civil society, largely spearheaded by the work of Habermas (Lyson 2003, Studdert 2005).

Perhaps with the exception of work on social movements and collective action in Latin America (e.g. Alvarez, Dagnino and Escobar 1998), however, anthropology has remained largely outside of this work, precisely because, from an ethnographic perspective, the scale of analysis used does not sufficiently account for the dynamics of community as observed on the ground.

Ethnographic research on social movements tended to resist “grand theoretical” generalizations because close-up views of collective action often looked messy, with activist groups and coalitions forming, dividing and reassembling and with significant sectors of their target constituencies remaining on the sidelines (Edelman 2001:286).

Sociological work on social movements has generally not addressed the experience or lived reality of movements in a satisfactory manner, its “compartmentalized” character failing to unify the “how and the “why” of movements: their social and historical context, as well as the experiences and relationships they create, and the broader processes of social and culture change they pursue. While recent sociological work tends to be more mindful of culture, some (if not most) works seem to take either the “add culture and stir” approach (possibly followed by a “reinvention of anthropology” complete with methods and techniques for formal and standardized cultural analysis, as in Johnston and Klandermans 1995), or adopt a concept of culture that focuses primarily on notions of identity and ideology to the expense of more pragmatic concerns of social organization, economics, etc. In the concrete cases of movements such as local currency, this frequently translates to using culture, ideology, and the creation of local meanings as the rarified essence of collective action phenomena, a point which, from an anthropological perspective could be a start, certainly not the conclusion of inquiry.

Edelman’s observation about “significant sectors of movements’ constituencies remaining on the sidelines” bears on the issue of means, resources and political strategies of collective action (the “how” of movements), but also on the structures and relations of power that collective action takes on, and seeks to change (the “what” and

the “why” of movements). Those “left out” from movement activity demonstrate the danger of having analysts rely on both too few sources of information and too narrow an understanding of community as an opportunistic collection of people who rationally decide to act together, without taking into account differentiation, or the inaccuracy of asserting that shared identities equate to shared experience.

Attending to this issue and noting that formal approaches to collective action tend to create or perpetuate “tropes” of community that homogenize experience at the expense of analytical accuracy, Gregory argues that what needs to be understood is the “relationship between the formation of collective identities *and* structural arrangements of power” (1998:14). As he notes, “The process of forming collective identities is not only key to our understanding of how and why people collectively act; it is also a critical axis of conflict in struggles between the people, the state and capital” (1998:14).

Community as Place

By connecting experience, shared identities and structures of power however, one comes up to the second definition of community, that of “place,” which can be envisioned, for the purposes of a dynamic definition of community, in the terms suggested by Doreen Massey. For Massey, place is a process, constructed through agency, that can link the particular to the general.

In this interpretation, what gives a place its specificity is not some long internalized history but the fact that it is constructed out of a particular constellation of social relations, meeting and weaving together at a particular locus. If one moves in from the satellite towards the globe, holding all those networks of social relations and movements and communications in one's head, then each 'place' can be seen as a particular, unique, point of their intersection. It is, indeed, a meeting place. Instead then, of thinking of places as areas with boundaries around, they can be imagined as articulated moments in networks of social relations and understandings, but where a larger proportion of those relations, experiences and understandings are constructed on a far larger scale than what we happen to define for that moment as the place itself, whether that be a street, or a region or even a continent. And this in turn allows a sense

of place, which is extroverted, which includes a consciousness of its links with the wider world, which integrates in a positive way the global and the local (1994:12)

This is a generalist definition, infinitely adaptable to the people-within-place.

Rallying around such a sense of place would also ostensibly reframe the question of internal diversity, since “place,” as an agent-constituted process, can serve in the construction of pluralized identities collecting around a spatial “hub.”

This hybridized definition of community is what the complementary currency movement tries to advance. Tracing this notion of community to a Victorian liberal ideal of self-help as a means to freedom from the domination of rulers, employers or bureaucrats, Boyle continues: “People need each other to be free. [...] Local is not just human, it is efficient” (1999a:8). And since the movement’s discourse is constructed around notions of sustainability, the “local” is by no means bereft of connections to the global. Rather, the movement attempts to engage place while guarding against “place-boundedness,” which Harvey identifies as a potential weakness in the efforts of social movements to pursue goals of broader social change along with their efforts at local political action (1990:303).

As is to be expected, most work on Ithaca HOURS picks up on this orientation. Given that the network of Ithaca HOURS has a distinct temporal advantage among local currency systems in building a strong presence within the town, the system’s social aspect is what is called upon most frequently to provide moral justification but also proof of successful operations in the local currency debate: when the size of the alternative economy appears too small, the flows of trade are problematic, or the environmental benefits unverifiable, the gains in social connections, some sense of identity and the “feel good” aspect of local money come to the rescue:

“Just knowing it’s there makes me feel good about living in Ithaca.” This was the way one of the 42 respondents in a University of Calgary

survey of Ithaca HOURS users described her emotional attachment to the upstate New York city's local currency (Jacob et al. 2004:43).

This quote opens as well as concludes the Calgary team's work on the social and cultural capital of HOURS, ascribing the strongest explanatory power to the local currency's social and relational function for its users, which the team feels is directly connected to local people's quality of life. For Jacob et al., HOURS incorporate personal meanings and serve as "social, symbolic, personal, and cultural capital," a claim that is meant to both explain and justify the persistence of the phenomenon (2004:53). Still, whose experiences, meanings and capital these are, or what connections are being achieved, in other words, if and how collective identities (or better yet, networked identities) are being formed, and how they relate to and perhaps reconfigure the entire community, is not made clear.

Why does this matter? Especially for an initiative such as an alternative money system, "community" serves three systemic functions: it is one of the local currency organization's goals, a primary tool toward achieving those goals, and also one important (or perhaps the sole) means for the system to sustain and perpetuate itself. Building community in the sense of encouraging interactions and interconnections between people and reinforcing their shared identity and common interests vis-à-vis a global and impersonal socioeconomic system is viewed by the movement as something crucial in ameliorating the quality of life at the local level, hence in achieving development in an alternative model (Boyle 1999, Raddon 200, Helleiner 2003). At the same time, it is only by emphasizing the importance of social connections that the movement can hope to not just articulate its vision but to actually produce it on the ground.

Lastly, the system itself is fundamentally based on trust, and therefore on interconnections. The complementary currency movement makes it a point to expose

the basic meaning of “fiat currency,” namely the fact that value, in virtually any common currency circulating today, is nominal: a matter of convention and legislation rather than some inherent material worth. What the complementary currency movement tries to do is to reproduce national fiat currencies on the local level, where personal relationships and shared decisions substitute for law in the establishment of a currency’s symbolic value. In other words, legal tender is made into conventional (in the sense of collectively accepted) tender. For local money systems on the ground this presents a survivability challenge. They have to establish this symbolic consensus, and then uphold its validity in a functioning market, where trade will provide the ultimate material proof of the currency’s value, in the shape of goods and services sold and bought by its users. Much like the mainstream economy, the alternative currency economy must generate and maintain confidence among its participants. This also makes it subject to the narrative of growth: confidence depends on usability, which in turn will rise in proportion to the participants in the network. The size and dynamism of the network therefore both demand and perpetuate trust. For the above reasons, it is crucial, when dealing with an actual system on the ground, such as Ithaca HOURS, to ask what is the character, size and movement of the network, what segments of the community it engages, and what barriers it meets, or even perhaps overcomes within the social context in which it emerges and develops. In other words, how do local iterations of the movement cohere, endure and function?

“In Ithaca We Trust:” Internal Differentiation and Community

To begin with, what is the social context of HOURS? So far I have made references to Ithaca’s internal diversity and the existence of discrete, and sometimes, disconnected segments primarily arranged along lines of class, race and ethnicity. As is often the case in the U.S. and elsewhere, divisions along such lines indicate significant social chasms that make “community” and “community development” much more

complex terms to both define and act upon. What then are the divisions that HOURS have to bridge? Perhaps the most prominent characteristic of Ithaca's social scene is the presence of a "cultural creative" segment (Ray and Anderson 2001) growing in and around (but also independently of) the town's famed universities. This "third" class imbues Ithaca with a very tangible, progressive energy that colors its public image. The visibility that the cultural creative element enjoys however, serves to obscure very real social divisions from the public eye, in turn rendering ever more difficult the pursuit of social integration necessary for the establishment of a place-based community that cross-cuts difference.

The primacy given to this liberal/progressive segment over other forms of political or aesthetic expression also creates, for those who do not share in it, the perception of a clash between different ways of life, in a situation where integration would evoke the subjugation of one cultural reality to another. In the eternal struggle between American concepts of conservatism and liberalism, the tropes of "realism vs. utopian idealism," the "free-rider" problem, "earning what one has," and the like, become points of contention for the propagation of community-based initiatives. What initiatives one supports is not a matter of independent ideological preference but a statement on affiliation, and by extension a claim to identity. Reminiscent of the "culture wars" concept (Hunter 1992), much beloved by various political elements and popular media, the perceived class affiliation of social initiatives (where class is no longer defined strictly with respect to one's positioning relative to the means of production, or, more liberally, in terms of occupation and income but incorporates aesthetic as well as ideological elements) set in motion the local manifestation of dividing practices (Foucault 1983). This conflict is about resistance to conformity and domination, much along the lines of the "old style" community that Boyle describes in the opening quote, rather than about finding joint solutions to shared problems.

What is more, “place” figures prominently in the identity narratives of Ithacans, especially when it comes to the construction of difference. Despite the rhetoric of constant mobility mandated by a post-industrial world, such claims remain central in the creation of identities, though the ways in which place figures in each story may be widely divergent or even oppositional. For instance, perhaps one of the most familiar motifs for place-based identity claims is precedence. Place is what contains proof of generational continuity marked by elements such as long land tenure, or a generational tradition of working in distinctively local industries. At the same time, adoption of a place, either by choice or necessity, encompassing diverse diasporic events such as immigration, migration, and even the aftermath of slavery, makes an equally powerful claim to entitlement. These claims underpin the previously mentioned place-based distinctions to be found in Ithaca, such as that between residents versus students or, more broadly, the communities of the universities versus that of the city, or (most importantly for the purposes of this discussion) between “townies,” those with deep roots in the region, and the “downtown folks,” the progressive segment credited with providing Ithaca’s distinctive reputation. In the latter case, both precedence and deliberate choice furnish equally compelling arguments for the legitimacy of claims for the rights and “stake” one has in the town and the area.

Identity is also demarcated spatially. That social divisions have a physical manifestation is hardly a new idea. In Ithaca, this occasionally takes the form of segregation. According to many Ithacans, it is common knowledge that poorer and/or heavily non-white areas get inferior upkeep and public services. However the small size of the community also means a degree of proximity particularly in public spaces, so that a certain awareness (but not necessarily understanding or mixing) of the “Other” exists. Speaking from the perspective of one for whom Ithaca is an adopted home, one woman commented:

The other day we went to [the name of a local tavern]. It is a townie place. We went there for the first time after 30 years in Ithaca. There's a whole way in Ithaca that we, the "intelligentsia" know nothing about. [...] Educated people like myself do not know how to reach out to working class people.

Conversely, early in my fieldwork I happened to strike up a conversation with a shopkeeper³¹ who identified himself as a "hardcore conservative" and felt that many of the town's progressive institutions, including HOURS, were somewhere between crazy, fake and ridiculous. I told him why I was there. He offered me his condolences:

I am sorry for you!
You want to know the real story about HOURS? They don't exist!
No one takes them! And any who do just throw them out. They are a kind of coupon like a discount. Everyone gives a 10% or whatever discount and that's what these are. They are just on paper. Ithaca presents them as a real, working thing but they don't exist. Don't go by the book (the system's directory). Just go around and see who really takes them. Tell you what, come by one day and I'll sit with you and go over the directory and I'll tell you what's for real. I am sorry for you that you'll spend an entire year on this since it's fake. By the end of the year you'll be agreeing with me.

At that point it occurred to me to bring up what I thought would be a most easily recognizable bastion of local currency. So I asked him about the local Farmers' Market:

No real people go to the Farmers' Market. Maybe some out-there hippie practitioner thinks they [HOURS] are real and takes them, I don't know. Some others did it for a while, I don't know, maybe because of "community pressure" and then dropped out.

I would have taken this as a more general statement of strong opposition to the aggressively progressive character of the town rather than a comment on incongruous community, were it not for my multiple experiences with this particular Farmers' Market.

Operating for over thirty years, Ithaca Farmers' Market has gained the status of a landmark with multiple meanings and significance in the area. A cooperative of over 150 vendors who live in a radius of 30 miles from Ithaca, it has been directly credited by

³¹ This person had lived and worked in Ithaca for over a decade, though was not from the area.

many of my informants as one of the key institutions that have enabled local agricultural and crafts production to survive, and indeed thrive. The Market runs from April to December, in two different locations. One day a week, it is set up at a park near the center of Ithaca for one day. The two-day weekend Market in a large, wooden pavilion spreading in three wings (styled after a thirteenth century European cathedral, according to the timeline posted on a beam near the small Market office) at the shores of Cayuga lake. Built in 1989 at the spot of the old steamboat dock, the weekend market serves as a central attraction for visitors, and a social as well as commercial center for the town. The Market's atmosphere resembles a fair (and sometimes a carnival) as much as a marketplace, with booths of picture-perfect goods. Beautiful produce, much of it organic and often featuring uncommon and heirloom varieties, is accompanied by fresh, colorful, prepared foods representing a spread of cuisines from ethnic to microbiotic, a variety of handicrafts, jewelry, gourmet coffee and exceptional cider and wine. What is absent is equally telling. Nothing is there that does not somehow belong to the season, to the people, or to the land. Live music of all kinds, street theater, and various other kinds of arranged or spontaneous performance accompany the spectacle of goods and people, who are strolling, making purchases, and socializing. Things are not cheap, but they are *good*. Everything is in its prime, the icon of sustainable abundance.

To access the pavilion one has to diverge from the highway that leads into the town and follow a dirt road to the lakeshore. At the intersection, a large, boxy, and markedly unremarkable building houses what is perhaps the iconic opposite of the market: the local branch of ALDI, a large, international discount grocer. This Germany-based group has a strictly "no frills" philosophy, with standardization and homogeneity in both products and practices translating to deeply discounted prices for staple food and other household items. The majority of products are own-brand labeled, and most often there is only a single variety of each type of item. There is a minimum of shelving and

no decoration, producing a utilitarian, and nearly industrial atmosphere with an emphasis on efficiency, cost effectiveness and speed, which unsurprisingly appeals to those willing (or needing) to trade niceties and comfort for cheaper prices.

Here, amidst the generic boxes and cans of goods carefully made into the likeness of large, national brands to prompt recognition, the deep-frozen perishables, and the pre-packaged, uniform produce, the social picture is also strikingly different. And not just for the fact that despite the frequently long checkout lines, people are not here to socialize and enjoy the atmosphere. This is one of those establishments that offer deeply cheap prices in an equally minimal setting. Items are stacked high in crates and pallets, like in a warehouse, and the usual extras, like plastic shopping bags, are not taken for granted. At 5-10 cents per checkout bag, most of the clientele carries its purchases in all manner and form of containers, cardboard flats, crates, or old, plastic bags brought from home. And this clientele is very heavily skewed toward the very old, the very young, the poor and the minorities. On my first visit to this place after a morning's worth of time spent at the Farmers' Market, the thought was unavoidable: *So this is where the "other" people go...*

As is to be expected, this is but a broad view of the diversity to be found in the community. Its extent, in which HOURS must operate, and in a very real way, against which it must compete, is much greater. Even the "alternative" crowd hardly fits in a neat category of a coherent "cultural creative class" but includes a wide array of people and lifestyles, from artists, political activists and dedicated environmentalists to various heralds of counterculture³², to semi-itinerant bohemians living in the gray areas of life. Ideologically and pragmatically, local currency is faced with the task of bringing together these split, internal worlds. The "community building" aspect of local currency cannot

³² For its small size, Ithaca has a remarkably diverse representation of various subcultural aesthetics (including vibrant pagan, "neo-hippie" and alternative/underground music scenes).

and should not therefore be asserted simply by using evidence of successful social relationships, but should be problematized to account for what happens at the margins. In this study I wanted to go further and examine first, the strategies employed and meanings constructed around alternative money both by the system as a grassroots organization and by its members and second, explore the interactions between the local currency network and the larger Ithaca community. How does the HOURS network map on to the town, and what happens inside, outside and in between?

The rest of this chapter and the following chapter address three themes: the discourse on community and sociality as constructed by the organization, the social experience of individuals and the creation of personal and shared meanings by the currency's users, and lastly, the lines of articulation, separation and blurring between the HOURS network and the town at large. First, I explore the ways "community" has been constructed by the organization over the life course of the system. I will discuss how the organization's vision was conceived and changed through time, mostly as it appears in textual data: the language and images used on the money itself, as well as the various publications and other means of communication utilized by the organization. Second, I will consider the perspective of users as they interact with the system and with each other, discussing the nature of these relationships in view of the movement's claims to the creation of community. These themes will continue in the following chapters, where I will turn to a consideration of community as evidenced through practices of consumption and also discuss some interesting new developments, as the system tries to offset social disparity. The data comes from three sources: interview and documentary information from past and current HOURS administrators, interviews with users and non-users of HOURS, and the system's archived materials, a highly diversified collection of primarily textual resources pertaining to local currency that was donated to the Tompkins County Museum by Paul Glover.

The Social World According to Hours³³

Within these social realities, what sort of community is envisaged and promoted by local currency? Through its discourse and practice, the HOURS system continues to develop and advance its own particular visions of community. I want to start by considering the messages inscribed on the physical HOURS currency. HOURS are both a caricature and a tribute to modern money. They contain some sort of graphical art with local cultural significance. The denominations are written clearly at various places and in different formats. The bills are marked with serial numbers and carry two signatures, one representing Hours and the other, a second sponsor organization in the community. In other words, the notes contain all the elements of modern money, and in addition, all the notes that have gone out to circulation are stamped with the date of their issuance.

Beyond that, there is a cartoonish feel to HOURS that often invites comparison to Monopoly money. The bills are bright and colorful. In a somewhat satirical imitation of U.S. money, on the top, large print announces: "In Ithaca We Trust." Elsewhere, small print reads: "This Note is Useful Tender for Many Local Needs." The face depicts local images, some serious, some more playful but all with an underlying political message. "We honor Ithaca's children" the quarter-HOUR note seems to say, showing two children in a faux-classical stance, loose fabric draping over them as they sit on an ornate column, holding branches. The messages implied by the iconography in the other notes have a similar tone. "We honor place, our history, our people, and our ecological and cultural diversity." The spotted salamander, a local species, a Cayuga Lake steamboat, the famous Ithaca falls, the profile of a Cayuga Indian and Beverly J. Martin, a black

³³ As a reminder, when fully capitalized, HOURS refers to the currency, while Hours with only the first letter capitalized, refers to the administrative organization, incorporated as a not-for-profit under the name of Ithaca Hours inc.

educator and community leader, grace the 1/8th, 1/2, 1 and two different editions of the 2 HOUR notes respectively.

Centered between an image of a local species of beetle and a map of the Cayuga Lake basin, the inscription in the back of the 1/8th note reads:

TIME IS MONEY
This note entitles the bearer to
receive one eighth labor
or its negotiated value
in goods or services.
Please accept it, then spend it.

ITHACA HOURS stimulate local businesses by recycling
Our wealth locally, and they help fund new job creation.
Ithaca HOURS are backed by real capital: our skills,
Our time, our tools, forests, fields and rivers.

The 1/10th HOUR note, the most recent denomination, issued in 2001, continues the trend, but with some notable differences. “We honor and promote small, local businesses” the 1/10 note seems to imply, showing a small, house-like building, with its door open, adorns the note. An awning is barely visible on its side. A light bulb pops out of the chimney. Many-shaded hands surround the picture. “Welcome” says the doormat. “Open for Business!” says the sign. On the back of the note, a stalk of corn and a bag of cornmeal (“Local Products”), and a picture of a country road (“Local Pride”) frame a different text:

Ithaca Hours are local currency.

Local currency energizes local businesses,
encourages entrepreneurship,
and builds community.

Ithaca Hours are money that stays in

The point I want to draw out here is that these statements reflect something of a developmental sequence. While still evoking community, the discourse has shifted from a lesson on labor, money and value, and a rallying cry for unity, to a moderated message of building potential and opportunity. In the latter case, “place” and its importance are not explained. It is up to the reader/user to provide her/his own meaning.

I discussed earlier the transition of the Hours organization from a charismatic, freeform, grassroots enterprise to a more formalized, incorporated entity, that brought with it a turn to more moderate rhetoric, and a renewed focus on the business aspect of money, in an effort to expand the system’s acceptance through a wider cross-section of the town’s population. Textual material help trace this change. There is a wealth of written material from the early years of the system. Paul Glover, the widely acknowledged parent of the system, is a prolific writer and illustrator with a firm grasp of the power of both imagery and the written word. From the start, Glover and his collaborators developed an extensive public media presence for HOURS, deploying various means to communicate the currency’s message. Along with the currency was launched a newspaper, originally called *Ithaca Money*, then renamed *HOURTown*, that printed lists of offers and demands, contained informative articles about the currency but also about world issues and their significance to the local community, frequently from a clearly liberal/green political perspective. A World Wide Web presence was also soon established. Pamphlets, flyers, banners, and the like, along with appearances on local public access television and radio, completed the arsenal of informational and inspirational media marshaled by the system’s early promoters, as HOURS rose to prominence as a local institution. The message, presented in forms ranging from articles, to cartoons (both by Glover, an accomplished illustrator in his own right, and other contributors), emphasized the contrast between local economies, always

connected with hope, fun, camaraderie, opportunity and abundance, and the national/global economy (and in fact, world), a bleak landscape of poverty, injustice, insecurity and meaninglessness.

Figure 9: HOURTown Promotional Illustration

We Print Our Own Money in Ithaca!

AT THE GARAGE SALE...
DO YOU ACCEPT ITHACA HOURS?
I HEARD OF THEM. WHAT ARE THEY?
THEY'RE LOCAL PAPER MONEY - MONEY WE USE IN THE ITHACA AREA. EACH HOUR IS WORTH AN HOUR OF LABOR OR \$10.00. THERE ARE 5 DENOMINATIONS: :->

HOW'S IT WORK?
WELL, HOW MUCH IS THAT COFFEE TABLE?
\$3.00.
OKAY, THAT'D BE A QUARTER HOUR - WORTH \$2.50 - PLUS 50¢

IF I TAKE IT FROM YOU, WHERE DO I SPEND IT?
HERE'S A COPY OF ITHACA MONEY. IT LISTS THOUSANDS OF GOODS & SERVICES YOU CAN BUY WITH HOURS.
MORE THAN 300 BUSINESSES TAKE HOURS, INCLUDING A BANK, MOVIE THEATERS, A BOWLING ALLEY, HEALTH CLUBS, FARMERS, AND SO ON. MOST OF WHAT YOU NEED IS LISTED THERE. ALL THE DISPLAY ADVERTISERS TAKE HOURS... AND YOU CAN ASK ANYBODY TO TAKE HOURS, LIKE I JUST DID, AND SHOW THEM THIS LIST. YOU CAN KEEP THAT COPY.

WHERE DO THESE HOURS COME FROM?
THEY'RE ISSUED TO PEOPLE WHO SEND IN THE COUPON FROM THE BACK PAGE, TO BE LISTED IN THE PAPER AS BACKING THE MONEY. THEN EVERYBODY IN TOWN CAN USE THEM FOR ANYTHING.

SO WHAT ARE THEY FOR? WHY NOT JUST USE DOLLARS?

THERE ARE PLENTY OF REASONS.

1 MONEY IS A TOOL FOR TRADING. SINCE WE'RE ADDING TO ITHACA'S RELIABLE MONEY SUPPLY - \$67,000 OF HOURS SINCE 1991 - MORE PEOPLE CAN TRADE MORE. AND MORE TRADING MEANS MORE JOBS.

2 SINCE AN HOUR = \$10.00, WE'RE RAISING THE HOURLY WAGE. THAT BENEFITS WORKERS, AND BUSINESSES, TOO. PROFESSIONALS MAY ASK FOR MORE THAN ONE HOUR PER HOUR, BUT HOURS REMIND US THAT WEALTH COMES FROM LABOR, AND EVERYONE DESERVES FAIR PAY.

3 WITH BETTER HOURLY INCOME, PEOPLE ARE MORE ABLE TO AFFORD LOCALLY-MADE CRAFTS AND FOOD... LIKE AT THE FARMERS' MARKETS... AND OTHER LOCAL SERVICES. THAT MEANS MORE LOCAL PEOPLE CAN START BUSINESSES DOING THINGS THEY LIKE.

4 TEN PERCENT OF HOURS ARE ISSUED AS GRANTS. 22 COMMUNITY ORGANIZATIONS HAVE GOTTEN HOUR GRANTS SO FAR - LIKE SENIOR CITIZENS, DISPLACED HOMEMAKERS, CHAC, HOMES, INC. AND SO ON. THEY DO GREAT WORK FOR ITHACA, AND THEY NEED ALL KINDS OF MONEY THESE DAYS.

5 BUSINESS LOANS OF HOURS ARE BEING MADE - WITHOUT ANY INTEREST CHARGED!
PAYING INTEREST IS A DRAIN ON THE LOCAL ECONOMY, SLOWING DOWN MANY IMPORTANT PROJECTS. THE INTEREST HOURS EARN IS COMMUNITY INTEREST - THE BENEFIT OF EXTRA JOBS & TRADING MADE WITH HOURS.

6 I'VE BEEN EARNING HOURS FOR SEVERAL YEARS. I GIVE PIANO LESSONS, AND I LIKE HOURS BECAUSE I'VE MET NEW PEOPLE AND GOTTEN EXTRA INCOME. HOURS PROMOTE A FRIENDLIER ECONOMY. KIND OF A MUTUAL ENTERPRISE SYSTEM THAT'S CREATED BY AVERAGE PEOPLE, AND EXPANDS FREEDOM FOR ALL.
...INSTEAD OF THIS FREE-FOR-ALL THAT MAKES A FEW PEOPLE RICHER, AND THE REST OF US POORER!

7 AND LIKE I SAID, HOURS HAVE A BOUNDARY AROUND THEM - ABOUT 20 MILES AROUND ITHACA. THAT KEEPS THEM HERE FOREVER FOR OUR USE.

IT SOUNDS SO GOOD - HOW CAN IT BE LEGAL?
"LOCAL TENDER," AND IT'S LEGAL. THE IRS JUST WANTS PEOPLE TO COUNT IT AS INCOME.

8 CAN KIDS EARN HOURS?
SURE, EVERYBODY CAN. IN FACT, HOURS ARE THE ONLY MONEY WITH KIDS ON IT!

OKAY, YOU CAN HAVE THAT COFFEE TABLE FOR A QUARTER HOUR. NEED ANYTHING ELSE?
YEAH, WE ACCEPT HOURS.

HOUR REPORT

ITHACA WE TRUST

You're an important part of Ithaca HOURS:

Even if you're not on the Ithaca HOUR list, you can help circulate our local cash, to help it do its good work.

Just purchase them at GreenStar Co-op or at Alternatives Federal Credit Union.

Glover was masterful in presenting the case for HOURS in inventive language that encapsulated the system's message in a witty, slogan-like fashion: "We are rich when we hire each other." Or "Dollars control people. HOURS connect people." Or "The Ithaca HOUR is backed by real people, real skills, real tools, time and goods." Elsewhere, in a statement that has been quoted enough to become almost an unofficial manifesto for the movement, Glover writes:

We printed our own money because we watched Federal dollars come to town, shake a few hands, then leave to buy rainforest lumber and fight wars. Ithaca HOURS, by contrast, stay in our region to help us hire each other. While dollars make us increasingly dependent on multinational corporations and bankers, HOURS reinforce community trading and expand commerce, which is more accountable to our concerns for ecology and social justice. (1995:np)

This statement is included in a piece entitled "Creating Wealth with Local Currency," that ends with a dedication: "[Local currency] is dedicated to the Ithacans whose trust in each other has created this money, and to the other communities which are following their example."

Other communities have indeed followed this example in designing and promoting their local currencies, and elaborated on it both thematically and stylistically. "In Ithaca We Trust" has given rise to "In Each Other We Trust," "In Ourselves We Trust," "In Green Cities We Trust," and a number of other playful and creative variations on the theme. For one of my informants with long-standing connections to the Ithaca community, who has also been deeply involved in the system from nearly the beginning however, those other communities were the ones who got it right. For her, Glover made a mistake in phrasing this connection in terms of the locality, to which people may or may not feel any special allegiance, whereas the key to success lies in people and their relationships.

Indeed, "real people" who make up real communities have been from the start the most central component of the message. Ithaca HOURS promotional and

informational material made extensive use of the testimonial and of personal, close-to-home stories to illustrate two things: the reality of people actively living out the movement's vision of a sustainable and humane local economy, and second, the multiplicity and diversity of these personal experiences that demonstrated the versatility and potential for inclusiveness that local currency holds. Grouped under generalized headings such as "Expanding Personal Income," "Enriching Community Spirit," "The Ecology of HOURS," and "Social Justice," the various incarnations of the system's newspaper printed a plethora of "success stories" of people who use local currency.

These segments also feature prominently in "Hometown Money," a book Glover authored as a guide to local currency, which he also marketed as part of a "local currency starter kit" sold by Hours. Compiling a large amount of material from the system's newspaper and other media, Glover urged potential creators of local currency to use such personal stories as an important part of promoting the currency: "They are the voices of participants describing how they earn and spend HOURS and what HOURS mean" (1995:np). What did these voices have to say? The following is a selection of segments from the early days of the system, printed in the system's newspaper and reproduced in Glover's book (1995:np).

- Rich has gotten several painting jobs from the list. His HOURS have bought car repair and piano lessons. His partner Lynn says, "It's helped us a lot. We got things we couldn't afford otherwise. This will be good for Ithaca's economy as it builds up."

- Bill's an architect who says "HOURS changed my life. Last winter I had no jobs, was out of money and was scared. Then I got two jobs through Ithaca Money, which kept food on the table and turned out to be steady work. One of those people has become a good friend. Now I've got a third major HOUR job, very creative and exciting." He adds that "there is less stress associated with HOURS, they're fun to spend."

- William earns HOURS by restaurant work. "Local currency is a fantastic idea. The more we use HOURS the easier it gets. I like supporting local farmers and workers. We've created a national identity, and in the future it will be just as important to create local identities. It's economically and socially beneficial."

- Rabbi Eli offers Hebrew lessons and Bar/Bat mitzvah lessons. “The barter list has been very useful. Recently I traded lessons for violin repair.” He says that “HOURS are a very creative social support network, a good model for preserving kindness and compassion in the economy. They avoid the mass business focus and remind us that we’re serving other human beings.”

- Maija recently joined, offering foot massage and furniture painting. HOURS are important to her because she’s interested in sustainable development. “I’ve become aware of global economic order and the need to foster the sense of community that’s lacking in our country.”

- Nancy has done tax returns and investment planning for HOURS and trades. “These were good connection, for single women who don’t know a whole lot about money. And there’s a lot of anger about how work by women is undervalued. An HOUR being an hour’s work is a nice way around that; the concept can change the world. A lot of people are real pleased how it’s going.”

- Ed provides ophthalmology (eye doctor) services for HOURS most of which he’s spent for food. “For many years I’ve had a sign on my wall stating that I’m willing to negotiate for my services: no one should lack medical care because they lack dollars.” He says that “HOURS and barter are a segment of this solution to health care needs. HOURS say that everyone’s time is important, and I like that.”

- Jennifer accepted HOURS for repayment of a loan, though she’s not on the list. “It’s a good idea to keep money local rather than spending it elsewhere. I can imagine getting to the time when we wouldn’t have to ask people if they took HOURS -We’d have an understanding that HOURS were a common part of life in Ithaca.”

As a genre, the testimonial is simple and powerful since it connects the reader to seemingly direct experience from the “everyday reality” of people who are portrayed as peers. It is also somewhat “gimmicky” for the slice of reality it presents is both decontextualized, and selected to clearly and simply lead to the intended conclusion. Still, some of the features in the above stories carry a core of meanings for the type of “community” intended and pursued by local currency. The first feature is diversity. The people represented in the above quotes appear to be very different from one another. They cover a wide range of professions, and implicitly social class. They belong to diverse subgroups within the community, indicated in various ways. There is the mixing

of common Anglo- and non-Anglo names, as well as references to culturally specific items and services. There are also more explicit clues, such as in the case of a picture published with one of those lists, which shows a smiling, biracial couple facing one another in dance. The caption indicates that they teach Cajun dancing for HOURS. The underlying message for diversity is that, with local currency, local communities are spaces where connection and intermixing can happen in a way that affirms and enriches identity, not that homogenizes and endangers it. This is emphatically not the kind of old-fashioned, obstructive and ultimately negative community that Boyle references, or the homogenized community trope that Gregory cautions against.

Just as the people in these stories are different, so are their experiences, philosophies, goals and motivations with the system and in life. The people portrayed in these stories span a range of perspectives, levels of involvement (or as in the case of the last story, noninvolvement) and they differ in how they explain and interpret their local currency usage. For some, it is an integral part of their economic lives, a very real material resource, for others, a preferred way of humanizing and personalizing exchange, and for others still, a political statement on personal beliefs and the importance of local empowerment. The stories do however share a few thematic elements. For one, everyone is shown to be *doing* something and also to be discovering something new. As producers, traders or consumers, the people in these stories are all active, and what is more, this activity is not some transient novelty but “real,” solid enterprise. It implies empowerment, personal benefit, and the possibility for further opportunity through social relations. In other words, “community” for HOURS does not just mean to connect and socialize, but the opportunity to connect and socialize productively, again hinting at the perhaps somewhat subtle distinction between social relations and social capital as analytical concepts, and reminding of the *community development* aspect of local currency.

Secondly, what is produced by these relationships of exchange is itself multifaceted, emerging from as well as addressing needs from multiple but interconnected, areas of life. Economic need meets playfulness and political-ideological responsibility. Consumption meets social and environmental justice. Lastly, this theme of interconnectedness culminates in the centrality of communion-within-community. All this (and indeed most things) can be materialized through the group of people who make up the economic, social and cultural context in which the individual operates. Local people, these stories imply, do not have to live in the ways and according to the social economic and political divisions imposed from “the outside” of history, habit, and the mainstream. The black man in the picture is quoted as follows: “All politics are local: we have to help ourselves. Congress I can’t control but I can contribute to society by being a kind and loving human being, appreciating people I meet.” The caption also notes that he has just graduated from college: “Call me up, I could really use the work.”

The question that arises is how accurate and representative are these testimonials? Also, given that these all belong to the first years of HOURS’ circulation, how did this vision hold up through the system’s over 14-year lifespan? These testimonials are “true” in the sense that they belong to real users and correctly indicate that many other users also have successful and meaningful experiences with HOURS, economically and socially. As the data presented so far suggest however, they should not be thought to encapsulate neither the overall “success” of the system nor the experience of the majority of users over the life of the system. Probing into the effects and meanings of “creating a community” through local currency in Ithaca requires looking both at the social aspects of transacting in the alternative currency market and at the local currency system as a distinct social entity, a community grassroots organization that has a distinct history and presence. These two aspects of HOURS sociality frequently but not always overlap since, as we have seen, the boundaries of the HOURS

economy do not map on to the organization's membership nor are they for that matter limited to any subsection of the town's population, as the concept of the multiplier clearly shows. Below I consider opportunities for interaction afforded by participation in the organization and the social impact of the organization's developmental trajectory.

Hours as Grassroots Organization

From a quantitative perspective, local currency's social base in Ithaca has been marking a perpetual upward climb, matching the steady increase of the HOURS economy discussed in the previous chapters. Still, for many of the long-term participants with whom I spoke, the system's peak in terms of –at least perceived– activity and energy came in the middle part of the 1990s. This was also the generally acknowledged peak of HOURS' public presence, at which point much of the system's publicity was generated and national and international attention was drawn to the movement. The passage of time also saw a rise in increasingly explicit political content in the system's newspaper and overall image. As a consequence, while the system greatly expanded its membership and reach, it did not make radical inroads across class and even less so race boundaries. HOURS largely maintained the moniker of “hippie money,” and while the user base to an extent mirrors the ethnic and cultural diversity of the town, it did not substantively engage economically marginal groups, or the large African American segment of the population to any significant degree³⁴.

As indicated in the choice of text for the 1/10th note, the intensity of populist and radical commentary in the system's discourse dropped noticeably in later years. Connected to the move to non-profit incorporation that the system underwent, both the collective vision of the organization and the distribution of its resources shifted toward a subtler message. Mainly, this was the result of a desire by the organization to adopt a

³⁴ As I discussed in the previous chapter, the overwhelming majority of participants were white.

more moderate image for the purpose of attracting a wider range of participants from the community. Central to this effort was the partial undoing of certain elements of the system's image. This undoing involved taking a clear step back from oppositional politics, and emphasizing the politics of alternativity, taking up the work of offering new and active solutions to scarcity, inequality, alienation and environmental degradation that signaled the possibility of transcending political difference and doing away with the dualistic juxtaposition between political and economic liberalism and conservatism, which dominate modern political and economic discourses. And the key to this connectivity was a model akin to that which appears in the revival of concepts of civil society (Lyson 2003). A relatively recent article on HOURS printed in the local newspaper quotes one of the newer Hours board members: "Ithaca HOURS is backed by our relationships. That's what we want our town and our community to be." That same article includes a statement by Stephen Burke, the president of the Hours board of directors: "It's definitely a community spirit thing. [...] Money is so divisive. We want to turn that completely on its head" (Ju 2005). It follows from the above statement by Stephen Burke that in its current stage, the organization looks to the currency's users to provide their own sets of meanings to the local currency economy. What about social opportunities other than money and exchange?

The literature on organizational development and collective action describes an apparent contradiction in the life cycle of organizations, in which growth often coincides with a drop in immediate involvement, a situation that some –but not all– theorists consider to correspond to a decline in the levels of democracy of the organization (e.g. Staggenborg 1999, Gerlach 1999). For HOURS, participation in administration and decision-making shows a downward trend over time. In the pre-incorporation period participant involvement in decision-making processes was instrumental to the operation of the system. Anyone willing to use the currency was invited, and in fact encouraged,

to join in regular, informal gatherings, where both processual and executive decisions were made democratically. These were the gatherings that were humorously made into the administrative body called the “Barter Potluck” that figures prominently in much of the celebratory literature on local currency. However, even in the pre-incorporation period, this assembly had to be supplemented by a board of advisors with much more limited (though by no means closed) membership, which oversaw the increasingly technical³⁵ matters pertaining to running a money system.

Hours’ articles of incorporation as a not-for-profit mandated that a democratically elected board of directors head the organization. The structure of opportunities for social interaction that the organization created therefore, had to fundamentally change since assemblies would now serve an electoral rather than administrative function. Accordingly, the relationships fostered by a collective decision-making structure also had to change, both qualitatively, in the sense that the role of the currency’s users in the administration of the system changed, and quantitatively, in the sense that opportunities to gather would now revolve around annual elections, and that the need to assemble regularly for conducting HOURS business was no longer there. Furthermore, part of the rationale for the new format was to codify the organization’s workings and record its collected knowledge, thus assuring its survivability and continuation beyond any single individual or group of people. By necessity, the formal face of the organization had to be more generalist, adding a degree of separation between the system and the politics of those who ran it.

This streamlining also brought about the need to fill formal offices that required greater commitment on the part of occupants than did participation in community assemblies, thus discouraging more casual participants from administration. However, while in its new form the organization was moving away from its charismatic beginnings,

³⁵ Budgeting, loans and grants, policy, circulation, and so on.

this change did bring about an infusion of new ideas and diversified visions about what local currency is and could be. This is not to say that a radical change of guard took place. In fact, there is striking continuity in the Hours genealogical tree. Many of the people who were central in the administration of the system remained active, including, for a period, Paul Glover, who continued to be an engaged participant in administration as well as in promoting the currency for a number of years after incorporation. At the time of my research, five of the 7 to 10 board members were long-time HOURS participants, serving multiple terms on the board. However there was also turnover within the board as well as collaboration with other individuals and organizations from the town, which brought in different perspectives, partnerships, and opportunities for growth. Despite marked continuity in the administration however, it became evident during my fieldwork that in addition to coming from diverse backgrounds, board members had diverse motivations for their involvement, as well as differential understandings and knowledge about the system. These long term participants and collaborators assumed shared knowledge and understanding where no such consonance necessarily existed.

Board members held diverging, and in a few cases dissonant notions of both what is possible and what is desirable within a local currency system. For instance, some were primarily concerned with building up the business side of HOURS, the potential of local currency to benefit, as well as be supported by, the small, local businesses to which it is addressed. Hence, their contributions to the organization included efforts at recruiting new business-level participants and assuring a healthy and beneficial currency flow to and from them. Others emphasized the social equity and even philanthropic potential of local currency, working with projects that engaged economically and socially marginalized populations (such as sponsoring a suicide

prevention hotline), while still others were more immediately concerned with the maintenance of the existing HOURS community.

At times, these interests came to opposition. For instance, the small-business oriented board members would favor broader interpretations of the organization's rules and practices regarding circulation and loans, a position that would be opposed by those who wished to maintain historical continuity and precedent. Levels of knowledge about the system also varied, which occasionally contributed to miscommunication and hindered action, as the board members were the de facto educators and spokespeople for the system. Still, these differences also spurred interest in researching precedents or devising new solutions. The next chapter is devoted to one notable example of one such initiative taken by the organization, and its implications for the local currency movement

For a number of years, Glover largely sustained himself with HOURS (and a few dollars) earned for the work he did for the system, and with the rather modest amounts of federal currency from one of the VISTA grant awarded to the Alternatives Federal Credit Union that the credit union directed towards the development of local currency. As such he was uniquely positioned to pursue both institutional and in-person contacts to promote his numerous causes. He was the most consistent presence in places like the Farmers' Market talking with people, distributing signs and encouraging participation. His bicycle-riding figure (Glover refused to use fuel-powered vehicles in most cases) was a well-known image throughout town, embodying, as it were, the ideal of community involvement and green living. However, the embodied image had the same dual effects as the rhetorical one, both attracting and repelling participants for its unapologetically radical nature.

Hours always sought opportunities to promote local currency by aligning itself with or funding other organizations and initiatives (various grants and support went to things from a suicide prevention hotline to a books for prisoners program, along with a

host of artistic, educational, and other programs). However, these efforts remained central to the organization's outreach and community-building work as its "street presence" waned. With Paul Glover's gradual withdrawal, the system lost its most enthusiastic, prolific and tireless promoter, marketer, worker and theorist.

In the latter years of the system's life course, Glover's identification with HOURS, still strong among many Ithacans, is both helpful and harmful as the organization attempts to break new ground within the community. Diversification in the board's membership, and renewed efforts to building partnerships was therefore a significant source of for new connections and relationships for the system, especially because despite their dedication and hard work, the people who assumed the administration of the system were not in a position to continue the sort of campaigning of which Glover was capable. As a not-for-profit, Hours was able to seek further outside funding, which was part of the appeal of incorporation. To date, their largest award from an outside funding agency was a grant of \$10,000 U.S. from the Ben and Jerry's Foundation, received in 2001 to support the creation off the organization's first formally paid position, for a part-time staff member to act as a volunteer coordinator.

The proliferation of the organization's needs and the dynamism of the particular person chosen to fill the position proved to be a powerful combination for further change in the system. As the title of the position implies, the staff member would be primarily responsible for recruiting, training and supervising volunteers for the organization's operations. The position was offered to Anne Andretta³⁶, a person relatively new to the community who had moved to Ithaca in large part inspired by the progressive and activist element of the town. Having for a number of years worked in missionary and poverty relief efforts in Haiti, she brought significant experience in organizing and public

³⁶ A pseudonym.

relations, along with a professionalism and organizational skills that, as board members readily acknowledged, became a truly significant resource for Hours.

Given its grassroots history and its reliance on a small number of individuals (most notably but not solely Glover) to conduct most of the work but also to act as the “lore keepers” of the organization, Hours was vulnerable to processual irregularities and inconsistencies that could potentially have damaging effects on the system. While no specific instances of such irregularities emerged in my interviews, several people, including most board members, indicated that the system’s organization was messy. They pointed to things like incomplete or badly kept documentation for loans and grants, and missing or badly kept financial documents that created problems in the system’s recent efforts to put in order its tax profile.

One particular complaint related to Glover’s “generous interpretation” both of what counted as membership and of what was possible and permissible through the system. This practice usually ended up inflating the apparent number of HOURS participants, but which also sometimes had the adverse effect of complicating matters and by extension damaging the credibility of the system. I spoke to at least one person who was utterly against the idea of local currency but liked and supported Paul in other endeavors. He claimed that he had on occasion accepted hours from Paul but would throw them out. Still he ended up listed year after year in the system’s directory. Correspondingly, particularly at a time when the system’s rules were not hard coded, Glover is said to have been prone to deciding things on the spot, accommodating questions, requests and ideas in a non-systematic and difficult to follow and justify fashion. A sample of comments from long-term participants involved in administration turned up things such as, “He’d (Glover) know these things (a membership, a loan or an administrative decision) in his head, or maybe he would scribble it on a napkin and stick it in his back pocket but no record exists anywhere.” Or in a much less indulgent

manner, “He’d say whatever he wanted. He’d tell people whatever they wanted to hear. He just made things up.” Regardless, a desire to normalize proceedings was another strong motivator for moving to an incorporated organizational model. And while the system had made great strides toward transitioning from a person-centered system, to recording and normalizing its functions, the duty to carry out those functions fell increasingly on Andretta.

Along with the board, Andretta did significant work in marshaling the organization’s resources and setting up a clear system of administration. However, the emerging style of the board and its new staff member in building relationships and running the system diverged from that of earlier years. This different style can be sensed in several changes in the system’s public presence. For instance, the system’s periodical changed into an annual directory, in which the organization made explicit effort to include only live and active listings, and which was conceived more as community reference resource rather than a political medium. While this made it a more reliable resource, it was also less visible and attention getting than a colorful and constantly changing circular. This shift was compounded by the very real constraints on furthering Hours’ public presence that limited resources and an expanding gamut of responsibilities placed on the organization.

Overall, priority was increasingly placed on strengthening HOURS through solid, instrumental relationships with committed participants, rather than maintaining the expansive, “street corner” strategy of Glover. Andretta expressed this as a tension between two entirely different kinds of participation that provoked some fundamental questions about local currency:

What are people willing to do to make it work? What expectations do people have when you aren’t a retailer and put an ad in HourTown? Is it good enough to be part of a wacky, eclectic group? There are two categories of users, for instance there are “Haitian translators” and Greenstar [large natural foods cooperative]. Big hitters versus small ones.

Why do they do this? Is there something with those kinds of listings that would make it more realistic in terms of expectations? Is it better to keep the system with small barter or focus on big businesses that people can shop in? This is good but does not address some of the mission statement basics of development and community. It is a conundrum.

While the post-transition organization steadfastly maintained its commitment to the fun, inclusive and “wacky” spirit of the system, keeping bureaucracy to a minimum and people-centered flexibility at maximum, it did also concentrate on the more “serious,” business side of HOURS, seeking to reinforce the legitimacy and “real world” value of the currency.

This change in orientation did not go through without some discontent, with implications for the social aspect of HOURS. A more “serious” currency did, in fact, appeal to more people. As I noted earlier, membership steadily increased, from a starting group of less than 100 members to over 1,000 registered members and an unknown quantity of unregistered users. This increase encompassed the addition of several new businesses including established storefront businesses, something that several long-term board members attributed to the fact that the board’s small business owners were able to connect to a more diversified segment of the local business community.

However, for some this meant the loss of what was perceived as the radical, alternative “edge” of HOURS, and the much more limited but vibrant and active community of users from the early years. Inevitably, some friction developed between the old and the new guard. Exemplifying this friction was a three-part argument conducted between Harper’s magazine, Paul Glover and the current president of the Hours board, Steven Burke, over a 2001 article that appeared in Harper’s, which accused the local currency of “protectionism” and “economic puritanism.” Though officially no longer part of the system’s administration, Glover published a reply to this

article in a tone that was deemed to be unnecessarily and unhelpfully defensive and polemic by the Hours board, and which not only undermined the board's authority but also went against the spirit of what the current administration was trying to advance, namely that HOURS were not a fringe movement but a serious organization and a community resource for the "mainstreams" and the "alternatives" alike. The board reacted by stressing the current state of dissociation between Glover and the system, and making explicit effort to separate Glover's name from official system business.

This and similar events contributed to internal tensions between those who believed in a more militantly local and alternative agenda and those who desired that the system pursue mainstream acceptance, as a means of promoting its alternative views but also reconciling diverse community segments. While according to some scholars of organizational theory such tensions are normal and even expected in the maturation of an organization (e.g. Freeman and Johnson 1999, Staggenborg 1999) this situation again highlights the complex terrain that is "community," as well as the difficult balance that a localist initiative must maintain between attracting new participants and not alienating its extant member base. To return to the terminology of social capital, the organization must balance both bonding and bridging capital, that is to say, build and maintain productive relationships within and across social groupings.

To summarize the social trajectory of the organization then, all accounts point to a definite trend toward expansion, diversification and normalization with a concurrent decrease in visibility, and the intensity of social connections. While the system has been increasing in size, the opportunities it creates for direct social interaction between its members have dropped. Over its 14 years in existence, the currency has managed to propose a unified vision of community but has to mediate differences among its members as well with the larger community. This coincides with impressions by many of the early participants with whom I spoke, who expressed a feeling of distancing from the

system (framed in terms of either the feeling that that their contact with the system was more tenuous, or an impression that the system itself was losing energy) even though their volume of trading had not necessarily decreased, and in some cases was even increasing over time. I will move on to consider the users' social experiences with HOURS next.

The Experience of Exchanging Community

For users, HOURS create two kinds of opportunity for community: one from participating in an organization that presents situations for social interaction and one that is coded in the money and created in the process of exchange. In order to probe into these connections and meanings and to contextualize them in users' social lives I wanted to know:

- How did you find out about the system and what were the conditions under which you joined?
- Did anyone else in your family utilize HOURS?
- Do you have a regular channel of HOURS exchanges?
- Do you have any memorable transactions involving local currency, negative or positive?
- Do you utilize *HOUR Town*, the system's directory of goods and services personally? If so, how was it used and was it always in connection to transactions in HOURS?
- Do you feel that personal or business relations had been formed or reinforced in connection to the local currency network?
- Do you have any other contact with the system beyond regular exchange, and specifically, whether they were involved with the administration of the system, participating in meetings and social events?

- Has your experience with the HOURS system changed thought time, and how?
- What do you feel was the significance of the HOURS system beyond economic exchange?
- Do you participate in any other instances of barter, or other exchange situations that did not involve direct money exchange?
- Are you involved in other local organizations, initiatives, groups, clubs etc?

These questions were meant to address three areas of relationships: user-organization relationships, user-user relationships, and user-community relationships.

Parenthetically, since here I will be discussing social experiences, I will be relying most heavily on the participants that I designated as “individual users” and much less so on participant organizations. While it is true that the biggest participants were incorporated entities, and one could argue that relatively heavy use of local currency would mean that these larger businesses were more heavily invested in the community, there is again no indication whether local currency was causal or symptomatic of such a community orientation. The impressions I got from speaking to such large businesses and seeing the overall quantitative impact of HOURS on them would indicate that in most cases, it was the latter. With this in mind, what are the patterns and experiences of interaction that emerge through local currency?

Personal Interactions and Participation

The centrality of social relations in the creation of the HOURS system manifests from the beginning, as the overwhelming majority of participants found out about it from other people. Of the 66 individual participants I interviewed, fewer than 15 had learned about the currency through means other than personal interaction, and only a fraction of those had decided to join without any influence from a friend or acquaintance. What is more, the people who had found out about HOURS on their own tended to also be the

ones who were either new to Ithaca, or who had been researching the town with the prospect of relocating there. For the long-term users especially, the decision to join very frequently involved the phrase “I knew –or– I was talking to Paul:”

I’ve been in pretty much since it started, early 90s, ‘93-‘94? I remember Paul told me about it at DeWitt Park, at the Farmers Market. And I was like sure, sign me up. He gave me a few hours and that was it.

- *Was he making a general presentation?*
No, he was hitting up people personally.

- *Did you know him before?*
Yeah. He’s an old pal.

Early HOURS recruitment was mostly done in such a person-to-person manner by Glover and his collaborators. This public strategy was advantageous since people would frequently learn about it in the context of an actual exchange, which helped mitigate reservations based on the “strangeness” of the idea and made local currency seem both good and realistic. It was easier to “get” it when one could watch things in action, discuss it with others and iron out details and complications. For example, one common reservation that business people have about accepting HOURS is that they do not necessarily see how they can use a local currency when all their inputs come from non-local sources. One easy solution to this requires a small adjustment in how the person conceptualizes business and personal funds, and diverting the local money one earns toward personal use, while keeping federal currency for business expenditures. For instance, Fey’s alternative healing practice involved selling essential oils manufactured elsewhere.

I got into HOURS when I started my business. Paul goes everywhere! Before signing up though I did not understand it. In the beginning I could not see how I would use it for my business. Then I spoke with my chiropractor and understood it. I could switch personal and business income.

In recent years, personal contact has retained its importance in recruiting but also helping people navigate most easily and effectively in the local currency economy, which

parenthetically also shows the significance of diversifying the “face” of the organization, as people can bring in previously unconnected segments of their social networks.

Therefore, in terms of opportunity for building relationships, people’s initial contact with the system largely happened and still often happens in a heavily social and interactive context. Still, as the transaction data in the previous chapter illustrates, the economic movement of HOURS is in general quite low for most users, which indicates that the personal element involved in introducing people to the currency does not necessarily translate to sustained opportunities for both transaction and interaction. For one, the decline in social opportunities offered by the Hours organization itself had a definite counterpart in the behavior and experiences of users. For the past few years, for instance, the single largest social event for Hours is the members’ annual meeting and elections. I first attended the system’s 2003 annual meeting, which brought in 90 of over 800 members. This was hailed as a fantastic success by the board, which had also put in considerable effort in publicizing the event and –probably more significantly– offering numerous incentives for participation (such as double disbursements, coming up to \$40 U.S. for in-person signups or renewals, hardly an insignificant amount of “free” money). Despite similar efforts, the 2004 meeting brought in just over half that number, and in 2005 participation numbered close to 65 individuals of a steadily expanding membership pool³⁷.

There were a few different ways in which users addressed this issue of participation in the organization. For some users who had been particularly active during

³⁷ Regardless of the incentives, these numbers are still quite high for that type of “general meeting” event, which it would also be safe to say, rings far short of the compelling excitement of live, communal decision-making in the “barter pot-luck” style. Attendance was counted by new and renewing registrations at the meetings however and does not imply any further participation in the process, as is also evidenced by the difficulties encountered by the organization in reliably filling its board positions, which pushes many board participants to repeated terms in office. Overall, these observations suggest that HOURS are able to draw attention and marshal people, though slowly and cautiously, a pattern reflected in the currency’s low and sluggish circulation patterns among most users, but also inversely, in the persistence of otherwise narrowly engaged participants

the early years of the system, this trend (including their own reduction in activity) was a result of the dilution of the network that came with growth. Growth and maturation also made it less immediately engaging:

I have no contact with the system other than the transactions. There seems to have been a fundamental change with incorporation. I don't think it will work overnight. Still people contact me to check in, like Paul used to do, so not much difference there. Paul was actively trying to help circulation. Now with institutionalization there may be more solid ground but it is a glacial thing—slow process.

For others who may have entered later or who did not have access to the more energetic hubs, lack of connection with the system was sometimes seen as a result of peripheral positioning with respect to the main network, either or both because of personal lack of effort and a low-demand offer. Recall Chris, the communications consultant and jewelry designer from the previous chapter:

I've been tempted to go to meetings but never made it. Right now my involvement is pretty much just the disbursements. Some day I hope it will kick in and I'll get involved eventually. I think it is a great idea and I want to be involved. It probably makes more sense with my jewelry business and more people will need my services.

Interestingly, infrequent participants were often uncertain and reluctant to generalize from their own lack of involvement and ascribe it to a systemic failure.

According to Divina, "from what I see, it is working for some people but not the majority."

Barbara, a local potter and long-time member explained her history and impressions:

I had a tiny bit of expectations, like it would be good advertising but now I don't feel like I'm even in the system. I know it is alive and working and that it helps a lot of people but I don't come in contact with it much. But I would like the opportunity to use them. My impression is that those who use them are low income and they'd not buy pottery. Even if it is the "alternative" low income.

Still, this perceived asymmetry did invite questions as to the apparent versus real status of local currency in Ithaca, which were occasionally directed to me as a researcher. One store manager asked: "I am curious to know whether the impression that HOURS give

as a robust organization is accurate.” For Chris, there was question as to whether the phenomenon had been “mythacized:”

I guess I am interested in the phenomenon of its survival... that it continues to get so much press and work. There is so much press about it but the reality does not compare. It is... you know the expression “Mythaca?” How things get so much bigger than they really are? Sometimes it seems like it is mythacized.

On Finding One Another (Or Not)

This uncertainty again connects to the organization’s changed (and in some ways reduced) communication practices that were not forceful enough to fully capture less well-connected or motivated participants. As I discussed in earlier sections, it became obvious from early on that participants had a variable, and in most cases not particularly good knowledge of the system, which implied that they did not consistently make use of the system’s informational resources. And increasingly, these resources were being condensed in the form of the system’s tabloid periodical-turned-annual directory. These publications were always a significant task, but at the time of my research, the production of *HOUR Town* was without a doubt the largest single undertaking of the organization, commanding the overwhelming majority of the system’s budget and resources. The centrality of the directory is also reflected in its format change, which was not entirely unlike the difference between an independent news and information circular and a (more formal yet much less catchy) phone book. Parenthetically, though HOURS had a long-standing web presence, it was not until the latter part of my fieldwork in 2004, and after many complications and setbacks that the system got an updated, user-oriented site with a fully searchable database of members and offers. What role this medium will play in facilitating systemic communication and disseminating information is, at the moment, unknown.

The impact of the printed directory was less than straightforward. I decided to probe into directory use not just as a gauge of system connectivity but also as a way to track possible transactions and relationships that occur through the network but that may not actually involve either participation in the system or the use of local currency. Copies of *HOUR Town* are distributed city wide along with other such free of charge local interest periodicals and circulars. As part of my volunteer work for the organization, I undertook the monthly distribution of the directories for the latter part of 2003 and for most of 2004. It was easy to see that several thousand copies were being picked up throughout the year. However, of the 57 individual users I interviewed, only 7 said that they used it as a main reference for finding locally provided goods and services. About 12 people did not use it at all, and the remainder indicated minimal usage (“I flip through it when I get it” or “Sometimes I look to see who’s on and what they got but I’ve never called anyone”). Conversely, I did stumble upon a few non-participants who, even if not particularly enamored with the idea of local currency, found the directory to be a useful resource and utilized it for locating local providers of goods and services (“we keep a copy around. It is nice for when you need to find someone quickly”). But for the majority of the members, it appears that the directory is not serving the central informational function for which it is meant.

One counter-explanation may well be that people do not need it, in the sense that they have already established local currency connections. But this also implies both easy transactions, an interpretation not supported by my transaction data, and a possibly static quality to the network, where users only have set outlets for their HOURS, which in turn, would negate the currency’s importance in building new connections among the town’s residents. One early participant mused:

Back then the list was everyone, a few hundred people. Also people back then did use the list. It was harder to spend them back then so the people **would** look at the list. Now this is easy to spend or people will just

take a few just for the heck of it. Back then the directory was published more often. There was a time in Ithaca that weeklies were much more important.

The diminishing importance of weeklies notwithstanding, “ease of use” did not emerge as a convincing explanation for what is happening with the system’s efforts at communication and connection. This was nowhere more evident than in the striking gaps in knowledge and misunderstandings about the system and the money that many of my informants displayed, while most if not all of the information they would require was standard stock in the text of Hours publications, and particularly *HOURTown*. These knowledge gaps included everything from not knowing that a desired good or service was available in the network, not knowing that a business one already patronized –sometimes extensively– accepted local currency, to the various levels of confusion about conversions and acceptance policies. For instance, Chris, who was curious whether the phenomenon may be “mythacized” shared part of her difficulties:

But I also don’t understand how it works. For example, why is it called an “hour?” Does it have anything to do with the \$10/hour and the Living Wage Coalition³⁸? I really wish they had a communications person, and the profiles of people who use it... that sort of thing.

But when asked whether she used the directory, she said: “Not really. I don’t really use it. I really should. I have never used it as a resource³⁹.”

At the same time, most of the individual users I spoke with could already be considered well-connected in the town, as the majority participated in other

³⁸ An organization established in 1995 advocating workers’ rights and social justice.

³⁹ Even one of the long-standing Hours board members was unaware that a local framing shop, which she used extensively for business purposes, accepted local currency and even had a prominent advertisement in the directory. She only came to find out when, during one of our many conversations about the theoretical aspects of alternative money and local development she brought up the familiar objection that in her line of work, no inputs could be acquired with local currency, and thus she had little to no outlet for the money. She brought up the shop as an example of why she could not spend more HOURS, and was genuinely surprised (if also happy) to find out that they in fact had a rather generous acceptance policy. Throughout my fieldwork I frequently found myself in the position of knowing that the objections and problems raised by my interlocutors were erroneous, and struggling with whether or not I should rectify misperceptions.

organizations, and about half were involved in other bartering activities⁴⁰. This calls into question the efficacy of the system's main (if not sole) method of steadily interacting with its participants, as well as the community-building potential of local currency, at least in the sense that local currency as a grassroots organization does not succeed unquestionably in reaching, informing, and keeping its members connected.

Exchange and Social Meanings

This picture was further complicated when attempting to trace possible exchange channels that were built on (or built into) social relationships. I posited in the beginning of this chapter that the study of local currency can be informed by the notion of social capital in an unusual way since its premise is the transformation of social relations into money. Did the practice of exchange in local currency “build community”? I therefore asked people whether others in their families or households used HOURS, as well as whether they would identify who (if any) their HOURS exchange partners were.

In terms of the relevance of local currency in families and households, the public interactions that surrounded recruitment were not replicated in the household level in my sample. None of the people with whom I spoke indicated that they had directly recruited family members to the network, and in only a few cases were household members introduced to the system. Within households, while the person who earned the currency may not have been the person who ended up spending it, such variation fell mostly along the lines of pre-existing divisions of labor and responsibility for earning and

⁴⁰ Jacob et al. (2004) find a very high level of civic involvement in their sample. I am reluctant to specify a percentage of civic participation as the open-ended nature of my conversations with Ithacans, elicited anything from professional organizations to informal social groups in response. Regarding other barter activities, the responses were mixed, with about half of the individual users I interviewed engaging in exchange in kind at various levels. The topic of barter often excited vivid responses, both for and against the practice but my data do not indicate any patterning regarding the relationship between participation in the local currency network and barter.

spending. In cases where more than one person in the household did use HOURS, participation had been established at least semi-independently, through that second person's business. Furthermore, local currency did not figure into intra-familial finance as money to be given to children as allowance, or moved about among family members more freely. In only one case did someone express a feeling that he preferred to exchange HOURS with family members, but felt the need to add that he saw his and his family's relationship to money in general as "loose," implying that this type of generosity on his part was not entirely related to local currency.

What about building sustained relationships through HOURS transactions? Many of the users with whom I spoke reported one of two transaction patterns. The first "dedicated" pattern involved HOURS earnings from a single source or, more frequently, a single spending outlet for the users. The second, more random, "distributed" pattern involved multiple isolated incidents of exchange that did not involve a sustained trading relationship.

Congruent with the previously discussed small volume of transactions for the majority of the system's members, a few of my informants reported having a single, repeat client providing any HOURS they received outside the membership disbursement. Barbara the potter who felt that her connection to the system was particularly tenuous explained that she had encountered HOURS early in the currency's history at the Ithaca Festival, an annual arts and culture festival that is also a prime commercial spot for local vendors. Barbara occasionally sold her pottery there. She joined immediately as she liked the idea.

I do not think I am a good example of someone who benefited from it. I used to have one person at the Ithaca Festival who'd buy with HOURS but now it's only the disbursement. I used to earn anywhere from \$25 to \$50 from one person and that's it.

This did not automatically imply the establishment of a significant relationship, and a general positive evaluation of the situation. In the above case, the potter was satisfied with the exchanges, and explained that, through this arrangement, she and her client discovered further social connections through friends in another state. But for many of the people with whom I spoke who have had a similarly limited number of exchange partners, the sense is also one of disappointment, and the lack, rather than the creation of potential for combining successful commerce with social interaction and relationships. As Barbara put it, “I don’t feel like I’m even in the system.”

However, instances of dedicated exchange were also mentioned in the context of spending. Quite frequently, users would comment that they spend all their HOURS in a single outlet. This was again most common among people with a low volume of transactions, who would reserve local currency for a specific use, usually some sort of “treat” from a favorite local merchant or service provider. The evaluation of these transactions was quite different, as for most users, the few HOURS they had gave them the ability to acquire something special, that they would perhaps not been able or willing to afford otherwise, and which represented both a personal pleasure, and a connection to the place and people that offered it. For Chris, it was gourmet coffee. For others it was the ability to dine out, visit a chiropractor or buy a piece of art⁴¹, in a manner reminiscent of many of the texts and testimonial vignettes that made up Glover’s “success stories.”

In the other, “distributed” pattern of exchange, HOURS clients would be “random people,” a statement inviting the interpretation that no particular recognition or relationship was built between transacting parties. One-time exchanges could be considered the bulk of HOURS transactions, particularly where established retail businesses are concerned. This however does not mean that the interactions

⁴¹ More on this in Chapter 7

themselves are not meaningful. While she found it difficult to “tap into” the system, Divina still expressed a deep conviction in the idea of local currency and the power of local exchange. Among the few users I spoke with who utilized the system’s directory to locate local goods and services, she gave the following as an example of a memorable transaction with HOURS, which validated and sustained her interest: “I met a tree trimmer who was a character and we connected immediately. We would have never met otherwise. It felt like neighbors and friendly. The exchange felt good.”

Nor was this type of experience unique. One of my earliest conversations about HOURS was with a well-established nature artist and designer who had also participated in the unsuccessful effort to create a LETS system in Ithaca, despite a significant clientele outside of Ithaca. From his perspective, the currency’s social network had in the recent years remained static if not shrunk, which made him lose his own drive and enthusiasm for the system:

It’s actually constantly changing because I’m amazed how many people I see [using HOURS]. But it seems that the core of people who spend Ithaca Hours, it seems like the same solid core, it doesn’t seem like it got any larger? I don’t really see any diversity of people spending HOURS. Yeah, they’re more of the extreme people. You know, it’s like the HOURS enthusiasts. I don’t feel like it’s in the mainstream. I think it’s just the committed people, whoever they might be, whatever the rest of their profile they might be. That’s kind of all over the board.

When asked to describe what it is like to use local currency however he noted that transacting with alternative currency had distinctly different connotations, of more direct and equal exchange, and the recognition of belonging or being “part of the same thing” with people:

I’ve actually met some really neat people with Ithaca HOURS. Probably because people who would deal with Ithaca HOURS are more on the same wavelength as me, as far as thinking.

- *What is it like to spend HOURS?*

There is trust and relationships. You may feel like you have a link with the other person, a common belief in community, another idealist about

what HOURS represent... It is an acknowledgement, honoring time... One time I had about \$150 in HOURS and I needed plumbing work. So I looked for someone who took HOURS and met this new person with which (sic) we had a long philosophical discussion about HOURS, and value, and money and work that you wouldn't otherwise had with a regular plumber.

The importance of linkages appeared as a theme in many of my conversations with users. Many users talked about creating connections with other people as well as with place, in a sort of reaffirmation of local identity. Sonya, who was the most creative person I met in her use of local currency said on meeting new HOURS users through transactions: "I usually thank the person. I say thank you for supporting the local economy. I always jump in to help new employees to learn about them." For Chris, who belongs to the (large) group of small-scale participants who find it hard to generate any significant amount of HOURS business, HOURS held more meaning than the occasional "treat" she gives herself with the few she gets:

One time when I was getting coffee I had a stranger there ask about it so I pulled out my HOUR and showed him how it goes... I kind of like it. It makes Ithaca different. [...] Buying coffee with a visitor behind me marveling at it all... I felt like a celebrity and a part of something.

A massage therapist who in the summer months offers open-air massages had a similar story: "There was a Japanese guy, he saw my sign and we were talking about it. He had a hard time believing how this works. I gave him a massage for HOURS. He was so thrilled!"

And for a segment of users, this also carried with it the awareness of choice in altering established bonds, and the ability to question, and maybe even weaken those not entirely of their choosing. "Place" and "community" therefore were also made distinct for what they were not, something that Herrman refers to as "beating the system" (2006). When asked whether local currency had other than economic meaning and use, a stockbroker-turned-acupuncturist noted: "Yea, there really is... just the attitude and

feeling. Sometimes it is nice to feel that you are doing something that's anti-establishment." Another person elaborated on the theme:

There is the emotional "we're not being part of the government" thing. Also the knowledge of supporting the local economy. The community and environmental benefits are less direct. Not everyone working locally works environmentally and vice versa so the other two are not built-in to the system. They may flow out of the fact that what is being promoted is the local economy.

Another person stated: "I enjoy advocating the alternative idea: we don't have to rely on the government so much. HOURS takes the power and puts it into people's hands. It keeps money closer to home." Or again, that is serves both for "pride" and "protest," and capitalizing on the fact that service and quality are better "when dealing with locals."

It must be noted that the above commentary did not stem from a coherent political/ideological perspective (for instance, of an anti-market or even an antiglobalization agenda), although such views come quite close to what those opposing local currency lampooned as the overly progressive politics of such initiatives (practiced –clearly– by no one but "out there hippies"). Users' vision of what a "local community" is or how it should operate varied widely even as they felt that local currency aided in creating it. Still this type of language works to maintain the perception of a "binary opposition" between alternative and mainstream (or the "average citizen" versus "the radical") and affirm Ithaca's social divisions, also working against local currency's efforts to bridge them.

Partial Summary and Discussion

"Building community" with local currency means that the HOURS system has to engage a diverse and in many ways divided society. The system's discourse has shifted and evolved through time trading a highly energetic, loosely organized and participatory model, which also occasionally had the appearance of being aggressively progressive, with a more highly structured model with a more moderate, if still highly progressive

voice, which appealed to a wider segment of the town's population at the cost of diminished energy and direct participation. The system shows a steady growth pattern, attracting more and more participants, and most users are introduced to (or are convinced of the reality and possible utility of) local currency through social networks. Still, HOURS have not sufficiently broken through race and class boundaries to fully manifest an alternative vision of community that unifies disparate groups. In the terms of social capital, there is question to whether local currency succeeds in creating bridging social capital for the town's residents.

Both as participants in an organization and as members of a trading network, many HOURS users generally do not report finding sustained opportunities for both interaction and transaction through the local currency system. However, the *idea* of participation, and even the money itself generate a level of loyalty (and even excitement and inspiration) for users that is quite distinct from the volume or quantity of social or commercial exchanges in local currency. Users articulated a number of personal meanings associated with HOURS, indicating that even tenuous contact with the local currency produced experiences evoking "senses of community." There is the ability to obtain and enjoy "special" goods that connect them to place in a fundamentally material way, or to create bonds (either temporary or sustained) with new (but more immediately legible, because of some dedication to the local economy) people. There is the realization of belonging and the affirmation of a local identity, shared by Ithacans and admired by those from the outside. And for some, this network offers increased support and further evidence of the power to critically examine and even challenge established economic and social norms and practices of national and global scale.

An accurate understanding of the movement's workings requires a conceptual framework that accounts for diverse, multiple and occasionally disparate motivations, practices and experiences. But when dealing with the notion of "community," what scale

of analysis is appropriate and what magnitude of phenomena is adequate to denote significance? Especially in view of the fact that HOURS has not unequivocally succeeded in cutting through extant social divisions, can, and do such personal and diverse experiences find, through local currency, a common frame on with which to “make a community and a living” that is consensually experienced as desirable? This is what I will turn to next, by way of a field experiment in local currency outreach.

Chapter 6 – Social Life in a Local Currency Economy. Take Two: A Field Experiment in Money and the Pursuit of Social Equity

What follows marks a break from the preceding considerations, as it discusses a unique event in the history of HOURS that coincided with the period of my fieldwork, the Hours⁴² - Cornell Cooperative Extension Project (henceforth “the CCE project”). This project was a study undertaken by the Hours board, supported by community-relations funding from Cornell University. This project sought to address one of the major issues facing the currency, the separation of the HOURS-using constituency from the much larger and diverse community of the town, by exploring the ways in which HOURS can become a more available and valuable social and economic resource for residents, while at the same time strengthening the currency itself. As the plan of my dissertation research drew from the philosophy of participatory action research, which supports fostering a reciprocal relationship between researcher and interlocutors, I became involved in the planning and implementation of the CCE project from the start, particularly since the input of someone with social science training was of practical value to this enterprise. This project had further significance for own my research, however, as I was interested in the question of internal differentiation as it affects, and is affected by participation in the local currency economy, and the broader implications these dynamics have for the goals of alternative mobilization that targets the elusive “community.”⁴³

The CCE project represents perhaps the first effort undertaken by the HOURS system itself to methodically and systematically inquire into its own network and larger social context, beyond the quantitative circulation information and personal and

⁴² As a reminder, the name HOURS fully capitalized refers to the currency, while Hours in lowercase refers to the incorporated organization that administers the system through an elected and fully volunteer board of directors.

⁴³ It should be noted that while the methods employed in the CCE project did not violate the terms of human subjects clearance for my dissertation research, the project underwent separate review by the IRB of Cornell University, with LeGrace Benson and myself as Co-PIs.

anecdotal knowledge available to the board of directors. For me, it also represented a unique opportunity to participate in a sort of field experiment, in which the introduction, movement and effects of local currency into a previously uninvolved population could be examined in a controlled setting, and where observations and interpretations about the local currency economy emerging in my own research could be put to the test. I will describe the project's background, methods, process and results, and then use this to illuminate how this experiment contributes to the discussion of economics, sociality and consumption.

The Cornell Cooperative Extension Project

The 2003-2004 academic year brought a notable distinction and a novel opportunity for Ithaca's local currency. Dr. LeGrace Benson, member of the Ithaca Hours board of directors since 1995, and at the time serving as its vice-president, was the recipient of a Cornell University Civic Leaders Fellowship. The Civic Leaders program was established by Cornell University as one of the ways to bridge the university-community divide discussed earlier, and forge closer, collaborative connections between the institution and the community at large. The program works with established "community leaders" with a record of working on economic or community development, who are also interested in developing reciprocal relations with Cornell's academic community. Offering an award of \$5,000 U.S., and access to university human and material resources including a part-time student worker, the fellowship supports recipients in developing projects that emphasize "practices that encourage greater commitment to community building and social responsibility" (Cornell University Public Service Center 2005).

Under the title "Using Ithaca HOURS to Enhance Purchasing Power and Diversity of Choice in Low-Income Households of Tompkins County," Dr. Benson

proposed a project that sought to identify and implement ways for lower-income populations in Tompkins County to participate in the local currency economy, both as a way of expanding their income and as a way to integrate and participate more substantially in the economic and social life of the county (Benson 2003). At the same time, she saw this as a way to both better understand the economic needs of low income residents of the county, and an opportunity to strengthen the local currency economy by using this information to inform the direction of the network's expansion in ways that would make it more relevant to a larger segment of the local population (Benson 2003, Benson and Papavasiliou 2004).

Benson is a return resident of Tompkins County. She had lived in Tompkins County for over two decades in the past, and returned to Ithaca in 1994, after spending several years serving as Associate Dean for Academic Affairs and subsequently Coordinator for Arts and Humanities at SUNY's Empire State College. An art historian and art dealer specializing in Haitian painting, Benson has a remarkable record of civic involvement that most notably includes work with vulnerable populations, and particularly refugees. She was a member of a local refugee resettlement board, volunteered to teach English as second language and offered her services as a Kreyol-English translator and educational resource person for an upstate New York migrant health clinic. Her concern with issues of access and integration was reflected in her work as a board member for Ithaca Hours, where she has actively sought opportunities to engage sensitive and often vulnerable groups, such as senior citizens⁴⁴ in the local currency economy. At the start of her fellowship, Benson was also completing her seventh (and final, according to organization rules) year on the board of Cornell University's

⁴⁴ As one example of Benson's activity just prior to my fieldwork, she worked to establish relations with senior citizen groups around the town, and offer a grant in HOURS to Ithaca's Senior Citizen Council to reward volunteers for a local flu immunization campaign targeting elderly citizens.

Cooperative Extension Service⁴⁵, where she served in multiple committees over the years.

Her experience with the low-income constituents served by the CCE demonstrated to her both the problems and the opportunities with both conventional and alternative approaches to economic and social equity, and suggested a course of action, linking the low-income clientele of the Cooperative Extension and the local currency network. I am including here part of the text of her personal statement to the Civic Leaders program as to how this fellowship would affect her as an applicant as well as the organization she represents, as a statement of intent and orientation:

Ithaca hours is strongly interested in reaching those sectors of the population that are often least served by many planning and economic development projects. Often, when low-income people are “served” it is on terms thought out by more affluent, usually college-educated folk. Yet closer contact with people who are actively working with CCE programs to become skillful in family finance or nutrition indicates that low-income people usually have quite clear ideas about how they would like to live and how the surrounding community might function more effectively. Hours inc. members believe that the use of local currency is a way to make good things happen, and we are eager to encourage reassuring and productive places in our membership. As we widen the scope of our own participants we strengthen both our organization and the local economy. The more people who are engaged in local exchanges, the stronger will be the local economy and the local community” (Benson 2003:4-5).

In our earliest discussion about this project soon after I arrived in Ithaca, Benson articulated a dual question at the core of the project: How do low-income people *need* to

⁴⁵ Cooperative Extension programs are partnerships between land-grant universities and the United States government through the Cooperative State Research, Education, and Extension Service of the USAID. Started in 1914 as a way of bringing land-grant university research to bear on agriculture and rural life, Cooperative Extension services today encompass four broad areas in addition to agriculture and food systems: children, youth and family services, environment and natural resources programming, nutrition and health programming and community and economic development programming. Cornell University has the unusual distinction of being both a land grant and private university, with implications for university-community relations. Its Cooperative Extension is “key outreach system of Cornell University with a strong public mission and an extensive local presence that is responsive to needs in New York communities” (Cornell Cooperative Extension, Dillard 2007)

spend their money, and how do they *want* to spend their money? With these questions Benson sought to

1. Develop a better sense of what goods and services are available and how easily they are obtained through the HOURS network, distinguishing basic subsistence from optional goods and services.
2. Document where low-income people are currently spending their money and the implications of these spending decisions for the economy of the county (i.e. were most people spending their money in places and for things that were *external*, with profit from this economic activity leaving the county?).
3. Understand what types of goods or services should be pursued for inclusion in the system. For instance, one pervasive issue is access to reliable and affordable transportation.
4. Educate people on additional options for goods and services that are available in the local economy, and that may better serve their needs.
5. Find how to both educate and assist people in earning local currency, as well as learning from them how to better facilitate entry and participation.

“Low Income” in Ithaca: Class, Race (and Some Gender)

Throughout the period of this fellowship, Benson pursued contact with specialists and organizations involved in social services, and undertook an extensive effort to deepen her understanding of “low income” as a population classification. With this broader background, work with specific CCE client groups would then allow for a more intimate relationship with at least part of this constituency. This closer relationship in turn would allow us to take a “practical training” approach to furthering economic and social empowerment through local currency. The project participants from the CCE client groups would be introduced to local currency through a small grant in HOURS

along with a thorough orientation to the system, thus being able to have a “hands on” experience. They would then be asked to share their experience along with their impressions and thoughts about their economic lives within and outside the system, and if they chose to enter the local currency economy they would be offered any further support and assistance they might need. The HOURS grants would be financed by the Cornell Civic Fellowship, where the equivalent dollar amounts would be exchanged for local currency and distributed to the participants. We could then see whether an initial contact with the local currency system would produce interest, ideas and possibly further opportunities for trading in the network.

Early planning activities with the Cornell Cooperative Extension identified a number of potential target groups among the Extension’s programs, and the project initially focused on two: a nutrition education group, teaching principles and strategies for healthy eating, and a group from the extension’s consumer and personal financial management education. Both these groups were instructed in strategies and methods for stretching budgets, “smart” shopping, and so on. We felt that the topical focus of these groups would mesh most closely with local currency.

These early planning activities also brought home a number of potential difficulties particular to this constituency that further problematized “low income” as a category. The first and more immediately significant had to do with the very real structural limitations placed on at least some low income people by the very programs that have been put in place to help them, namely social services and welfare. In the classically tragicomical fashion of the “cycle of poverty,” eligibility for at least certain key types of social services and welfare benefits hinges on confirmed need, but need is defined and measured in such a way –particularly in state-sponsored public assistance– that any deviation from assessment benchmarks may jeopardize a person’s only reliable source of income. In other words, the system is such that attempts to create conditions

for leaving it are risky, a fact that effectively nullifies many if not most opportunities for small-scale economic movement available to low-income people. In the case of the CCE project, problems could be created on a number of fronts, starting with income. If participants in the program earned or otherwise received above a particular sum⁴⁶ in HOURS, they could potentially lose assistance benefits, welfare checks, or even food stamps. If earnings were taxable, participants who otherwise fell in one tax bracket or were exempt from filing could move into taxable income levels or reach higher tax brackets. If activity in the HOURS economy could be considered employment or microenterprise, unemployed participants could jeopardize their unemployment compensation benefits. While Benson had been aware of this issue, the specifics along with possible solutions would have to be worked out on the ground, in the course of the project.

Another issue had to do with an inherent assumption of local currency in all its iterations: the assumption regarding the availability, and control over of *time* in low income/disadvantaged populations. As HOURS slogans such as the statement “Time is Money,” which appears on many of the HOURS bills remind, the foundational principle of local currency is the creation of a medium to facilitate exchange between people who want and people who can provide goods and services. The “development” aspect of local currency in part encompasses the generation of additional goods and services based on resources that were previously untapped or belonging to sectors of human life that are normally counted outside “the economy” (hence Glover’s pitch of local currency

⁴⁶ The exact amount of which was neither clear, nor particularly easy to discover and verify, as both specific conditions appeared to differ in both individual and assistance program lines, and social services administrators in different agencies, and sometimes even within the same agency, were known to furnish conflicting information on the issue. Later it was established with a fair degree of certainty that since HOURS exchange still counted as barter, amounts of up to \$600 U.S. per year were effectively “safe” for remaining under the tax radar. While this may still seem like a very small amount, it is proportionately quite significant for people at or below poverty/taxation lines.

as a way to “make money doing what you like” and so on). However, time is not an ample commodity for everyone, and what is more, participating in a local currency economy requires a significant investment of time on many levels. Beyond the provision of goods and services themselves, one must learn what is available in the network, find how to best integrate in it, and become familiar with the intricacies of earning and spending using a different currency that operates under somewhat different rules. And time cannot be a priori assumed to be available to low-income persons. As one of the CCE program directors consulting on this project was quick to point out, “welfare moms have NO time.” Pushing local currency would not simply introduce a “free,” or even necessarily “cheap” extra resource therefore, but would require significant expenditure in time and effort. For the CCE project this brought the question of how to “sell” local currency to the various CCE client groups, and interest people in committing to this effort.

Given both the problems and need to understand how to best approach the targeted groups, we initially turned to the educators of the nutrition and finance groups. Benson and I visited one of the nutrition education classes, where Benson made an initial presentation to the group. Subsequently we had the opportunity to talk more in-depth with three CCE educators who initially took a critical approach in thinking through the project “from the perspective of the home makers” as one of them put it. They brought up substantive questions, such as where the HOURS come from initially, why would someone want to exchange in HOURS, and pointed out the difficulty of knowing what HOURS participants really charge for goods and services, given that this information is both variable and most commonly missing from the system’s directory.

Through the course of our meeting, however, and as they developed a better sense of the HOURS system, the conversation gained momentum. The educators began to see several other ways in which alternative currency could fit in the lives of

their clients. The idea of microenterprise, and the more “flexible” nature of this parallel economy initially drew their attention⁴⁷. As one of them put it, “in reality it is a subeconomy” and reasoned that although “it sounds weird to justify not reporting income, if someone makes a few HOURS here and there, they might not really need to report and it really could help.” One person in the group found that the fact that HOURS do not flow quite as easily as U.S. dollars could have significant positive implications particularly for low-income constituents, as spending restrictions could make it easier to accumulate the currency, perhaps allowing people “to make a little stash toward something bigger... maybe have a little savings.” This idea resonated strongly with another person involved with financial education: “Many of our families cannot have bank accounts. This can be some savings, and also be something people use to *learn to save!*” What is more, the group pointed out, a stash of this “different” currency would be less likely to be stolen or intentionally or unintentionally misused. And the momentum developed into excitement as the educators began leafing through HOURS⁴⁸ and discovering the myriad things they could do and get with local currency: “This is cool! [laughter] This is very fun, very fun! All right!” In this energetic atmosphere, the three educators agreed to participate in the project. They would be the first ones to receive a small grant in HOURS to use in any way they wished, in order to gain some direct experience that they would share with us to help inform our next steps, and with which they could help their clients navigate and even launch into further participation with earning and spending.

⁴⁷The CCE staff recognized that the possibility of “credit” through the HOURS system’s interest-free loan program could complement the additional “under the tax radar” earning levels from barter, offering a potentially valuable resource for low-income persons.

⁴⁸As a reminder, HOURS is the title of the annual system directory that lists participants and offered goods and services, along with featuring news and information articles about HOURS and the local economy.

Benson arranged for them to receive 3 HOURS (= \$30 U.S.) each, along with directories, and an offer of personal assistance if desired. These small grants were made in late Fall/early Winter, a period that coincided with the winter holiday shopping period. There was an assumption that this would facilitate even more this little experiment that we already expected to be quite easy. Generally speaking the winter holidays are the time when retail spending hits its peak, and people are both more likely to shop more, and are likely to welcome additions to their spending power, even if they come in such an alternative form. Furthermore, the role of these educators in the CCE was precisely to be experts on individual and household consumption and management and therefore they could be expected to have a detailed knowledge of both the market and the community.

But the reality of the experiment came up quite short of expectations. The educators were slow in spending their HOURS, and by the middle of January, when we felt that enough time had been allotted to the task, and we had to move on, none of them had made much use of the currency. In a telephone interview with Benson⁴⁹ they reported the following:

1. "Amy" used ½ HOUR (= \$5 U.S.) to buy muffins at the Ithaca Bakery⁵⁰:

It was not easy to find out where I could spend HOURS. I had the directory of course but it takes so much time to look up things that I just never got around to it. I will really take a look now, through all the categories and will try to spend the remainder before our next meeting.

⁴⁹ While we had developed a general framework (a loose protocol, partly based on the interview guidelines I was using for my dissertation research) for the project's interviews, Benson is not a social scientist and was clearly more concerned with distilling key information and conclusions than with the finer detail of context, meanings and interpretations. Her interview and recording style as she described it to me therefore was less detailed than mine would have likely been, and she kept abbreviated notes on the conversations, which she included in a report that I render above. The interviews' findings and the subsequent turn in the tone of our relationship with the CCE dissuaded me from pursuing follow-up conversations with the educators.

⁵⁰ A very popular local bakery that receives much HOURS traffic.

2. “Trisha” used 1 HOUR, all at the Ithaca Bakery:

I still have 2 HOURS to spend. I had trouble finding out where I could spend them. I went through the directory but couldn’t really tell exactly how many HOURS a given seller might take. It was too much trouble to call and ask about it. I will make an extra effort now to finish spending them.

3. “Jill” used none:

It was purely a matter of time. If it had been regular money, I would have just pulled it out of my pocket and spent it. But I kept thinking I would go look up where I could spend it but never did. I will do that now and try to spend them right away.

As is evident from the above, the educators’ trial run emphasized the difficulties and showed little to no encouragement for the project. These “professional level” shoppers found HOURS to be cumbersome to their financial routines, or too easy to forget, and also emphasized that the complications of transacting in local currency would be even more prohibitive to their low-income clients. Benson continues:

These three program assistants are exceptionally knowledgeable about how to manage money and/or how to get the best nutrition for the least expenditure. They know the community and are familiar with general community services “how to.” They also know how to look up information. The enrollees in the programs, we can imagine, lack this range of everyday life skills or they would not be in the programs.

For Benson, the educators’ responses meant that the visibility of HOURS and the dissemination of system knowledge were brought into serious question, as was with the real potential of local currency to meet its mission of community development and social equity. Although all the three educators commented that they would keep trying –or even redouble their effort– to use their HOURS, energy levels slumped, and relations with the CCE slowed to a barrage of missed communications, scheduling conflicts and random setbacks, so that the planned implementation of the plan to introduce, educate

and distribute HOURS grants to the nutrition and financial education groups never happened.

The Cayuga House

Despite this discouraging beginning, another possibility presented itself as one of the CCE program directors suggested a different target, this time a facility for homeless men in recovery (from a variety of addictions, most commonly alcoholism), affiliated with the cooperative extension. This facility (here referred to as “the Cayuga House”) is a sort of model “half-way house” that provides residents with subsidized single-room occupancy, with shared living and kitchen spaces, along with supportive services for building housing and life skills (good tenancy maintenance, good neighbor, and independent living skills). The facility could accommodate 12 residents and also employed about 4 other persons in management and maintenance.

The residents of the Cayuga House quite obviously represented a much more specific subsection of the county’s low-income population than we had assumed we would access through the CCE’s nutrition and financial education programs, particularly since “single men in recovery” are not assumed to experience the same realities and pressures as, for instance, single mothers on welfare or “generational poverty” families. Still, one of the purposes of the CCE project was to identify different sections of the low-income population, and the Cayuga House residents represented a real constituency in the life of the county. As it turned out, this group still showed significant diversity in terms of background, age and “ethnic origin,” as well as life situations, and we were able to slightly expand the number of participants by also involving the facility’s personnel (director and staff⁵¹), making it a still valuable sample for assessing current knowledge

⁵¹ Who may have not been technically “poor” or even “low income” under bureaucratic definitions, but whose livelihoods were by no means exactly lavish.

and level of involvement with the local economy, receptiveness to the concept of alternative currency, and provide clues about problems and barriers to participation.

The CCE program director arranged a meeting at the House, in which I introduced HOURS and presented the project to the residents and staff, soliciting their participation. Volunteers received a small grant of 2 HOURS (= \$20 U.S.) to spend any way they liked, and then were asked to participate in a private, semi-structured, open-ended follow up interview about the experience. I passed out directories, and offered further assistance with understanding and navigating the system. Everyone present at the meeting agreed to participate, and also saw to it to involve the few residents and staff who were not present at the initial meeting. We thus ended up with 16 initial and 14 final participants.

We gave out 16 grants, four of which went to staff members, and were able to contact 14 people for a follow up. One person gave his HOURS to another resident and declined to be interviewed, and a second kept missing his interview appointments. Two of the participants did not use their HOURS personally but passed them on to family members, and thus did not feel they had much to share about their experience. I collected nine full interviews and spoke informally with two other people, and Benson spoke with the rest. Regrettably, I was not able to obtain her notes or transcripts, and therefore the following discussion is based mostly on my interviews and conversations with the residents and staff, and supplemented with material from ongoing discussions about the project at large with Benson. Interviews with the Cayuga House residents and staff began with basic elements of personal history, current life and general plans for the future. We inquired about their knowledge and impressions of local currency before and after their participation in the "experiment," including being aware of, or having used HOURS themselves and knowing others who were involved. We then asked about how participants used their HOURS, and what their impressions were of the transactions,

including problems, “memorable experiences” (positive or negative) and subjective comparison to regular money. Lastly, we asked a series of questions about their economic and social lives:

- How do you spend your free time?
- Where do you spend money now? Do you have a sample budget you’d be willing to share?
- On what would you like to be able to spend (more) money now?
- Do you find the range of goods and services available through the HOURS network satisfactory?
- What would you like to have the option to buy with HOURS, or where would you like to be able to spend them?
- Do you participate in any other kind of barter or exchange here?
- What do you think are the biggest problems in Ithaca today?
- What do you know or know how to do?
- What ideas do you have for ways to start earning HOURS?
- What information do you think would be helpful to you in starting to earn HOURS?
- What materials and services would you need? Are these available through the HOURS market?

All but one of the people we spoke were men, ranging in age from the late 20s to over 80, with 10 out of 14 broadly falling in the “middle age” range. Three (two residents and a staff member) were African American. All but two of the residents were employed, mostly in service jobs around town. The other two were on disability, but one—who was also the oldest resident of the Cayuga House, and was set to soon move to a retirement community—was active in a number of community organizations. The project

participants had widely varied backgrounds and levels of education, though most of them had lived in Ithaca for a decade or more, and most identified New York as their home state in a general sense. Among the people I interviewed were a retired medium security prison guard, holding a part-time staff position at the House, a former college professor of history, a successful “ghost writer” novelist and emerging author, a first generation immigrant from Spain getting into professional food service, and one person with a joint B.A. degree in anthropology and women’s studies from Cornell⁵².

Eight of the project participants reported having heard of local currency before, and four had had previous experiences with it. One resident had received some HOURS through a public assistance program in the past, and another had been involved in an alcohol/drug recovery program that had used HOURS as incentives for performance, while the other two had gotten some local currency through their work. Those who had been aware of HOURS however, including three of the people who had used them, admitted during our interviews that they had had severe misconceptions about the system, thinking that it was only about exchanging services, or that it would be much more difficult and restricted. Beyond the context of local currency, there was considerable variation of opinion about the very project and desirability of progressive politics and the re-localization of the economy. The progressive/alternative spirit of local markets was not favored by all, and some respondents identified this as a major problem with the town, along with the cost of living, racism and discrimination, drugs, and lack of good jobs. One of the residents voiced this dislike rather strongly:

I felt this for a long time: If you are a white male in Ithaca you are at a constant disadvantage. Tree huggers, the green party, it seems the political agenda is toward people on the “left” side. It is not an average town. It is all special interests. Everything is a cause. It seems that people, politicians, will jump on any little thing because they want to be

⁵² Who was currently working as a pizza chef through a temp agency, and in the past had held library jobs as well as restaurant and bar jobs around town: “What else can you do with an anthro degree? [requisite laughter]”

politically correct, either because they believe it or because they think they have to be that way. They try to be sophisticated. The average person is left out of the loop.

On the same social stratification and differentiation vein, but more specifically regarding the economy and consumption, one person commented about what he thought were the biggest problems in the area:

It is an expensive place to live! Can't afford to live here unless you get a place like this [The Cayuga House] or have a better job. There are no all you can eat buffets or anything. I think some people don't like change. Cortland has a better market. They have Wal-Mart and other such stores... a better market. Kmart is all there is in Ithaca and that has gone down hill. I used to work at the drugstore downtown. There used to be real shops there, like Woolworths. But now there are all these small, expensive shops⁵³.

Perhaps to be expected, a number of people mentioned wanting to be able to spend more money on name brands and chain stores (particularly food stores). While one of the basic arguments of localism initiatives are that such chain and "big box" retailers (the Wal-Marts of the world) are a drain, rather than a boon for the local economy, it is also recognized that especially for low-income populations, such retailers may be the best if not only viable option in the short-term decision making frames mandated by "hand to mouth" living. This was not a universally shared opinion however, with views varying widely among residents. Other participants lamented just the opposite:

Ithaca's problem? Money! Money is taking over the character and the personality of thee town. All the new development. If you've ever been to Cortland⁵⁴, it has no personality! Ithaca is heading that way. The TCA [Tompkins Community Action] has to take Action. It is in their name! Otherwise this town is not going to have personality in a year or two. All

⁵³ In the latter comment one also recognizes a growing problem of modern urbanism and gentrification, where more and more central, all-purpose commercial centers give way to specialty, "boutique" retailers, a phenomenon with a series of implications for consumption and community. As discussed in Chapter 3, Ithaca has not been spared from this "upscaling."

⁵⁴ Having been through the neighboring town of Cortland on several occasions, and confronted with an impressive expanse of mobile home parks and at least one mega strip mall of archetypical stature, surrounding a rather non-descript center, I tended to agree with the second resident, though again, there is an argument for the short-term benefit of access to cheap goods and standardization in the (post-) modern economy.

this “development” is going to replace the human factor. Money will replace personality.

The following is some of what Cayuga House residents and staff had to say about their experience with the HOURS grants.

On my first follow-up interview, Hugo (a resident) began rather indignantly by saying that: “I thought it would be liberal and progressive, but it was exactly the opposite.” Asked to elaborate, he went on:

This is what I meant about not being liberal and progressive. I spent them in two places. It looked like the employees pocketed the money and had to sell it back to the business. I spent it at [a local novelties retailer] and Greenstar⁵⁵. At [the retailer] the guy didn't ring it in, stuck it in his wallet, where he had a huge stack of HOURS. At Greenstar it seems they had to sell it back to employees. The cashier took it all in HOURS, and exchanged some with his own money to put in the register. They had some sort of thing where they accepted only part. Then again, now that I think about it again, I guess it is pretty liberal.

- What did it feel like compared to US dollars?

I didn't have any problems, except at Greenstar with their restrictive policy. Spending was puzzling! It was too hard. You had to ask if they take them and half having to fear a negative answer. Then you can't buy your object. If I did not have cash on me, then I could not buy my object. Instead of being sure of yourself you feel like you are being tested. It was kind of like food stamps. Maybe a little more difficult. Places take them but when they set thresholds then to me it is futile. It was more like food stamps than dollars, until you are used to using them. Would I be interested to keep going? No because things in the catalogue don't really apply to me. We're casual guys, we're in the streets, know people in the corner. We are in the informal element. So what is the character of HOURS? They seem like they should be formal, but are they? I live the informal but I like the formal. It just hasn't caught on yet. I could tutor, but HOURS would not cut it. I would need more money. I don't think I have any ideas about earning. Not really interested in work. I do love driving my car though. Sometimes I take elderly ladies to the doctor. Not sure, but just don't want to get involved. I would be more willing to join if it was stronger, if it was an institution in town.

Aleister, the facility's director, had been living in Ithaca for 18 months at the time

⁵⁵ As a reminder, this is a large, cooperative grocery and a long-time cornerstone of the HOURS system, even though their acceptance policy is relatively limited.

of our conversation. He expressed a sentiment I had heard from many neutral-to-positively disposed, but unengaged non-participants:

I learned about HOURS the first day I was here and thought “that’s neat” but did not pay attention after that. This has been the first experience since. Expectations? That if I took them to any place listed in the book they’d know what to do. In reality, the waitress needed to ask another waitress who asked the manager. I had enough info. It was easy to find where to spend them. Overall, just the way denominations are set up is confusing. It would be a lot easier if it was equivalent to dollar denominations. It felt like using coupons or gift certificates. But if it had been part of my salary, for instance, it would probably be very different. I would not really be interested in continuing to earn HOURS. If it grew more I would participate but I would not go out of my way to push for that idea. There are too many other things I would rather do before that.

Walton, the resident who expressed a preference for the life and mainstream markets of the neighboring town of Cortland, had the following to say:

I had heard about HOURS before. I had gotten some HOURS from public assistance a long time ago... food stamps, something, and was saving them because the library was supposed to take double HOURS (for fines), but apparently they don’t. Either they changed the policy or the person did not know... I did not ask to talk to anyone else. They took single HOURS. Also I used to work at the State Theater and they took them. What I thought about it? I don’t know. I had the little book but could not see anything I wanted. I spent mine at the library.

- *What did it feel like compared to US dollars?*

Considering I had those others for a long time and had lost them, they did not feel like money at all. It did not occur to me they were money. But it was not difficult to use them

- *What would you like to have the option to buy with HOURS, or where would you like to be able to spend them?*

Groceries, not the Greenstar kind. Tops, Aldi, P&C⁵⁶ etc.

Ambrose, another resident shared:

I knew about local currency before. They were being given as incentives for performance at an alcohol and drug addiction program, so I had had some before (a few months ago). I used them at the Ithaca Bakery. I thought they would be easier to spend. Or rather, I was under the impression that any place that took them would take as much as you would spend. But that is not the case. I went to this one place and the

⁵⁶ Large chain grocers

owner was not there. The guy behind the counter did not know about it so he did not take them. Yea, I had enough info. It was easy to find where to spend them. The only problem is because I work overnight and basically sleep during the day I don't get around much. This morning at the Ithaca Bakery, the girl behind the counter did not know the value. She knew what they are but did not know how much they are worth. People who accept them in their businesses should train their employees.

- *What did it feel like compared to US dollars?*

It felt like coupons. When giving them I was wondering "is this person going to wonder where I got them from?" Tell you why: because when I think of Ithaca HOURS I think of hippies. So I was wondering if they'd think where I got them from... like found them in the street, or stole them.

- *Did you find the range of goods and services available through the HOURS network satisfactory?*

Yea! I did not even realize there's so many businesses in Ithaca!

Marcel, the anthropology graduate, was also aware of local currency

but the experiment with this project made him think of it differently:

I knew about HOURS before. Knew just a little about it... that it was local and some places used them. Used to think that it would be non-beneficial to use, that things would be more expensive (as they are when you buy local) but in the sense that there maybe a surcharge or something. But it turns out it costs the same. Did not have any expectations otherwise. I used them all at [a tea shop] but mostly because I had them in my hands and found out they take 100%. The info was good. It was easy to find where to spend them. I didn't have any real problems. Just trying to figure out the change with the guy at the register. I was going to use them at [a movie theater], as I was a couple of dollars short but I could not remember how much they accept. My friend covered me. My friend at the Cornell cinema just stuck a huge stack in the register— I guess people do not know or remember to use them... Monopoly money.

- *What did it feel like compared to US dollars?*

It was not like money at all. Well one thing is I did not earn it, but it did not feel like money... more like the \$10 gift certificate I have in my wallet. It was almost the same way as with food stamps. I got food stamps when my son was first born... first paper then a card. When I had those I did not budget them. I'd buy stuff I'd never pay cash for. If I took 10% off my paycheck and exchanged it into HOURS maybe I'd feel different.

- *Would you consider doing that?*

I already shop at places that take them. That way I'd have more incentive to spend on the local economy.

Hector, the oldest resident of the Cayuga House declared having enjoyed this little experiment:

I didn't know about HOURS before or I had shut it out. Originally I thought it was for volunteering and I did not want to give time. What I thought about it? "Oooh we can get a loan!" But is it money? I don't think I am going to get a loan. I think this is where people don't understand, that you don't buy these. You earn them. People think they are like coupons you cut out of the paper. Reading the book I figured it out. It is a strange concept but I'm surprised it hasn't progressed more since '91. I was uncertain about the response people would have, if they would take them. I was surprised at the taco place that they treated me no differently, or limit choices. It was very nice. Very welcoming.

- What did it feel like compared to US dollars?

Paper! The denominations were a problem. But it was not like money. Not even like monopoly money.

Ferdinand, a first generation Spanish American from New York city, elaborated on both the strangeness and comfort of using local currency versus other forms of payment:

I had heard about HOURS before, that you traded services, but figured that it was a little bit restricted. I thought it was going to be difficult, would be hard to find places. But I also thought that they'd be taking 100%. Well, the reality is that they don't take it all. At the same time, I did not work for those, so it was nice. Free money.

- What did it feel like compared to US dollars?

It was easy to find where to spend them. But spending them was odd. It was almost like "are they going to take these or think I'm crazy?" It was kind of awkward. I was a little embarrassed like using food stamps. It was awkward, like the person would turn around and say "what do you think this is, welfare?" But I get a lot of feelings like that. Alcoholics are rigid – they have a hard time with alternatives, which is something I am working on. But my first impulse was to use money. And if anyone were to give me problems, I'd back down.

-Do you find the range of goods and services available through the HOURS network satisfactory?

Good selection! They even had accounting in that thing!

But when asked whether he would be interested in participating, he responded:

I don't have an intent right now to get involved... don't feel like I have skills like that, to get involved right now. I would like my daughter to be involved in such things though, to get a better sense of community.

Elijah, the retired prison guard who held a part-time position at the House seems to have found HOURS "good to think with" since he not only had comments about his experience but a number of ideas and suggestions for the system:

I knew about hours before, but never got into it. I think I used change once. What I knew about it then was that it was trade for services. The reality? It was nice. Was convenient. It is a shame that some places only take percentages. It would be nice if you could get one to one for them. I had enough information. The guys here also explained some. It was easy to find where to spend them. But confidence level seems low. Maybe you should do more advertising, like incorporating an ad with the ads of businesses that accept them.

- *Did you encounter any problems using them?*

No, no problem at all. They helped **me** out. They were very informative.

- *What did it feel like compared to US dollars?*

Psychologically I thought "What do I have here? Monopoly?" But once I used them I thought "more power to it." It was nice. But we are so geared toward greenbacks and we are weirded out. I bet some people would not even go near these things. Their minds are set. If I had a steady flow of them they would be like money... of course if I knew that they were accepted.

- *Do you find the range of goods and services available through the HOURS network satisfactory?*

Not bad. It is diverse. It has to expand but slowly. Getting acceptance is the key, especially approaching people who have need for this, housewives, single parents, etc.

Yea I'd be interested in participating. I could do counseling, social work, snow plowing, maintenance, lawns, driving people around, talk with them, provide some care for the elderly...

- *What information do you think would be helpful to you in starting to earn HOURS?*

More literature... maybe going to some meetings. I don't know the whole story. I'd like more education. The backgrounds of administrators may be another possible barrier to teaching people. If you want to expand you

need to reach more people. You need more contact with more segments of the community. You need to *educate* people also. You want to touch bases in one another in ways that are beneficial to both and in a way that will not affect the esteem of low-income people. You need more outreach. The multifaceted social makeup of the city needs to be reached. There are barriers among segments of the community. People want things, can offer help and things that others want, but people do not want charity or free rides. It is worth a try with local currency. Education is key, but implementation and oversight are important too. Sometimes you may even have to go through all the steps with people - give them some HOURS and take them around seeing who needs services etc... maybe even hook up with human services? People need to know that there is no catches to this, and that no one person or organization benefits. You need to project the positives. Heck, maybe get these guys at Cayuga to speak to others, or use them to talk to the board!

“Nice” was a theme in other interviews as well. On one of my visits to the House, I briefly chatted with Sue, the only woman working in the facility. She told me that while it took her a while to understand how this worked, she studied the directory with the help of one of the residents and together they figured it out. Sue was a new grandmother and instead of spending her HOURS she passed them on to her daughter “to help out with the shopping.” She related that they went together to the Farmers’ Market and spent a fun weekend morning, “treating themselves” to “good things they could not have otherwise afforded.”

An all-together different response came from Byron, a third staff member of the facility, who was African American. Originally from Brooklyn, Byron had been in Ithaca for nine years, holding various janitorial, custodian and restaurant jobs. He had been working at the Cayuga House for three years, doing maintenance. He assisted his girlfriend in child support and was, as he said, trying to save some money and considering a number of different plans, such as getting involved in real estate. But he also had other interests and plans:

I knew about HOURS before, when I worked at the Ithaca Bakery. I used it before. A resident gave me some and I got coffee and a doughnut at the bakery, just to see. I read the book and called around some places, and they weren’t in it any more. I thought it would be something very

valuable for the city and good for business. So I thought I'd get into it. I was interested in the loans for starting a music business, to cover recording costs. So I went through the book and it was like, look here, restaurants, even computers, HEY! 100% HOURS for the recording studio! That's when I said "I'm going there!" See, I want everyone to be happy, me, HOURS, the people I do business with. And it looks like with this, everyone is happy. This is great. Perfect for what I need. People don't know about this. My goal is to sell stuff over the internet. The reality of it? Yea! I think it will help. The reality for me is that it is worth a shot. I've gotten HOURS before from someone here who did not want them. These you gave me, I am saving for the recording studio.

- Were there any memorable moments or any way a transaction in HOURS stayed in mind (positive or negative)?

Just people are shocked that I use them.

- What did it feel like compared to US dollars?

Feels just like money

- What would you like to have the option to buy with HOURS, or where would you like to be able to spend them?

The supermarket, like on name brands. That's what I say: work out a deal! Like go to Wegman's⁵⁷ and be able to buy Wegman's products with it. Better business, you know? Like go to them and say, come on, we've been shopping here for years! We support you, time you gave back to the community some. Even if it is only partial payment on Wegman's products, still business.

- What information do you think would be helpful to you in starting to earn HOURS?

How to get more places into it!

- What materials and services would you need? Are these available through the HOURS market?

I think so. Things are available for my idea (recording studio, CD duplication, internet marketing, music equipment etc.)

There was one more participant who showed significant interest in HOURS business loans. I did not conduct a formal interview with this resident but did have an extensive discussion with him about the lending program and his business ideas. I met Martin (an African American resident) in the living room of the Cayuga House as I was

⁵⁷ A regional super market chain.

going in to interview another resident. He was holding a folder with some documents and a copy of HOURS in hand, and wanted to speak with me: “This says I can get a loan through you guys. And it is interest free?” We talked at some length about the purpose and requirements of the lending program, how it could help him, and the ways in which he could best make it work for him. Martin had two ideas in the works. The first was setting up a housing facility that shared elements of the co-housing model for younger, disadvantaged people that were working to build careers, a project he was pursuing with at least one more partner. For this, he saw HOURS as potentially useful in a number of ways, from care and maintenance services, to building an inventory of necessary items (such as furnishing and stocking a communal kitchen). His second idea was to establish a black barbershop, since he had the skills and experience, and he felt that such a service was in short supply in Ithaca⁵⁸. Needed items and services for both ideas could be found through the HOURS network, and I encouraged him to apply. While the difficulty I foresaw would be to maintain an inflow of HOURS in his business (the impression I was left with was that he was oriented toward an African American clientele for both his ventures, and African Americans were distinctly underrepresented among HOURS users –see chapters 3, 4 and 5–), a loan in HOURS would still provide access to a lump sum⁵⁹ that could help take the venture off the ground, solving the

⁵⁸ One of the central examples of racism and racial tension that many of my informants felt was rampant in Ithaca, despite the town’s obvious progressive edge, involved just such a black barbershop that operated for a little while in a central location. The story, as it was told to me is that a cohort of “good old boys” in the town’s leadership and law enforcement took exception to this particular business that appears to have also been a gathering point, and moved to have it closed under the accusation that it was a center for distribution and use of illegal substances. Despite opposition, they were successful. I heard of this incident from more than one source though I have been unable to track down any further information or news articles corroborating the story.

⁵⁹ As a reminder, the terms of HOURS loans are entirely favorable, as they are interest free, payment schedules are negotiated on a case-by-case basis to best help the recipient, they can be paid in HOURS, US dollars or any combination of the two, and the only requirement is that the recipient agrees to accept local currency to whichever level he is comfortable doing so. The system boasts a considerable success rate with these loans that have provided modest, but needed help to many area businesses, with only two defaults in the history of the currency.

crucial problem of lack of access to credit, facing low-income people world-wide. Participation in HOURS might not, in other words, have served the more “immediate” interests and goals of the local currency system in the long term, but it could provide a needed push for a local business in the mainstream economy.

Results and Interpretation: Alternativity and Alterity

The number of participants in the Cayuga House group that knew of the existence of HOURS (and in two cases had some experience with them) was admittedly unexpected. Nevertheless, there was a high degree of inaccuracy and misconception regarding the purpose and use of local currency, even in the two persons who had used it before. The CCE experiment was successful insofar that it introduced and clarified the concept of alternative currency to the participants. All interview respondents reported a positive experience with their small grants. While they faced expected problems (managing the new, and in the case of HOURS, non-intuitive denominations, and figuring out partial acceptance policies), the Cayuga House residents and staff were able to find where and how to use their local money. Respondents felt that they had enough information to navigate the system through a combination of the initial presentation and instruction, use of the HOURS directory, consultation with one another, and interaction with the businesses they visited. Perhaps the biggest problem was encountered by the one resident who worked nights, and thus had access to a different and much smaller pool of commercial establishments.

Most participants spent their HOURS in “obvious” places, the bigger, and more prominent participating businesses that do a large volume of business in HOURS, but there was still a variety of locations, types of businesses and items represented in the spread (a couple of the biggest HOURS businesses were in the immediate neighborhood of the Cayuga House and would have been the obvious choice but people

ventured well out of this immediate choice). Participants reported being generally satisfied, and in some cases surprised by the range of goods and services available in the local currency network, but also the range of businesses that existed in Ithaca, and the goods and services that were locally available about which many did not know. In terms of their consumption habits, participants uniformly reported that they normally spend their money on basic necessities (bills, food, some child support). All expressed a wish that they were able to put more money toward utilitarian purposes, but also afford additional personal/fun expenses (entertainment and things for themselves and others such as their children and their significant others). Accordingly, the majority spent their HOURS on food and entertainment (directly or indirectly, such as one person using his HOURS to pay down a library fine). These purchases were in line with what they reported wanting to be able to spend more money on, indicating that the HOURS economy could indeed meet both desires and needs in (perhaps substantial) part.

The Cayuga House participants reported highly variable attitudes toward barter (six did not, two did and loved to exchange things, and one did not consider it barter but would trade help with people on occasion), but that experience did not figure into their view of local currency.

A perhaps unsurprising but important observation emerged when considering the subjective experience of using local currency. While participants likened the money to “monopoly,” coupons or gift certificates, similar comparisons to those that emerged in my larger study, HOURS also evoked public assistance and comparisons to food stamps. Correspondingly, this group was also much quicker to comment on the “strangeness” and outside the normal character of the currency as an unfavorable and in some ways “dangerous” trait. Reluctance to use or enquire about local currency for fear of awkwardness was present among participants in my larger study, but this sensitivity was heightened in the Cayuga House group. Ambrose, and particularly Ferdinand were very

explicit about this issue, and the perception of “strangeness” was reflected in the words of many of the respondents including Hector, and even the very positive Byron. Both the association with public assistance and food stamps, and the reactions they elicited reflect the powerful role of class and race in shaping socioeconomic realities. The relationship of low-income people (but this goes for a particular type of low income people) to exchange through the money form delimits (if not largely determines) their field of economic and social possibilities, a fierce (if overlooked) example of symbolic violence with real, material implications.

Nevertheless, the experience of HOURS use actually worked to *negate* the fear of irregularity in economic transactions leading to status challenge for the Cayuga House residents and staff. As Hector put it, “I was uncertain about the response people would have. If they would take them. I was surprised at the taco place that they treated me no differently, or limit choices. It was very nice. Very welcoming.” And even Ferdinand, who also indicated that he was particularly “touchy” about being questioned or challenged as a result with his problems with alcohol, found this a positive enough experience to make him think of his young daughter’s upbringing, and how he would like her to be involved in such sorts of activities “to get a better sense of community.” In the terms of social capital, this experience of exchange created bridging social capital, creating *material* benefits through social relationships that span differentiated social groups of “higher” and “lower” social statuses.

When it came to potential interest in further participation (under whatever capacity) in the HOURS system, opinions diverged significantly. Six out of ten residents and staff were neutral to disinterested in the idea, failing to see any further relevance for the local currency economy in their lives (here I am drawing only from the 9 full interviews I conducted, plus the one person with whom I consulted about the loan program, but who was then interviewed for the project by Benson). What is particularly

notable is that this perceived lack of relevance was not based on a corresponding perception that what one can do through the local currency system is limited. On the contrary, the Cayuga House group indicated that they were satisfied, and even impressed by the size and diversity of the HOURS network, and only one person of those interviewed stated that “he could not find anything he wanted” and ended up spending his grant on his library fine. Even so, the six disinterested people felt either that participation was too troublesome (Aleister for example was clear about not being interested unless alternative currency became a dominant reality: “If it grew more I would participate but I would not go out of my way to push for that idea. There are too many other things I would rather do before that”), or that they did not feel they had fitting skills to participate. Ferdinand for instance stated that “I don’t have an intent right now to get involved... don’t feel like I have skills like that, to get involved right now.” Ambrose, the resident who was impressed to find out about the diversity of businesses in Ithaca spoke about the various jobs he had held in the past, including working as a projectionist at a local movie theater. He had in fact learned about HOURS in that job. He linked his disinterest in participation with the problem of his skills going obsolete: “That is the problem. I don’t have any skills to speak of. It is all computerized now (in reference to projectionist position). So I don’t know what I could do.”

For four of the Cayuga House group though, participation in this modest experiment opened up different possibilities. Marcel and Elijah’s piqued interest could be seen as in line with a general attitude among Ithacans that the idea of HOURS is something interesting, provoking and potentially beneficial, the “neat” factor of local currency. Also, for both of them, the experiment gave them a way to clarify previous misconceptions about the system but as I also observed among the general population of HOURS users, also gave them a reason to think more closely on the topics of money, consumption and exchange, triggering the association between money and

community⁶⁰, the very theme which lies at the heart of the alternative currency movement.

Lastly, there were Byron and Martin, who saw in this a business opportunity, a way to get connected both financially and socially (in an economic sense, one might again think of the issue of transaction costs here, where an established network of providers may help cut down on the costs associated with information, and the smaller and alternative nature of the exchange medium mitigating risk and uncertainty). I do not know whether either of them ended up following through with their ideas and whether they looked to the system for financing (they had not done so by the time I left Ithaca, several months later). They had both spoken about those plans along with other possibilities, some of them involving relocation, and had the system pursued sustained contact with the Cayuga House beyond this brief experiment, further relationships may have arisen. However, their initial reaction and interest strongly indicated that there was need and demand in the community for small business credit and that the HOURS system could play a key role in providing such access.

Discussion:

Things, People, and the Power to Define Reality

For its brevity and modest scale, the CCE project produced considerable results, in terms of reaching toward a section of the population it has historically failed to engage, and in uncovering several key factors that contribute to this segmentation. First, persons classified as “low income” constitute a highly diverse group, which, particularly in the case of Ithaca, includes both involuntary and voluntary segments, the

⁶⁰ In terms of the consensual basis of money's value, the social relational basis of economic activity and the significance of “the local” in economic exchange. These themes are especially apparent in Elijah's ideas about how he could potentially participate, and his propositions about how the system should pursue expansion and filter into the low-income sections of the town's population, for instance.

latter involving adherents of “simple living” principles or otherwise choosing to be “voluntarily poor.” The former encompasses vastly divergent lifestyles, situations and conditions, which preclude a priori assumptions about needs, wants, skills, abilities and resources for the purposes of promoting integration with the local currency economy. Time, a key resource for the local currency economy, both because the system’s working principle is “turning time into money” and, in a more mundane sense, because getting accustomed to navigating this alternative economy with its complex exchange rules requires an investment of time greater than what the mainstream economy would command, can be at a premium for low income persons and cannot be assumed to be widely available among this population (as the CCE program director admonished “welfare moms have no time”).

What is more, the Cayuga House results brought to question the issue raised by the CCE nutrition and finance educators of whether or not the difficulty and complication of utilizing a different currency in a non-standard market would be a major obstacle for low-income people. In this case, it seemed that the educators’ knowledge and skill in “shopping smart” left them with less incentive to try something different like local currency, and may have even entrenched them into particular patterns of exchange that were undoubtedly beneficial in the mainstream market system, but not necessarily flexible and adaptable to new possibilities.

Instruction and assistance in understanding and using the network can help significantly in alleviating the problems of learning to transact (from the awkwardness of a new currency and different transaction rules, to avoiding the potential legal ramifications and problems with social service and welfare benefits). Nevertheless, the usefulness of the assistance that can be offered by social workers or even system administrators/participants is limited by the educators’ own grasp of the network. These educators can become “gate keepers,” limiting and circumscribing access and usability.

In the CCE project, the Extension's finance and nutrition educators reported that they found using local currency overly difficult despite their initial excitement, and consequently we were not able to carry out the initial plan of involving the nutrition and finance groups in the experiment. When directly engaging the target population of low-income persons in the Cayuga House however, the participants were clearly much more successful in finding help, overcoming difficulties, utilizing the currency, becoming more familiar with the system, and thinking through possible ways to participate.

I was admittedly surprised by the difficulty expressed by the educators, which could potentially be attributed to socioeconomic factors. For example, the educators were all employed females (though I am unsure of their family status) while most of the Cayuga House participants were single males without the constant demand of things like full-time parenthood on their time and resources. Also, it is possible that low-income persons have more incentive to spend "free money" even if it requires effort. However the educators were also offered larger grants (the equivalent of \$30 U.S.), which still do not appear to have proved to be enough motivation. What is of more significance though is that while initially the educators were quick to see much potential in alternative currency to propose innovative solutions to some fundamental problems facing low-income people (allowing savings and correspondingly savings education, offering a degree of security from theft, potentially allowing people in certain cases to even attempt to circumvent the "quicksand trap" set by public assistance eligibility regulations). But despite these exciting possibilities and regardless of the facility of the task with which they were charged (spending thirty alternative dollars), they did not show interest in pursuing, or even investigating the currency's potential.

At the same time, low-income persons have to contend with both the common difficulties of HOURS exchange but are also faced with a different set of challenges with respect to using an alternative form of payment. Class and race set two boundaries

here. The first is the simple state of “not belonging.” It has to do with the perception of separation between normative social categories of race or class, “regular people” and minorities versus “progressives,” or “cultural creatives” (a largely white category) that dominate the scene of alternative action. The second has to do with the risk of experimenting with unusual economic forms which, coupled with other types of social differentiation, may drastically reduce credibility. Apprehension about the respectability of payment in HOURS was expressed by other system participants as well, some of whom expressed a certain amount of discomfort with the thought of “burdening” others with a potentially less desirable and valued currency⁶¹, and citing this as one of the reasons they do not actively push HOURS use, promoting it to merchants or providers that do not currently accept it, or insisting that current participants honor (or increase) stated acceptance policies. As conversations with the Cayuga House participants made clear though, this apprehension is significantly magnified for low-income persons, for whom “irregular” forms of payment carry the risk of rejection and stigma. This risk furthermore is not just a matter of inviting challenges to one’s credibility and opening oneself up to scrutiny and shame, but can also conjure up the potential of being accused of criminal behavior. In other words, for people experiencing socioeconomic marginality, non-normative exchange can be suspect and dangerous, leading to further marginalization, the very opposite of “creating community.”

This perception of risk and stigma undoubtedly hurts local currency’s efforts to promote economic and social equity. Nevertheless, despite such strong apprehensions on behalf of the Cayuga House participants, the act of exchanging on the ground proved the opposite. Without exception, the participants who used their HOURS reported

⁶¹ Parenthetically, some Ithacans expressed a similar reluctance when it came to using forms of payment such as credit cards, which, while considered mainstream, take away part of the profit from merchants or service providers. Some people even went so far to differentiate between “brands” of credit cards, or making a point of only using cash, checks or debit cards.

positive (and in some cases extremely positive) transactions, finding the exchanges comfortable, welcoming, and ultimately easy, evoking a social environment of respect, inclusion and opportunity. In this sense, HOURS indeed worked to reinforce an impression of belonging and connection to the local, mirroring, among this population, similar themes of identity and community described by system participants I discussed in the previous chapter. Extending the parallelism, the positive valuations of the Cayuga House residents and staff were not directly related to either the size/volume of the transactions themselves, or to the potential of HOURS as a helpful economic resource in escaping poverty. Again reflecting conditions among the general body of HOURS users, there was significant variation in whether or not Cayuga House residents felt they had marketable skills with which to participate, once more pointing to the fact that successful participation is not a given but requires a certain need for skills, creativity and economic and social agility. In certain situations however, exemplified by the two African American Cayuga House participants, local currency did appear a viable alternative for kick starting a business venture when it came to low-income persons faced with lack of capital and doubtful credit prospects, further indicating the potential of local currency to promote community integration.

Alternativity, Marginality and Grassroots Organization

For the Hours organization, the results of the CCE project held many implications. First, it helped ascertain whether local currency *could* open new economic and social spaces for low-income people. It introduced this population a little more intimately to a larger section of the local economy, assessed whether needed and desired goods and services were available through the alternative market network, as well as produced ideas as to how the system should expand to better fit these needs, and in some ways inspired participants to think about money and economic relationships

in different, less conventional, but also more flexible and potentially more accessible and welcoming terms. Benson's extensive efforts to gain a better understanding of poverty in Tompkins County, and the direct experience with the CCE groups combined with findings from my own research, also brought home the understanding that the populations HOURS are targeting are extremely diverse, with vastly different levels of education, motivations, resources, interests, skills and abilities, and no single "profile" based on income could be used to address and cater to them. Benson was thus able to produce a taxonomy of "who is poor" in Tompkins County⁶², which differentiated between instances of situational and generational poverty, and also acknowledged those of lifestyle choice, the "downwardly mobile" and "voluntarily poor," a prominent segment complicating Ithaca's social scene.

Nevertheless, Benson was far less ready than I was to see the results of the experiment as positive and reinforcing of the system's mission and work, and was particularly perturbed by the obstacles to making local currency a *ready* resource and a strong force against the problem of poverty: the limitations of acceptance, the complications of exchange, and the difficulty of articulating with the system and earning local currency. These were the general themes and issues I had identified in the larger community and which I had initially assumed would have been apparent to the organization. But as I came to understand in large part through this project, it was anything but easy for the system to "see itself."

Whether or not the CCE project was successful was a topic of substantial debate between Benson and me. Benson was perturbed by the outcome of the educators' effort, which signaled, for her, a serious problem: if the expert teachers cannot do it, how

⁶² Shared with Hours inc. but also presented to representatives of the local currency movement at large, at an international conference on the subject hosted by the E. F. Schumacher society (Benson and Papavasiliou 2004), for the purpose of introducing the issue of the importance of understanding the constituencies of alternative currency systems to other theorists and practitioners in the movement.

would those being taught? Also, for Benson, the CCE project participants' usage patterns were initially cause for alarm. She was particularly concerned with the sufficiency of the HOURS network in addressing need and felt that usage data indicated that local currency is only good for discretionary purchases, and therefore of very low utility for low-income people. This was a pattern in line with the general attitude I discussed previously that HOURS are only good for "massages and crafts" encountered even among people whose usage reports included a variety of goods and services, many of them quite "utilitarian." For Benson, this was a serious problem and a strike against the system's mission, credibility and potential as a tool for substantive local community development.

This was far from certain from the perspective of my larger study however, which indicated that there were two different issues at work here. The first has deep conceptual, theoretical and even ethical implications and relates to the question of defining "utility" and "need" in particular schemata of social equity, maintaining or escaping the minimum quantitative definitions of state-level assistance standards. These schemata in turn can be regarded as products of historically situated cultural forces, specific "regimes of knowledge" in the Foucauldian sense that govern notions of worth, value, and the subject's position, rights and access to particular domains of the economic sphere. They also resonate with class, distinction and capital in the work of Bourdieu. The common view from the subject position of privilege has historically been concerned with the "subsistence" of the lower classes (e.g. Mintz 1986). The local currency model on the other hand, arguably promotes an alternative and broader view of social equity and human rights, which is more "holistic," deriving from a less fragmented view of economy and society as discrete and separate spheres, and in which a "whole person" has rights and access to more than the level of subsistence (however defined),

and where production, exchange and consumption address not only survival but a notion of “quality of life.”

The second issue that Benson’s alarm identified relates to the often times impressive gaps between the real size of –and possibilities contained within– the HOURS economy, and the knowledge and understandings of these possibilities held even by deeply involved participants, which strongly indicated that the real challenge for local currency, and in fact its defining limit, is not a question of material but of perceptual difficulty. For the Cayuga House residents, this was reflected in the disconnection between what they were able to do, and what they felt they could do in the system, the latter relating to both their evaluation of their experience, and their level of interest in participating. Race and class were the underlying variables defining this experience. This, in turn, returns us to the fundamental principle of confidence as the necessary determinant of value in any system of exchange, a relational principle of meaning that belies the binary opposition between mental and material (in my understanding, one of the principles of economic anthropology deriving from key works of Mauss, Godelier, Simmel, and reflected in more recent writings by Hart, Hornborg and Maurer).

For the Hours organization, this pointed to the problem of the system’s visibility among users, but also in terms of organizational positionality and self-understanding. The formal/informal nature of the organization meant that those who direct it have an unquestionably solid, but partial and particular view of the local currency network. Also, visibility is logically linked to the energy of the system, the degree to which it is a prominent reality in the minds of users, and by extension the confidence it is able to inspire as a solid means of exchange, by which to overcome both inertia and suspicion of “outside the norm” economic schemes.

The provisional conclusion of these observations goes back to the consensual basis of economic value, which HOURS appears able to elucidate but whose practical

ramifications it can only partially attain on the ground. Therefore, if local currency in Ithaca cannot be shown to have consistent and irrefutable results in either the economic or social sphere, what the persistence of the phenomenon, and the results of the CCE experiment indicate is that its effect has to be sought elsewhere, in the sphere (and meanings) of value and consumption.

Chapter 7 – Consumption and Ecology in the Alternative Currency Economy

The third main axis of sustainability, which the complementary currency movement champions, is ecology and environment. The local (and embedded) character of a community currency economy, the argument goes, holds some significant advantages over the globalized (and disengaged) mainstream market with respect to environmental quality and justice. The ecological logic of alternative money is primarily a social and political one (Glover 1995):

- a. Alternative money bolsters local production and exchange, which in turn facilitates the exchange of information between producers and consumers. Current literature points to the fact that when people are given a choice to consume sustainability-friendly products, they will choose these over conventionally produced equivalents, be it because of ecological sensibilities, concerns about health, or general preference for the overall quality of such goods. Supply and demand, therefore, can act synergistically toward boosting sustainable practices of production and consumption. On the side of the producers, a focus on local markets allows a better understanding of consumers' needs and values, which they can then use to inform their production processes. It also means that producers find the space to incorporate their own values of what constitutes appropriate production in the production process and, by having personal relationships with their customers, have the opportunity to both educate consumers on the merits of their techniques, as well as certify that these techniques are indeed being employed, therefore having a quality assurance advantage over non-local competition. For consumers, closer relationships with producers can be summarized into the benefit of a tangible way to wield their celebrated consumer power, as they will be directly able to examine, evaluate, and influence production practices according to their values.

- b. Local production and exchange cuts down on the need for and costs associated with transportation and storage, thus economizing on use of inputs, including but not limited to fossil fuels, while reducing associated pollution. Such savings also apply to processing, where a turn toward using local resources under conditions of greater ecological awareness (arguably a cornerstone of community currency) will translate to more efficient, and eco-friendly ways to produce added value. Additionally, the wealth created in the process will remain locally, to reinforce these internal and more sustainable economic cycles.
- c. Lastly, the overall effect of the two previous processes translates to first, heightened local self-reliance in the face of pressures from the global economy, and second, to local empowerment, in the sense of taking an active role in developing and codifying coherent, locally meaningful value systems, in which production and consumption occur within the immediate environment, to which people hold stakes. Complementary currency economies, therefore, can serve to strengthen the control local people have over their own resources, environment, and lives, in a self-sustaining feedback loop.

Consistent with the new approaches to sustainability and consumption I discussed in the introduction, this logic directly frames the issue of environmental protection and of sustainability in general, in terms of relationships between people, “embedding” economic action within social and ecological relations. This is again the arena of politics. This chapter examines the relationship between money and value in Ithaca’s alternative currency economy, exploring meaning and materiality at the intersection of economy and ecology.

Evidence and Skepticism

The ecological logic of local currency derives from the proposition that local level economies are inherently more sustainable (Schuman 1996). That “local” equals “more sustainable” is now almost an axiom. But why and how does local currency work with respect to this axiom? One of the many ways in which Ithaca’s local currency is unique is that HOURS may well be the single local currency for which a quantitative study examining the link between the local currency economy and environmental health has been pursued. I am again referring to the work of Noboru Yoshida (n/d), who also provided the macroeconomic analysis on the economic effects of the HOURS currency, which I discussed in an earlier chapter⁶³. His input-output work attempts to establish the velocity of local currency in order to generate a larger statement about the stimulating effect of local money on the area’s economy. Yoshida then builds on this economic assessment to explore how an increase in the “localization” of Ithaca’s economy instigated by HOURS may also measurably impact the local environment. Yoshida does not attempt a full-spectrum assessment of ecological effects but rather selects a sample indicator, the carbon dioxide emissions from trade-related transportation, as one measure of environmental impact directly affected by local versus long-distance trade. The idea, of course, is that local trade will incur only a small fraction of the CO₂ that would otherwise be generated through long-distance trade and transport, and Yoshida attempts to calculate what these savings will be.

Input-output analysis is concerned with capturing economic effects that occur beyond direct (and hence directly measurable) transactions, such as what happens when the output of a particular productive sector becomes an input for another. These are the “indirect” and “induced” effects with which input-output economics seeks to draw

⁶³ I am reviewing Yoshida’s work in some detail here because it does establish the fundamental connection between sociocultural and environmental/ecological process.

more systemic views of the economy. Yoshida reasons that the same kind of interdependencies must be operating in environmental terms, and that if we can estimate the difference local currency makes in substituting goods produced locally for goods acquired through long-distance trade, we can also estimate CO₂ savings from the associated transportation reductions. For this, he starts with another assessment of the size of the HOURS economy, which takes into account static markers, the number of registered users and the total currency issued to circulation, but also the dynamic of this parallel economy by looking at the flow of the currency among businesses and households within the community, and therefore HOURS' impact on regional purchasing. Yoshida's data comes from interviews with major HOURS users (n=12) and surveying Farmers' Market merchants (n=12 respondents of 26 attempted) with respect to local currency usage. These data are then classified and analyzed according to transaction categories, "intermediate transactions" (business to business), "income distribution" (business to household) and "final consumption" (household to business). From this, he proceeds to estimate that the share of Ithaca HOURS in the GDP of Tompkins County is 0.03%.

Stating that this number is "considerably small," Yoshida notes that important beneficial effects may still be derived from it. Estimating the HOURS multiplier to be at 1.32-1.6, against the "normal" multiplier for the region (given at 1.2), he takes the difference between the Tompkins County and the national Leontief Coefficients (as a reminder, the Leontief coefficient accounts for the added effects a unit of economic activity creates for the economy at large, in terms of "direct" but also "indirect" and "induced" effects such as employment compensation, increased demand for products and services etc), and multiplies that by the expenditures of major local participating businesses in Ithaca HOURS, to come up with a monetary figure for the share of the local economy that can be attributed to HOURS.

He then turns to the EIO-LCA (Economic Input Output-Life Cycle Assessment) model in order to derive the gains in carbon dioxide emissions. EIO-LCA was developed at Carnegie-Mellon University as a method to trace out “the various economic transactions, resource requirements and environmental emissions required for a particular product or service,” which can serve to “analyze economy-wide environmental impacts of changes in the output of selected industrial sectors,” including the social cost of pollution (EIO-LCA website). The model, in other words, is an input-output (complex, systemic) analysis of environmental impact. Utilizing the model’s tables for carbon dioxide emissions, Yoshida concludes that savings in CO₂ that can be attributed to local trade come out to 1kg per Ithaca HOURS user, per year. He characterizes this result as “modest” (n/d:5). Still, he also notes that regional purchasing coefficients between 1990 and 1998 show a clear downward trend, but that local currency plays a role in countering this trend. With its ability to stimulate local trade, HOURS, according to Yoshida, may in fact be curbing additional reductions in local purchasing.

Yoshida’s work is important in that it directly addresses the fact that small-scale, local initiatives can have larger, systemic impact on multiple levels. It is a pioneering effort that provides tangible, quantitative evidence that a working local currency economy has direct environmental benefits. But as was the case with his economic work, Yoshida’s environmental impact analysis is more than anything a starting point from which to generate a more substantive inquiry. The environmental impact portion of his study is subject to the same limitations as the economic work on which it is based, which leaves it doubly open to scrutiny in terms of both its methods and assumptions. As in his economic work, the representativeness of his sample, hence overview of the HOURS economy, remains a point of contention. In addition, Yoshida’s reasoning is marked by several assumptions, both stated and unstated, that would require further qualification in order for his work to be sufficiently conclusive. For

instance, he appears to conflate local currency usage with local purchasing behavior (if a differentiation was made in his calculations, and his numbers do indeed refer to purchasing of locally produced items and services, it is not made clear in the text). In effect, a system such as HOURS conceivably allows imported goods to be purchased with local currency, in which case we are left unsure of the total reduction in transportation and transportation-related environmental costs.

Furthermore, use of local currency does not immediately imply a one-to-one substitution of imported goods with local goods. In the absence of qualitative commentary, it is impossible to know whether the local currency is used completely interchangeably with federal dollars, and not for single-direction spending, for services, or toward expenditures that would otherwise not be made at all. As the previous chapters have hopefully made clear, while in theory HOURS are completely interchangeable with federal currency, in practice they flow through specific channels more often than not, an issue that calls to question the EIO-LCA results. Yoshida points to one accounting assumption himself, namely that when determining prices, he equates local goods with imported goods, while in reality local goods may tend to be more expensive. Finally, related to the representativeness of Yoshida's sample, I posited earlier that Yoshida's estimate of 30HRS/day as the average total HOURS circulation in Tompkins County may be, in fact, too conservative, which would potentially mean that dependent emissions savings from transportation could be greater.

Pollution from transportation is one of many environmental issues—albeit a significant one (Pretty 2007)—related to economic activity, of which carbon dioxide emissions are only a subset. Other markers of environmental impact may or may not be affected in similar or proportional ways by local trade, and Yoshida does not indicate whether he chose carbon dioxide emissions from transportation for any particular reason or just as a convenient marker with which to test his reasoning, and on which to base his

conclusions about the ecological potential of local currency. This is not a critique of the work itself (Yoshida does not seek to calculate cumulative environmental gains but rather to illustrate that such gains are possible) but rather an observation about the intricacies involved in making such assessments and the potential significance, but also difficulty of tracking complex, systemic connections between economy, ecology and society.

On a broader note concerning circulation in the material sphere, Yoshida's work and similar approaches demonstrate a functional relationship between local currency usage and environmental benefits but they do not indicate anything further about what that connection is. They do not address, for example, the question of whether, and to what extent, local currency simply follows or actively augments local trade, while they also leave questions of meaning and the "habitus" of environmental practice by community members wholly untouched. For instance, does local currency circulate among people who would otherwise not shop locally, or does it simply flow along pre-existing networks of communication and trade within the community, as an affirmation, but not necessarily an element of change in the way people understand and relate to the material world? To the extent that it does circulate, does it act to raise environmental consciousness and promote corresponding action, and if so how?

As such, Yoshida's approach cannot speak to the transformative capacities local currencies may (or may not) hold for the communities in which they operate. This question however is crucial for establishing local currency's weight as a social movement proper: does it indeed push toward social change in the sense of providing space for the inclusion of different meanings and canonizing new, and more sustainable behaviors on a larger-than-individual scale? Does it help create new alliances and mobilization (presumably a significant path to broader social change), or is it, in fact, subsumed under pre-existing networks of value and social action?

Revisiting Money

Despite its necessarily focused scope, Yoshida's work clearly shows that at the end of the line (or the end of the pipe as it were), local currency use can, and in fact is, producing tangible and potentially significant effects at the intersection of economy and ecology. However, the questions it raises also invoke the difficulty and ambivalence involved in understanding alternative forms of mobilization (Edelman 2001, Charkiewicz 1998, Helleiner 2002). In the previous chapters I addressed the diversity and oftentimes separation to be found in the overall deeply progressive community of Ithaca and discussed the challenge that these divisions present for the HOURS system. These divisions are just as often a matter of value and its representations, and do not necessarily correspond to clearly divergent views on how economy and society are best managed (the more idealistic sense of the politics of affiliation). Among participants in the HOURS economy, what I found was just that broad range of motivations, choices and practices that is reflected in the promotional arguments of the movement in general and the HOURS system in particular: competition, access to resources and maximization, along with a commitment to environmental causes, social equity, localism and the building of relationships. Unsurprisingly, similar practices and motivations were to be found among non-participants, were they specifically opposing the movement or simply remaining unengaged.

These differential valuations with which HOURS are regarded by Ithacans correspond with what Gretchen Herrmann (2006) observes about the creation of value at the interstices of the mainstream economy through alternative practices of exchange. Herrmann examines the use of "special monies" in two very different venues of alternative exchange, garage or yard sales, and Ithaca HOURS exchange, and finds that the two modes display a number of shared themes. These are: 1. the creation (or recreation) of value at the interstices of the mainstream economy through reselling (or

exchanging utility and disutility), 2. stretching money, 3. negotiating value through face-to-face interactions, 4. working toward ecological sustainability, 5. creating justice in the marketplace, 6. beating the system and 7. building community. These themes in turn speak to an “agility” of sorts displayed by alternative practices of exchange, to work through or work around constraints created by the definitions and rules of value imposed by the mainstream economy within which they operate. Again, the magnitude, direction and meanings of this “interstitial” value vary significantly from person to person but importantly, this value is created and negotiated in an alternative market space whose limits are primarily set by the users’ notions of economic possibility.

Hermann demonstrates how these two alternative modes of exchange “afford rich economic alternatives that attract participants across the ideological spectrum” and that “offer glimpses of more humane ways to exchange goods and services,” though she echoes the caution of other accounts of alternative practice by expressing reservations as to the capacity of both these types of “special money” exchange to “supercede the current global capitalist economy” on which they depend (2006:14-15). She observes: “Neither activity fundamentally challenges the core American identity of consumers, even though they circumvent some of the excesses of contemporary capitalism,” and prefers to see the effect of these two alternative practices of exchange as symbolic, “a kind of ‘miniresistance’ that engenders a critical reflexivity in pockets of local exchange, but that is not poised to overthrow extant economic practice” (2006:14-15). “Reflexivity” is a particularly apt word here, as with it, Hermann captures well both the participants’ awareness of alternative possibilities for exchange as well the awareness that the scale, direction and potency of these alternatives may be insufficient and are thus possibly suspect. Her conclusion therefore captures well both the indeterminacy of the economic and social position of HOURS presented in this study, and the skepticism and caution

expressed by Ithacans and visitors, participants and non-participants alike, that hearkens back to the question of the movement's persistence and success.

"Despite itself it keeps going. It's like Dracula for god's sake!" Thus, and rather emphatically, spoke a visitor who, like countless others have done since the beginning of Ithaca HOURS, came to Ithaca to examine, learn from, and possibly reproduce the system, and found that the reality of it fell far short of what he had hoped or imagined. This disillusioned visitor exemplified in the strongest sense the uncomfortable awareness that the reality of the system may not quite be matching either exuberant publicity or more modest expectations of economic, social and environmental revival. Equally, HOURS participants were by no means unaware or unable to acknowledge both problems and personal apprehensions with respect to local currency. Users did not express only concerns with functionality and usability but also reflected on the sorts of moral dilemmas about what constitutes both appropriate motivation and appropriate action, the sorts of questions highlighted in the history and scholarship on alternative mobilization. This is a discourse that many have to contend with in their choice to participate, and the conclusions reached are not necessarily clear. One employee user I interviewed, who parenthetically was not a registered participant and hence did not derive the modest but real benefits of formal membership, but who went through several hundred HOURS per year putting him on among the heavy individual users of my study's population, put it plainly:

I like the idea: money stays local. But I am still debating the effectiveness—people who use it would shop at those places anyways. So how effective is it? Is it a reshuffling of money?
I suppose I am like many people in Ithaca, guilty of doing things that make them feel good. And that is dreadful: there are so many people doing alternative things but have not thought it through. There is no real consciousness or sense of awareness: for example preferring organic over local and doing things that feel good as opposed to donating to charities etc. Their orientation is towards doing things that feel good and make them feel tolerant. They are not. So I am not entirely sure but the idea is good and I support it.

If the numbers do not explain the system, then what does? This is where the image of the Möbius strip becomes most salient: how does money as the point of movement between the “internal surface” of meaning and the “external surface” of materiality, work to (re)connect consumption and politics? And what (if anything) about alternative currency and Ithaca’s HOURS economy indicates a shift in political perspective with respect to the broader theorization of consumption as an iterative process of mental and material feedback? Briefly restated, the argument is the following: hegemonic models of economics and society juxtapose de-socialized individuals with supra-individual systems, such as “the economy,” and by doing so they miss something in between. Conversely, complementary currency as it plays out in Ithaca may suggest an alternate relationship between individual, community, and consumption to be found in the connection between meaning and materiality. Or in what can be called “value.” This is where the diversity of experiences characterizing participation in the HOURS network begins to cohere and where Hart’s (2001) notion of money as a vehicle of memory and information is particularly salient.

It is in this sense primarily that I suggest that local currency works to complexify and repoliticize exchange and consumption, by explicitly allowing for values other than quantity and price⁶⁴ to be introduced, encoded and negotiated in the system of exchange. The trick to understanding consumption in an alternative currency economy, it seems to me, is to not lose sight of the money. It is, after all, what catches the attention of everyone who comes in contact with the movement, either on the ground or as an object of study. But money is fetishized and fetishizing, theorists from Simmel and Marx to Hart and Hornborg have been telling us, and so what starts as play with (and

⁶⁴ Which is what is encoded in “regular” money, along with the cultural model of maximization as the means to “read” the message. This point is arguably implicit in the work of Hornborg (2007).

around) money quickly reverts to the more familiar territories of commodity flows.

Money, again, slips through the cracks.

While HOURS are different money, they are not “special” money, in the classical sense of economic anthropology. They do not represent a predetermined and restricted “sphere of values” where only some kinds of things, or only some kinds of values, motivations and relationships of exchange (local, small-scale, communal, sustainable) are permitted, in contrast to and protest against the “real” market that they can never overtake. The HOURS market is a generalized one with generalized metrics, generalized goods and services, that not only do not belong in any particular “sphere of value” but they are not even limited to “the local” in the oppositional sense embedded in notions of “terroir,” or “appellation of origin” and their many political implications. With them, one can buy (as I have) cider from an orchard fifteen minutes away from the market, and operated by the same family for generations, as well as yogurt imported from Greece.

What, then, is the difference? What is “alternative” about alternative money if the market, practices and relationships it mediates parallel their “regular” equivalents so closely? I therefore turned to subjective experience, and the “cultural” meaning of value. I asked about people’s opinions on what the impact of HOURS is on a personal, business and community level and what they felt the effect of the currency to be, not only on spending power but also on consumption decisions and overall consumption patterns. I was particularly interested in the comparison between using HOURS and using federal dollars. Were HOURS used for the same things and in the same ways as federal currency? More importantly, how did it *feel*? I also asked what it feels like to earn HOURS and how it compares to other forms of income, as well as what it feels like to spend HOURS and how it compares to other forms of payment. Lastly, I wanted to know where people would like to see alternative currency going in Ithaca and as a global

movement, as well as where they thought it was actually going. Discussing the subjective experience of participating in the HOURS economy revealed a number of themes indicating the emergence of an alternative consumption discourse surrounding the value and meanings of money, the value and meanings of the things exchanged, and the value and meanings associated with the practice and relationships of exchange.

It is helpful here to note the distinction drawn by Trentmann (2006) between “consumption as a process, domain or activity, and of the “consumer” as an identity. The two, as he shows, have had an uneven historical development though competing moral value systems (that prominently included a “fear of goods”) to be found even within the clearly commercial orientation of modern Western societies. It is possible within the same society for consumption to have a positive moral hue as a process of progress, while “the consumer” to have a negative one, as a sign of indolence, moral inferiority, unproductivity, and so on. The paradoxical implication is that consumption as a domain is an abstraction referring to the state and dynamic of the group and can signal “progress,” while the individual focus of the consumer identity frequently renders utility in a negative light, as waste or excess. Though I did not directly inquire into people’s attitudes about the consumer identity, some of the following stories show that this decoupling is implicit in the narratives of Ithacans who saw HOURS as a way to recast consumption as a morally differentiated political domain while sidestepping or outright rejecting the negative implication of the consumer label as identity. This is massively tricky terrain. And alternative money helps navigate it in two ways: by “open sourcing⁶⁵”

⁶⁵ This is another idea from information technology, referring to software whose source code is not encrypted so that anyone can view, use and improve upon. This collaborative model has spread to other arenas of production. For example, it is the principle behind the Creative Commons copyright. Analyzing the movement Rushkoff bases it on three assumptions: “1. The systems by which we live are inventions and conventions. 2. The codes underlying those systems can be learned and rewritten. 3. This process best takes place collaboratively” (2005:201).

value (Rushkoff 2005) and by creatively engaging the core question of trust and confidence in exchange.

Experiencing Value

Henry and his wife settled in Ithaca after several years of work with a faith-based NGO in Haiti. Committed to social and environmental justice, they were attracted by the beauty of the region and the progressive character of the town, and had been living there for about five years, despite a degree of disillusionment with the state of things, which always seemed better than they were. “We were tired of moving around and appreciated the community. We decided to go somewhere and accept the place as it is and try to make it work.” She took on a number of non-profit jobs while he pursued green building:

I wanted to go do green architecture for someone here but while there are many pioneers there are no architects doing it. So I thought I had to create something since there is obviously a market. I decided to do my own sustainable building, trying to get connected. I am doing mostly expansions and smaller projects (including conventional ones). But even remodeling is a more sustainable practice.

Henry remembers knowing about HOURS for a long time but not really understanding it until his wife started doing work for the Hours organization leading to consistent availability of the currency in the household. Henry too has been earning some through his various projects. The couple connects its discontent with Ithaca in part to their experience with the currency; the uncertain footing of the network, the problems with the people and the organization, the ultimate impossibility of declaring a clear victory. HOURS have not fully created the holistic change they help envision. In a way, HOURS are emblematic of the problems and difficulties of collective initiatives to bring about positive change. Still, Henry says, they have never had any trouble using them. I ask him what it feels like to be paid in local currency. Despite his expressions of

apprehension and disappointment, his answer is readily enthusiastic: “It feels good! I prefer it! I have not yet been in a situation where the pay is 100% HOURS but I don’t think it would be a problem.” He turns to why that is:

To me, any time using HOURS is better than dollars, as it supports a local person, the local economy, as opposed to the “evil” dollar. There is more local control. [My wife] does see them as a freebie sometime, like buying something she’d not spend dollars on, but I don’t.

He goes on with the example of a recently purchased snow shovel. These things are near-indispensable in this place with its anything but mild winters, and one can find them sold almost everywhere, in bunches of brightly colored plastic. But Henry had to expend some effort in finding the metal one he now uses, and he paid considerably more for it than he would have for a simple, plastic one. His wife prompts him: “Now, explain to her why,” and he proceeds to talk about disposable versus non-disposable, renewable versus non-renewable, and degradable versus non-degradable materials, as well as manufacturing and commercial networks. The line is rather clear:

It is spending but not a waste! Spending locally you are supporting something, meeting your own needs and others’ needs. It is *Conscientious consumption*. The conventional economy is “evil” since they see only self-interest. *I am not a consumer! I am a human being!* I am a consumer when I buy something for two dollars made by exploited labor in China. If I buy something for ten dollars made locally, it is different. “Consumer” narrows everything down to economics. It cuts off the whole of life and environment. To me, spending more money for similar things is not more wasteful or consumeristic necessarily. To me, simple living is also about knowing where your money is going.

Then he adds, reflecting on how the currency has affected his habits: “The only difference in my consumption is I’m more likely to buy stuff from someone who takes HOURS.” Later, he adds: “Using HOURS has an effect, and part of that effect is on how people *think*. HOURS make it easier to do the right thing.”

Unlike Henry, Guillermo, the manager of a popular ethnic restaurant at the center of town, does not express particular interest in simple living. Another Cornell graduate who never left, he finds Ithaca a satisfying place to live: “good restaurants, that sort of

thing. Cosmopolitan yet country, the best and worst of a big city and a small town.” While he does not personally use HOURS much (“I never remember”), he manages the relatively sizeable volumes (to the order of around \$1000 a month) that come in the restaurant. He tells a familiar story of owners already somewhat interested in the local economy, approached by the ubiquitous Paul Glover. He views the currency as partially helping to generate more business, but for the most part matching the regular clientele. He is at ease, and even supportive of the currency, but not quite keen on the rhetoric of radical equity that sometimes comes with it:

This is one of my beefs with HOURS. I like the idea of keeping money local but I’m a capitalist myself and I don’t see how a dishwasher and a lawyer can make the same per hour. [...] Globalization, outsourcing, it kind of scares me sometimes. I know it’s not all good but I do see some positives in globalization. Community is nice but not in the oppressive sense. Mobility is a very nice thing. [...]

He goes on discussing the experience of exchange with alternative currency, and problems that they face: it can be hard to count, it can be more difficult to spend (“It would be nice if more people took it. Also, it feels like spending money but it would be nice if it were more second nature. Yea, I know this would be me putting in some effort...”). Economically, he does not “think it is big enough yet to make a big impact but it helps,” and while the business has not made major concessions or changes, the currency “does influence spending decisions a bit,” prompting them to explore closer-to-home venues for advertising and other supporting services. He expresses interest in finding new, more creative and more efficient ways of navigating the network, and states that while he already was quite well educated about money, he feels that his experience with HOURS has made him even more so. Also, “it builds pride for Ithaca” and “it does bring some awareness.” Then he volunteers:

I was actually thinking about marketing ideas, like making a sticker that'd say something like 'I Bought my Ithaca gun with Ithaca HOURS⁶⁶.' [...] I just like the idea of keeping things local. Not just Ithaca pride but also as a protest. I don't think that getting something 10% cheaper you're getting a deal and also in the long term you are hurting yourself getting cheap stuff from China. Service and quality is much worse than when dealing with locals. [...] Yeah, I would miss it if it were gone.

Robert is in a position to offer a unique perspective on alternative currency. He is both a long-term user and overall active participant, and an officer of the Alternatives Federal Credit Union, with a long view of the development of the relationship between the financial institution and the currency system. He studied economics and describes his personal interest in small business leading to his tenure in the credit union, which focuses on “underserved and emerging markets” including, significantly, the non-profit sector in Tompkins and neighboring counties. “Two things worried me and that is why I got involved,” he says about his intermediary role. “First was informality, the lack of good structures. Second, the system was designed without good support so its sustainability was fragile. There was no way for the system to fund itself.” His tone is congenially business-like but shows hints of frustration as he lays out the details of the two organizations' evolving relationship, the support Alternatives has offered to Hours over time, as well a number of ideas and proposals that the Credit Union has made to Hours, to help the network expand and grow⁶⁷ over the years, but which have been often met with indecision and inaction.

We continue discussing the details of HOURS flow at Alternatives:

I think our members appreciate us taking them. But I also think the system has not reached its potential. It's stagnated. There should be a degree of growth each year, expanding acceptance and participation. But the system needs to support itself. We'll be helping but they need to do it.

⁶⁶ Referring to the products of the Ithaca Gun Company, a manufacturer of shotguns and rifles, which was founded in 1880, and through various reorganizations, acquisitions, closings, reopenings and name changes, is still in operation today.

⁶⁷ Including exploring the possibility to make an HOURS ATM, expanding the loans program, and sponsoring an account to allow writing checks for HOURS, particularly for businesses that do not normally transact in cash (like the hospital), which obviously presents a huge logistics problem.

It has potential — it has proven itself. One of the best things Ithaca did early on is getting businesses in. Many view it as an individual choice but businesses are important. And HOURS does give businesses an edge. But someone has to convince them. There are marketing possibilities especially with non-core products, the stuff that does not move as easily. To me, keeping the same level of currency circulating speaks more to stagnation rather than conservatism. This is risking a crisis of confidence. How can you make us confident that the system will grow enough and consistently so that we can keep accepting more?

I then inquire into his private usage, and the tone shifts noticeably: “Yea, yea! I use them in the Farmers’ Market, a bunch of lunch places... I get paid in part in HOURS. Also even if you don’t ask for them, the bonuses are paid partly in HOURS. We wanted people to see how it is to spend them.” I ask how it has been working for him, and what it feels like:

Yea, well sometime last year I accumulated around \$1000 in HOURS. Like lots of people I think this is not regular money so I said I’d buy art. So I bought 4 pieces of art, rather than thinking of it as part of the regular thing. Psychologically it is not the same for me. This, I think of it as more special. In some ways it feels more like a gift certificate. Last year I got about \$1500. This year less. But it was nice.

Given this, I am curious about his general view: why support it? Where is it heading?

I think the line of HOURS is right—it does draw a line around Ithaca and creates a multiplier effect. Also it is a consciousness-raising tool. A pretty powerful tool. As to where it is heading, well, I don’t think there is a crisis. It seems to have stabilized at this level and people are having fun. But there is no one to take this and get it to the next level. We won’t stop accepting them but it’s not growing either.

What is this consciousness? Hugh, the ever-eloquent graphics designer with mostly local clientele, who was also one of the heaviest individual HOURS users in my sample, synthesized rather beautifully much of this complexity behind the politics, ethics and practice of “transacting locally” from the perspective of a “local” person enmeshed in a “global” economy. The following also puts some of his previously presented words in context:

To some degree it [HOURS] facilitates the tendency to deal locally and keep money in the community. It encourages us to deal with one

another. It does build some sense of community. Though I am not bursting with pride as an Ithacan!

Mostly it is a good networking tool. For me, the best thing, it enabled me to continue to be a shopper at the Farmers' Market and encourages us to buy all produce we can there. This stuff is traveling only 15 miles and not all the way from wherever the hell it normally comes from.

I prefer to deal with locals. It is not exactly that I have more confidence this way, but as a general rule I feel like I have a little more of an idea where my money is going rather than some multinational. In theory I support free trade. The way it is actually enacted we're moving to an Orwellian future and multinationals are the reason. Decentralizing where the money goes is a good thing. Even big corporations should be against centralization. This is what communism is! Centralization! But they do not recognize it as such.

[Earning HOURS] differs in certain ways from earning dollars. I am conscious of whether, whichever currency I am getting, I'm under pressure to need. Right now I am out of HOURS and aware of the lack. Spending is different. It is a more proactive thing. Much spending is passive—you write checks for bills. I have two rules: 1. I try not to be cheap when spending HOURS, 2. I do allow leeway—it is ok to periodically buy something with HOURS. This is shifting over time though. It is not as true as it was. A good working definition of money is: can you buy food with it? So I have a hard time justifying spending it when you can use it for necessities. But I do get some treats with HOURS.

After 9/11 I became aware that HOURS is not a massive alternative infrastructure but it creates *some* alternative infrastructure if something paralyzes the central government. HOURS creates at least the beginnings of an alternative infrastructure. For example, if we grow much of our food in this area, we're a little more resilient. Who benefits? In general I think it is good for Ithaca at this point even if it's not entirely for everybody. If HOURS were not here I think you *would* see physical differences.

For my part, I want to see it up and functional as a user. It would be nice if someone could come up and do a good job at expanding it a little. On the other hand, I am not a fan of the American notion that if something is not expanding it is bad. Stability without growth should be an option. We need to develop a model like this. We can't grow indefinitely. The other option is to expand and collapse.

Value, Meaning, Politics

From these perspectives, the elements of an alternative consumption discourse start appearing more clearly. In the "canonical" economy, consumption and its

relationships are represented roughly as follows: Scarcity is the original tenet of modern economics. It is the entrenched condition underlying all economic action, which stems from the ultimately zero-sum nature of material reality against the open-ended magnitude of human desire and need. From it comes the rest. Progress and development are the notions that while there may never be “enough,” material reality can still be stretched to yield more and/or better. Economic maximization can be thought of as a dominant cultural logic of differentiation under the condition of material scarcity. Neoliberalism is the philosophy of privatization and severe deregulation based on the neoclassical logic that left on its own, the market system will self-organize to make the most of limited means (without suggesting anything about distribution of course), while its financial policy counterpart, monetarism, on the one hand liberalizes money by restricting state control but on the other strictly contains and manages its access and flows in order to preserve its quality. And post-socialist global capitalism depends on ever-accelerating flows of things, people, information and money, a position that exists in a functional relationship with the monetarist view that there is an “essential linkage between money, free consumer choice and political liberty” (Davies 2002:3). Meanwhile, money has come to serve the strangely non-complementary functions of means, ends, purpose and rationale of economic activity, and in the recent times, making money with money has supplanted commodities in terms of global wealth by orders of magnitude (Durrenberger 2002, Hart 2001).

Alternative economic thought, however, has long argued that this economic canon manifests pragmatically as inequality (which goes hand in hand with a litany of other phenomena of poverty and violence) but also as discontent, and an aggressively future-orientated drive for more and different (the various iterations of the overconsumption thesis that include concerns with the physical and mental health, empowerment and well-being of both those able to consume and those unable to

consume, as well as the environment at large). In this view, the equation of Money = Consumer Choice = Freedom is seriously questioned if not outright rejected⁶⁸. And fittingly, the argument I have been compiling here on the basis of the rich but scattered body of work on money indicates that the medium of exchange is not a neutral mediator, but it can, and indeed does affect meaning and value in relationships between people and things, and enacted within the broad domain of consumption.

If scarcity is the “shadow” of abundance in the Jungian sense, abundance is what is promoted in Ithaca’s alternative currency economy. And this abundance is not only figurative and symbolic but can be taken quite literally. The local currency movement, certainly in the way that it has developed in Ithaca, is emphatically not a simplicity or anti-consumerist movement. There is a large range and volume of “non-essential” or “finer” goods and services available in the HOURS network⁶⁹. The promotional rhetoric of the system not only encourages people to put dreams and talents to work for fun and profit, but also emphasizes the delight and fun to be found in spending (local) money. And as the actual behaviors and HOURS spending habits of many if not most system participants show, local currency in Ithaca advocates anything but austerity. On the contrary, much like standard development schemes, local currency invites consumption: the more local currency circulates, the more local wealth is created and recirculated, and so on. But this economic activity, by virtue of having “a boundary around it,” however permeable that boundary may be, is by definition different. More controlled, more aware, more sustainable. Consumption in local currency is thus moralized as *productive*

⁶⁸ In Arjun Appadurai’s beautiful wording, “Consumption in the contemporary world is often a form of drudgery, part of the capitalist civilizing process. Nevertheless, where there is consumption there is pleasure, and where there is pleasure there is agency. Freedom, on the other hand, is a rather more elusive commodity” (1996:7)

⁶⁹ This is reflected in one of the main stereotypes about HOURS, that they are only good for “pottery and massages” and for those who want and can afford them.

consumption (Trentmann 2006), one that elevates the individual and promotes the collective good rather than being a sign of personal and social corrosion.

And while in theory growth of local consumption will ideally substitute for external goods and services (the line of thought that has caused local currency to be compared to import substitution), as I suggested before, one of the particularities of the Ithaca system is that it is (in principle at least) a fully generalized currency, that can be used for trading just about anything between two consenting parties. Therefore the act of consumption does not have to be limited to only “local” things. However, if filtered through the alternative money network, even “global” goods can be made appropriate, humanized, indeed infused, through the awareness of consumption engendered in local exchange, with “local value.” In this way, alternative currency goes quite a bit further than other consumer and sustainability movements in engaging consumption. It does not set predefined targets, particular commodities, trade relationships or consumption practices, but can potentially address consumption as a whole field. It doesn’t matter what one trades for as long as one trades *with* local money. The money itself will recirculate to restore the balance.

This attitude is also reflected in the way that pricing is handled in the network. Use of standard market prices is the norm, though the understanding persists that people are free to negotiate preferred arrangements on an individual basis, thus again asserting a level of agency or control over the valuing of goods and services and the exchange relationships they entail. But negotiation is fundamentally linked to trust and to the necessity for shared representations of value (Danby 2004). It is here that the tenacious identification of HOURS with barter becomes most salient. HOURS are unequivocally a money system: they create a generalized, durable and divisible token of value for the purposes of exchange. Yet the most widely used way to explain the admittedly difficult concept of what they are and how they function is in the terms of

barter. Hermann writes: "Ithaca HOURS is a paper barter currency" (2006:3). "Barter dollars" or "barter bucks" are common euphemisms for alternative currency, Ithaca being no exception. While I enquired about people's other barter activities and gotten a wide range of responses (barter was a favored hobby, a significant mode of exchange, an occasional activity among friends, something that never happened, or something actively disliked), barter as a trope also appeared in another way in Ithacans' narratives about HOURS exchange. One of the very early, and still active users shared:

I had been plagued to the same thinking that the dollar bill was tangibly this thing that had value, and really when you think about it, it's about having faith in each other. And that's what HOURS represent for me. It didn't take long if you think of the ramification to that, that it can really formalize a way a community can barter. That's like the LETS system, but indirect barter can be awkward. It just didn't work. But somehow Ithaca HOURS, put in your pocket... if you want more, you could go after getting more. Somehow I guess if I did a transaction with HOURS with somebody, I just felt like they were part of the same thinking, more community, it just represented more thinking outside... community development stuff.

Others commented: "HOURS works like barter but exists for the same reason that money does" or "It is more like barter within the wider community." One person happily reminisced about being introduced to HOURS and being drawn to it: "I understood it immediately, because I love to barter!" A substantial number of the people with whom I spoke referenced other barter activities in the community and saw HOURS as a way to expand that barter activity. Conversely, some Ithacans indicated that they engaged in direct barter because of the difficulties they had in productively entering the HOURS network. Lastly, some non-users explained their lack of interest in participation in the HOURS economy as a function of the fact that they did not like or had no use for barter.

This parallelism is not idle but has significant implications for framing consumption and value. Barter is widely held to be the precursor to money. The inconvenience of exchanging in kind, the story goes, was the impetus for the creation of a universal equivalent of value. It was a brilliant moment of abstraction from which much

greatness has flowed. This evident history of where money comes from is the account given in encyclopedias and textbooks on finance. It also happens to be quite false. Historical and anthropological work in particular has shown that money and barter are in fact distinct branches of the economic tree (Davies 2002, Hart 2001, and the authoritative anthropological volume on barter edited by Humphrey and Hugh-Jones 1992). Money has historically held multiple and diverse functions, not all of which were always primarily concerned with exchange. Barter on the other hand has been and continues to be a direct exchange of resources. In additional point of proof for the separate and distinct history and function of money and barter is that barter has never really been replaced by money, but it is still going strong not only among individuals in the small scale of informal, day to day exchanges, but among corporate entities that find advantage in the direct and unmediated exchange of materials to the order of billions of dollars annually. And while modern money is widely seen as the hallmark of the modern global economy, Keith Hart among others has pointed out that the closest one can get to a free market in the ideal sense, is in fact, through barter, a sort of one-to-one trade which involves free choice, direct exchange of equivalent values and no outside regulation (2001, 2005).

While some types of local currency operate on the principle of labor time exchange and could thus be more easily seen as systems of exchange in kind, the HOURS model that originated in Ithaca is unequivocally a money system. HOURS have all the markers of form and function to be recognized as money. They are a paper currency that is denominated, durable, recognizable and of predictable value, which can also serve a number of the functions ascribed to money: medium of exchange, store of value, unit of account and so on. Equating alternative money with barter therefore, makes for a technically faulty but evocative comparison, particularly if the focus is on the idea of the free exchange of equivalent values. Unlike market exchange, barter does not

carry the same connotations of risk and the possibility of unequal transfers where one party gains while the other loses. At its basic, barter is about everyone getting what they want, and if local currency evokes that sense of bartering, it would not be unreasonable to imagine –as many of the users’ narratives all but state– that exchanges in local currency also carry a sense of “fairness,” the security of an equal and mutually positive transaction without the suspicion (or assumption) of hidden costs or risks.

Anthropological literature on money shows that the medium of exchange, and not just the type, or institutional context, or mechanism of exchange (market vs. non-market, capitalist vs. non-capitalist) has a bearing on the construction and representation of value that governs both the material and social and cultural aspects of economic activity. This was further reflected in the markedly diverse and inconsistent ways users perceived of HOURS compared to “real money,” and more specifically, earning and spending HOURS versus earning and spending dollars. So what did it feel like?

Definitely it felt like money and I had this cool fascination about it, knowing it is useful like regular money but totally outside the US economy, and would have to stay here. Also it was fun to keep them in my wallet and show people who were new to Ithaca. They are colorful with a colorful meaning and story behind them. I think I did a pretty good job convincing myself this is real money, mainly because I was around people who did NOT think of it as money but more as a coupon. But I did see it a little like free money... something different.

Or,

What it feels like? Does it feel like real money? I think it’s good! I like the system. Yes! It is real money. It’s cool. It’s *our* money. I like it.

Or,

It made possible to spend for things I would not spend cash on. It made me feel like I could afford it. Also it makes me feel good to know that the person will spend it locally. It is a sort of double value

Or,

It feels like money, definitely. I like the idea of spending and knowing it’s local. It’s like nice money.

Or,

Yes. It is playful money but it is real. In a sense it's more real because it stays around. The other money, I don't know where it comes from, where it gets printed etc. Here I know the artists. It's really concrete.

One person told me that in the past she came into some HOURS and, not quite understanding what they were, she had thrown them away. "Now I wouldn't throw them out, I'd find a way to give them away... would put them up in freecycle or something."

Be they "free money," "nice money," "our money" "playful money" and even "concrete money" or just money to "not be thrown away," HOURS hold diverse meanings and functions that set them apart from "regular" money, while still remaining "real." For many however, this "realness" shifted depending on the direction of the currency's flow, distinguishing earning from spending. For some, like Robert's commentary above suggests, getting paid in local currency carried the same weight as getting paid in any other fashion, yet spending that money amounted to something different, something special or even denoting a treat, a sort of prize or stroke of luck⁷⁰. A couple with long-standing ties to, and by all accounts extensive experience in the local currency economy shared:

- *What does earning HOURS feel like?*

It feels quite real, like real money—you pay real bills with them. And for example, Turbacks [an upscale Ithaca restaurant that is no longer in operation], we would not have even eaten there if it weren't for HOURS. We went there for her birthday. It was a \$75 bill.

- *What does spending feel like? Is it like dollars?*

Yes and no. There is a part of me that feels like I'm getting away with something. You know, like monopoly money. Also we would spend them at places we'd never get out the cash for. Spending feels a little surreal and we are not very careful with them at all.

⁷⁰ The pattern of "dedicated exchange" I described in Chapter 5 fits here.

The woman who initially threw her HOURS out, and for whom local currency felt like monopoly money, still commented on spending in similar terms: “Oh then it feels like you get something for free!”⁷¹

An opposite reaction was also reported, where a neutral attitude to earning HOURS corresponded with a feeling of apprehension in spending them:

I see it as a convenience to my customers that I accept them. I am not tempted to up the acceptance because I need cash. It feels like charity a little bit. Not in a bad way, it is a good thing... good karma, good positive relationships but it is not money.

- *What about when you spend them?*

It depends on where you spend. With some places and people it feels like I am asking them to do me a favor most of the time. There's a handful of people that is ok, for example my chiropractor—we exchange HOURS. But with people who do not come to my business it feels like I'm passing on the burden.

Interestingly, the above business owner also did a fair amount of trading in HOURS, reaching into the four figures per year, and also reported that she was able to spend all she earned, indicating that her discomfort with local currency is not simply a matter of the currency's limited functionality but that it involves the conceptual matter of shared representations of value.

For other users, HOURS held less, not more discomfort. To the question of earning versus spending, a carpenter explained about his early involvement in the system:

There wasn't really any significant difference in my mind. The only thing was I have five kids. So as a carpenter it is hard. So my consideration was to know that I could get dollar-to-dollar services for the HOURS. I would not take it if I could only spend it in places where I would not spend money on otherwise. [...]

Probably in my mind I tend to devalue them to some degree, so to me it was like giving something to someone without being uncomfortable and making them uncomfortable. For example, I'd give them to my daughter in law and she'd take them and use them without problem, whereas

⁷¹ Whether “free” is “valuable” or even valued is an extremely complex question, without general answers. Minimally however, what I want to bring out with this discussion is the *difference* experienced between earning and spending.

giving dollars would be different. Usually, my last 10% of a job would be HOURS, so I could give them out, consider them profit and could feel really good about giving them to someone.

Things and payment still change hands but the value somehow differs.

The issues of risk, equity and possibility (of “fairness” in a certain sense) ran through users’ narratives in other forms as well. Hugh’s account for example presents an interesting dialectic between value and utility. Hugh carefully monitors the balance of currencies at his disposal. In terms of use however, having more “regular” use for local currency is cause for restricting spending, presumably putting HOURS closer in line with federal dollars and perhaps moving away from the possibility that local currency defines a different sphere of value. However there is still a different set of rules for using federal and local currency, and significantly, a distinction about what it means to spend passively versus spending actively. As things stand, Hugh seeks to maintain both kinds of exchange experience and a balance between them but the nature of spending becomes problematized. And so value is no longer a simple issue of quantitative equivalencies. The money does not only carry but affects and informs the value of the commodity and the tenor of the exchange.

Regardless of positive or negative evaluations, these experiences again reflect the theme of a consumption of abundance, where the mainstream money (dollars) is connected to necessity, to the danger of scarcity, and to obligation, while the alternative currency is connected to exchange as something different, frequently a sort of reward, sometimes a potential burden, but overall something that evokes a different connection between value, utility and price, and by extension, the ways social relations of consumption are conceptualized and enacted.

Things About Stuff

Friday night in an Irish pub is as good a place as any to debate money, meaning and value, particularly when what starts as an interview attracts the attention of people who are there precisely because they feel like talking. As these things have it, one is also likely to be treated to an exchange of archetypes, in this case about the meaning of, and means to freedom. In this particular instance, the interlocutor who decided to cast himself in the role of the realist adversary, strongly argued for the unquestioning superiority of the regular, versus an alternative economy based on the very reasonable observation that the mainstream economy offers better pricing, a far wider variety of available things one may want, and much more immediate access. Why should one go through such trouble of dealing in a different and decidedly limited currency when dollars can do anything and go anywhere that local currency can (and in fact way more) in an arena where providers will actually compete for one's attention? Wishing to clarify and confirm, I asked him whether he then saw economic freedom primarily as a function of unrestricted consumption options. The ill-fated choice of the "c" word did not sit well with my companion, a low blow indeed, surely meant to dismiss the power to be found in the relationships between things and people—a relationship in which evidently people are unquestionably in control—and presumably distorting the meaning of this relationship into something base and objectionable, like lust or greed.

My companion captured the issue quite well: why is consumption such a contested term and what is the point of consciously restricting one's realm of possibilities in the way that alternative currency does? While the ambivalence and apprehension with which even dedicated participants often regarded HOURS demonstrates this reluctance and ambiguity involved in alternative currency transactions, an answer began to suggest itself in my conversations with users, with respect to the notion of choice. Sarah, a younger user and a relative newcomer to Ithaca, who around the end of my

fieldwork went on to become involved with the administration of the system, reflected perhaps a bit more uneasily on her own use:

No, it does not feel like the same thing as dollars, just because there is such a discrepancy between the power of the dollar and HOURS. You can't save HOURS like you save dollars so the premium is on dollars. At the same time though, HOURS help conserve dollars. It just requires an extra calculation to make sure I had enough dollars. As long as HOURS can be useful and they are... as long as I can get things I need. [...] Spending HOURS however definitely feels like spending money. It's like an exchange currency. If there is any anxiety about HOURS it is the fear of running out of dollars. I use HOURS more freely because they don't have the same sense of urgency with dollars (like things you HAVE to do with money). If I used HOURS for things like rent they would become more precious, if survival depended on them.

Then she added:

We *need* to get HOURS to be the same as dollars. That's why "regular folks" need to sign up more.

Sarah is young, bright, and by no means "well off," a good specimen of Ithaca's alternative-progressive class. Well-educated (she holds a masters degree in theater), creative, and energetic, she sustains herself with all kinds of opportunistic employment that includes working as a farm hand, providing elderly care, and apprenticing at a carpenter's shop. Her critical eye on money does not mean that it is not something of import or concern to her. Her perspective is telling of a vacillation between competing politics of consumption in two arbitrarily compartmentalized domains, with different aesthetics: the utilitarian, somewhat fearful, ominous dollar economy versus the lighter, yet freer and more humane HOURS economy. On the one hand, she appears to suggest that the liberty of HOURS transactions is something negative, something that should change as HOURS need to come more in line with dollars in utility, become more "precious," or "serious." But there is a difference.

I had an idealized vision that HOURS would compete against Wal-Mart, taking back our relationships from corporate elites. The reality is that HOURS is struggling and is clearly not as powerful or viable as dollars. People don't take it seriously. But even if practically speaking the forces of global capital are much stronger, HOURS still has a strong

sense of community—It has a strong core, it is a powerful idea. There is a strong sense of belonging in them. Also maybe part of the power of HOURS is the things we *cannot* do with them—we cannot shop at Wal-Mart. Part of what is powerful about choice is that every choice is a statement of what you are not as well as what you are. So not being able to use HOURS at Wal-Mart is a powerful statement about what we are not. There is something very powerful about HOURS that dollars cannot touch.

- How shared do you think this feeling is?

I think this is how it started, with Paul Glover and some of the core HOURS folks. But for a lot of regular members I don't think this is felt that deeply. Though HOURS is working for me it still seems like an elite thing in the minds of people who care about these things. It is a philosophical elite. In the wider world outside the Ithaca Commons it is not a great reality. Still though, recycling is perhaps an equivalent example: the feet go first and the heart follows.

Critiques of sustainability initiatives have pointed out that that despite the discourse of equity and participation, there are still significant differences in power and control between the historically powerful “core,” or social elites and historically disadvantaged or subaltern “peripheries,” or non-elites that put to question claims of “alternativity” in these trade models. (Recent anthropological scholarship on fair trade that takes up the problem of power equality and producer control in alternative trade relationships, and discussing a sustainable development program in Mexico. Clark 2002 explicitly identifies the locus of power and control as the crucial factor that solidifies, or in her case breaks, the project). This is where the notion of “open source value” is most helpful, in explaining the trajectory of alternative currency in Ithaca. While Hours is a grassroots organization, it is not exempt from the reality of community differentiation, which renders the grassroots label problematic (who is “in” and who is left out?), and even within the network there is marked variation. Nevertheless, the money form itself allows interchangeability without full objectification, since, to follow Simmel and Hart, it is not a material but a social phenomenon, a form of interaction, communication, or information exchange. In Ithaca’s alternative money economy, neither abundance nor

control and freedom necessarily reside in limitless and unrestricted consumption choices, and HOURS offer a degree of institutionalization to this alternative consumption. But this institutionalization is as loose and fluid as cash. "HOURS make it easier to do the right thing." "It is good you can't spend them all on just one place. It forces you to become more disciplined and develop local spending habits." Or, "In a way it is good it is not too easy to spend them. And my impression is that yes, people get it."

The money as mediator between the material and the social also negotiates confidence and trust in relations of exchange. Economic science states that for a money economy to work people must have confidence in the currency, however, confidence in the currency also allows a measure of confidence in fellow people. In Chapter 4 I touched upon the effect of alternative currency on labor and labor relations and Chapter 5 was devoted to "creating community" through HOURS, but the money also acts as a way to ensure at least a degree of confidence in the possibility of bringing about real social change. Hence Sarah resolved the question of whether or not people are sufficiently devoted to a unified "cause" by reasoning that the practice may precede the meaning. Other users were able to negotiate their own uncertainty and trust similarly:

It feels like I have to be conscious of how to use my HOURS and how many I can deal with. If the system expanded I'd worry less. But it would totally feel like I've gotten paid. It's a point of understanding the system and not fear. That's the thing: fear, trust, understanding how it works.

Or,

It's just scratching the surface. People are scared of it. Everyone is scared of something different. They don't know where to get it, what to do with it, concerned about getting stuck with too much... Every penny is precious. There is not enough education to understand its value, that it is an investment in the future and day-to-day life. It is more valuable than dollars. How much is hard to say. But it is hard to convince people of that. If more people would accept them it would make it easier to accept more. But even progressive, conscientious people often don't take them because they are afraid.

Here in the [store] we have a lot. Not a glut of them because the owners take them (we buy them up), because we want to support the system. But if more people, like our suppliers, would accept them, we could take in even more. People don't understand the value of these things—how they are worth much more than the monetary value. It's that lack of education.

Both of these users are making broad statements about “the others” in the network, while asserting the strength of their own understanding. Their comments illustrate the centrality of trust, and the consensual element involved in creating a legitimate standard of value, the practical meaning of “fiat” in fiat currency. But while still problematic, the experience of local currency exchange begins to escape the depoliticized and asocial discourse of consumption as final demand and engages the systemic, political, relational and social nature of economic activity. And while “the others” are not necessarily easy to trust (“they” do not understand and are afraid of investing more fully in the local currency, for instance), trust is still possible: HOURS, the money itself, “vouches” for the people; it conveys information on value and claims to value, mediates between people, understandings, and motivations, makes different, and even possibly divergent meanings *liquid* and *fungible*. In this, there is a sense of empowerment. The Tompkins County Chamber of Commerce chairwoman commented on the chamber's support of the currency:

We support them because they are members but also because they support the same work we do: How do you give value to the community and people's time and work that is not normally valued, and how do you support one another? [...]
HOURS are NOT a major part of the economy but it does serve to reward work that would not otherwise be rewarded, and also giving people a sense of control over their economic lives. The main point is gaining control over economic life. I think this was big for the founders. I don't know how big an incentive it is for the users. It's about buying local, emphasizing local economy and local trade. But how much does this work? The number one employer in town is Cornell, which is fundamentally an export business. You can't compare HOURS to Cornell. But HOURS is an idea that captures the imagination of people everywhere because it addresses those things that everyone wants: control over their economic life. We have no control over anything, especially in the world we live now. We are constantly inundated now by

the whole world. I think that things like Ithaca HOURS are a good tool to limit this input and stake your local ground economically as well as psychologically. It is choosing to limit choices.

These perspectives also resonate with the findings of the CCE project: for the majority of participants belonging to a previously unengaged population, the experience of exchange with HOURS was positive, and for some, even fruitful. It opened up a space of economic possibility, but more importantly, a space in which the users of the currency found a different way of engaging with materiality. Consumption in HOURS signaled a different relationship between person and object, as well as person and the larger social context. But this again is in large part the work not of a “social movement” but of the currency itself, as the fluid, multivalent money seeping into spaces that a concrete organization, operating in a segmented community, cannot easily enter. And the money operates in a space between, or rather marks the point of connection between “objective” and “subjective value, the individual subject and the institution or group.

Distilled

HOURS help Ithaca’s economy, but not always directly or even significantly. They encourage community, but not unequivocally. They promote environmental sustainability, but obliquely. So what, to come back to the central question for this study, is alternative about alternative currency? At least in the case of Ithaca, alternativity hinges on the development of a money system that encodes, negotiates and mediates between different kinds of value but within a common network of material exchange. HOURS hold diverse meanings but a common set of functions, concretized in exchange. In this sense, it is not “social capital” that they promote, but the ability to venture from a naturalized, quantified understanding of value, to something that links different types of meaning or “symbolic capital” to the “real capital” of materiality. This is perhaps why it is

so difficult to assess the movement's standing or impact, and also the sense in which this study argues that Ithaca's alternative currency ultimately succeeds in producing alternative economic spaces and discourses.

From the argument I have been building throughout this work a few conclusions can be distilled. First, and most proximally, this study demonstrates why and how the alternative currency movement is successful in Ithaca. It is successful in its persistence despite limitations, inconsistency and incongruence, because it gives people a different way to trade in which they have more of a say as to what is important and how it may be measured. The economic impact of alternative currency is highly variable and irregular. For some it may be an important daily resource, for many it barely registers, and for others, it may hold auxiliary functions of varied significance, like serving as a security, or present a solution in times of crisis. However, this entire network (however small) persists more on account of a certain fidelity and commitment on behalf of participants outside direct quantitative significance. The same holds true for the social connection and "community building" aspect of the system. Participants may experience a certain degree of connection with others and with place but this is not and unequivocal "community" defined distinctly against the larger context of what it is not. In this, extant social divisions along race and class boundaries are occasionally breached, but not systematically challenged or changed. Interestingly though, these realities of social life in Ithaca's local currency economy also show that the organization and the network of the currency's circulation are not the same social domain. Rather, the latter encompasses, but (significantly) is not limited to the former. The money shows the capacity to move independently of the organization and seep into new social spaces.

HOURS' social and political ecology however point to a different direction. The marked diversity and even inconsistency of people, effects and experiences alternative currency encompasses (as well as those it leaves out), hold the key to understanding

the movement's success, both in terms of its persistence in Ithaca, and in terms of the larger significance that this very small case may have in the field of alternative social mobilization. And this is the connection between alternative money and consumption, broadly construed. What, when, how and with (or without) whom one consumes is perhaps the most immediate way to communicate cultural meanings, but today, what is the "right" way to consume is a highly difficult and contentious issue, especially through the lens of sustainability, which is concerned with economic, social and cultural equity, as well as environmental preservation. Consumption can mean power and disempowerment, political agency or depoliticization, mental and material enrichment or impoverishment. Money mediates (and thus enables and informs) consumption, or the enactment of relationships between people and things. I believe that Ithaca suggests two possible mechanisms by which complementary currency alters these highly morally and symbolically charged relationships.

First, as I hope to have shown, alternative currency is clearly not an anti-consumer movement. On the contrary, it promotes consumption, and consumption of a particular kind, that is to say "local" consumption, but it differs from other alternative movements in that it leaves it to the participants to decide what precisely "trading locally" means. It is then the function of the money to go past being a measure of price and quantity, to encode, circulate and negotiate these diverse meanings and values, sustaining both diversity and coherence in the network. Local money may thus serve to "launder" problematic consumption. And while extant structures of inequality and exclusion may not be radically breached, as Yohshida's (2003) input-output work shows, this process does translate to positive environmental impact in real terms.

The "phenomenology" of HOURS exchange suggests a second mechanism by which the currency affects relationships of consumption on the ground. It does so by showing deference to the importance of materiality in human life, implicitly challenging

the dualistic opposition between morality and desire. Ithacans frequently likened HOURS exchange to barter, and also found that earning HOURS felt different from spending them, even though quantitatively, all HOURS transactions were equivalent to dollar transactions. For many users, HOURS were also associated with pleasure, reward, or “special” consumption, suggesting that the use of the currency signaled (and by virtue of money’s nature as a vehicle of information, carried and infused) special meanings to the act of consumption, that spanned the mental and the material (place, environment, aesthetics, social connection and so on). Consumption with local currency may be difficult and limited but it is also charged with more significance. The “choice to limit choices” that many users expressed, as well as the “institutional” aspect of local currency, offering a structured way to direct exchange also fit here, indicating an intensification of meaning in the relationships between things and people, again all elements of both material and political agency in consumption.

Lastly, the HOURS case in Ithaca, illustrates how different types of money can and do affect the material reality they are supposed to objectively describe, and highlights the potential significance of including the means of exchange in the discourse on globalization, development and sustainability. The HOURS case supports, in other words, a main line of argumentation in the anthropology of money that can be traced back to Simmel. Simmel argued that different values can be attached to the same objects, but it is only through money that subjective values can find objective expression. However, he also saw money as inextricably linked (perhaps even causal) to modernity as advanced by industrial capitalism, and so only able to express that part of value that is generally contained in all exchangeable objects as defined by “*gesellschaft*” modernity, not the “individual element in them,” (2004:390-391). Value for him derives from desire, and money is the tool for the reification of subjective meaning into an objective (naturalized, recognizable and exchangeable) form. But the modern money he

so astutely analyzed was, for him, the only money, both cause and effect of an increasingly unified and undifferentiated global society. Modernity, for Simmel, informs what is desirable, and so money works to define and circulate, not just measure, what we understand as desire.

This is the domain of culture, and the keen Simmel may well have foreshadowed semiotics, the study of power and hegemony, and even Bourdieuan notions of symbolic power and capital in linking meaning and materiality through the “thing” that is modern money. But as the “backhanded” lesson of this scholarship always seems to be “stop short of determination,” the alternative currency movement counters two things to the reifying and fetishizing power of modern money: that modern “general” money is not the only money out there, and that money’s effect as symbolic medium does not have to remain (as indeed it has not) below the level of its users’ awareness and action (Hornborg 2007)⁷². Alternative social mobilization, no matter what forms it may take, indicates that the conventional economic models do not work so well any more, if they ever did. The case of HOURS proposes that money, not just in quantity and distribution but in form, may have a role to play in building alternative (and perhaps more sustainable) social memories.

⁷² This is also what I understand to be Maurer’s (2005) point about “lateral reasoning” in alternative money schemes.

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