

Cultivating a Polyculture of Exchange:

An open inquiry into how communities creatively meet diverse needs

A commentary and response to

Change the Exchange: Creating Community Connections

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“How do we creatively meet our community needs?”

This was the calling question that brought nearly 40 members of the greater Totnes community to a workshop and community dialogue entitled “Change the Exchange: Creating Community Connections” on Friday 13th of April, 2012. Gathered in a small, oddly shaped room across from the market square on a typically dramatic spring afternoon in Totnes, the dialogue that unfolded was lively, diverse, inquiring, and clearly the beginning of a longer community conversation. As facilitators and catalysts of this exploration into different forms of exchange, we came with a series of questions, some background information on already existing economic initiatives, and a genuine interest in engaging the collective intelligence and creativity of those gathered with us.



The following essay attempts to express some of the intellectual context which both inspired and was informed by this inquiry into how to cultivate a thriving polyculture of economic relationships. In keeping with the essence of the broader exploration - and as simply one part of that larger whole - the essay is less concerned with making a specific point than continuing an open and collaborative examination of how communities can creatively respond to times of transition. Though clearly informed by the thinking and practice of certain critics of the global economic system, the essay ultimately poses questions for further inquiry and presents one of many alternative ways of approaching local economic resilience, rather than reaching definitive conclusions or positing specific solutions.

The Radical Monopoly of Money

“Money seems to be destroying the earth, as we pillage the oceans, the forests, the soil, and every species to feed a greed that knows no end....

...At the same time, no one can deny that money has a mysterious, magical quality as well, the power to alter human behavior and coordinate human activity....”

-Charles Eisenstein, Sacred Economics

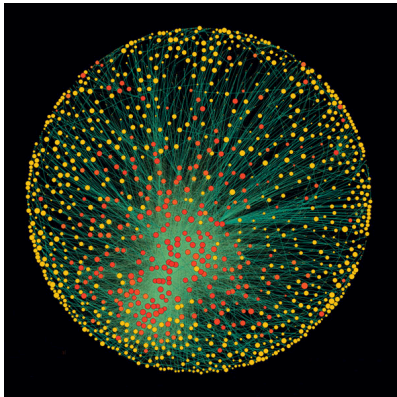
The modern pursuit of progress and ‘development’ followed over the past 250 years has resulted in the profound monetization and industrialization of society. In a highly monetized society, where economic transactions provide for most of a people’s physical needs and wants, money becomes the dominant and most socially valid form of communication.

Recent research has confirmed that i) within the complex-adaptive economic system, money tends to flow towards the most highly connected members¹, ii) increasing monetization of society has led

¹ A 2011 complex systems analysis of the relationships between 43,000 transnational corporations has shown that a “super-entity” 147 companies have direct or indirect ownership over nearly 40% of the global economy. From a purely scientific perspective, such a high degree of interconnectedness is extremely unstable (Coghlan, A. and Debora MacKenzie 2011).

to highly unequal, unjust and socially atomized societies², and iii) relative income inequality within societies has a detrimental effect on health and social relationships for all members of a society.³

While these processes and patterns cannot be attributed to any one single factor in such a complex



“The 1318 transnational corporations that form the core of the economy. Superconnected companies are red, very connected companies are yellow. The size of the dot represents revenue” (Image: PLoS One, Text: Coghlan, A. and Debora MacKenzie)

system, the central role of money is of undeniable significance. Modern anthropology has produced a wealth of research demonstrating that beneath nearly all human relationships and thriving communities, both in modern and tribal societies, lies a web of gift exchange.⁴ Where monetary transaction has progressively replaced gift exchange and other forms of mutual aid, social cohesion and the rich fabric of community has deteriorated.

So what is the nature of this thing called money? At its core,

money is little more than a social construct, a widely accepted medium of exchange. As a social construct, it is both an abstraction (a representation of value) and a physical manifestation (a flow of energy through a system). As an expression of social trust, it has the power to both facilitate connection (when used as a medium of exchange) and abstract and de-humanize relationships (when sought as an end in itself).

A critical examination of the historical record reveals that hard currency exchange and centralized money systems have only arisen out of very specific material conditions. Perhaps the most common and most revealing of such social conditions is the breakdown of trust and the associated rise of institutionalized violence.⁵ Given the contextually-dependent evolution of various exchange systems, it is evident that the dominant organizational pattern of economic relationships fosters the flow of more than purely material value - such systems carry specific social value systems within them as well. And this dominant pattern conditions the very way people interact within society in both subtle and overt ways.

As a form of social conditioning, our centralized money system functions by maintaining a monopoly of exchange value, i.e. it serves as the primary and dominant way of assigning value to and moving goods, services, and anything else of ‘value’. Social critic Ivan Illich’s concept of a *radical monopoly* provides insight into the process of institutionalization which money has undergone:

I speak about radical monopoly when one industrial production process exercises an exclusive control over the satisfaction of a pressing need, and excludes nonindustrial activities from competition...The establishment of radical monopoly happens when people give up their native ability to do what they can do for themselves and for each other, in exchange for something "better" that can be done for them only by a major tool. Radical monopoly reflects the industrial institutionalization of values⁶.

² Lietaer, B.A., 2002. *The Future of Money: Creating New Wealth, Work and a Wiser World* New ed., Century, pg. 179-186

³ Wilkinson, R. & Pickett, K., 2009. *The Spirit Level: Why Equality is Better for Everyone*, Allen Lane.

⁴ Hyde 1999, Graeber 2011, Mauss 2011, Lietaer 2002. For more in-depth exploration of this theme, see also *The Ecology of Gift Systems* (Tittle 2012).

⁵ Graeber 2011

⁶ Illich 1973

In exercising exclusive control over determining the ‘value’ of objects, skills, labour, resources, relationships, etc, market forces effectively institutionalize both quantitative value (price) and a society’s social values. In actuality, beneath what is measured as the formal economy, the majority of actual interactions taking place across the globe daily don't necessarily involve money - the household or core economy (child-raising, cooking, household chores, care giving, conversing with friends and neighbors, sharing meals, etc.) forms the soil out of which that formal economy must necessarily grow. The genius of the dominant economic system, then, is its very pervasiveness, its ability to “exercise exclusive control over the satisfaction of a pressing need” - or nearly all needs in the case of money.

So to rephrase the initial statement, *our centralized money system maintains power only when it holds a monopoly of consciousness, i.e. when a critical mass of people think it is the only legitimate way of moving goods, services, and anything else of value.*

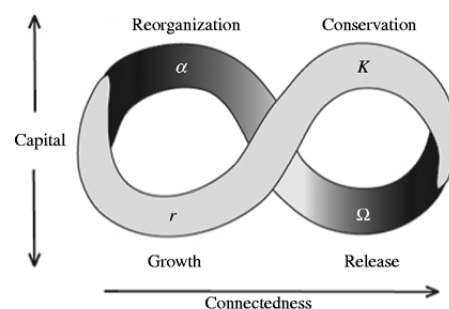
An active citizenship has been replaced by passive consumerism, where material ‘needs’ - needs met predominantly through the consumption of scarce goods and attained through monetary transaction - are pervasively reinforced. As Wilkinson and Pickett have demonstrated, income inequality weakens community life and material status tends to matter more in communities with weak social ties⁷. Scholars such as Bernard Lietaer, Lewis Hyde, and Charles Eisenstein have gone as far as to say that real community only exists in the presence of gift exchange - when relationships are based not on exact reciprocal relationships, but on bonds of trust, cooperation, and mutual support⁸; thus, when the complex web of community woven together by gift exchange is replaced by a cold and lifeless form of monetary exchange, essential bonds of relationship are lost.

On Monocultures and Polycultures

“The shift in paradigm is not about abandoning a previous system, but complementing it with new money systems that support different sets of values.”
- Bernard Lietaer, *The Future of Money*

If money has attained a radical monopoly of exchange - and a corresponding institutionalized consumer consciousness - it has likewise contributed to a frighteningly unresilient global economic system. As a complex adaptive system nested within the larger Earth system, the global economy is subject to cycles and patterns of growth, conservation, collapse, and reorganization⁹. According to models of complex systems, more resilient systems are characterized by a large number of weak connections, whereas less resilient systems have a small number of very strong connections - over-connectedness significantly reduces a system’s ability to respond dynamically to stress and avoid collapse or rapid shifts of system state.

Resilience is ultimately a function of diversity. The more diverse a system is, the greater its capacity to absorb shocks and retain its basic functioning and structure. Our national and international money system is one of the least resilient aspects of the global economy given its reliance on an extremely small number of highly interconnected national currencies. The currency monocrop, as it might be called, is extremely



Source: Peeples et al. (2006)

⁷ Wilkinson and Pickett 2009: 230

⁸ For example, the modern scientific community and privatization of medical knowledge (Lietaer 2002: 185); and the effects of western economic practices on native peoples across the globe from North America [such as the Kwakiutl described in Hyde (1999)], to South America [tribes of the Peruvian Amazon as described in Lietaer (2002: 186)], and the Himalayas (such as Ladakh described in the film *Ancient Futures*).

⁹ Harding, S. 2011

susceptible to destabilizing disturbances with far-reaching consequences for the rest of the socio-economic system where it begins to collapse¹⁰.

An obvious response to this fundamental weakness in the dominant economic system is to cultivate more diverse forms of exchange and interaction. Repeatedly and across cultures, alternative currencies have emerged in times of financial instability, both as practical responses to failing national currencies and as ways of strengthening community cohesion in times of uncertainty¹¹. Particularly in times of such great uncertainty, enhancing community resilience (social, economic, and spiritual resilience) will depend on both insulating local economies from the volatility of global markets and reaffirming community cohesion by fostering more connections within and between communities.

In this context, the importance of cultivating more diverse, resilient systems is important both in terms of fostering more forms of exchange to meet needs and value gifts in different ways, and in fostering more appropriate social value systems not narrowly conditioned by monetary exchange and consumerism. The reciprocal causality of socio-economic systems and social value systems means that re-organizing economic relationships can potentially catalyze significant changes in social values, and vice versa. As communities and individuals become aware that their needs can be fulfilled in myriad ways and that money is simply one socially agreed-upon mechanism for doing so, profound shifts are occurring. Indeed, as David Graeber has said, "if money is just a social construct...we can renegotiate it at any time."¹²

On Community Needs and Different Forms of Exchange

"I do think that if I had to choose one word to which hope can be tied, it is hospitality."

Ivan Illich, *Institutionalization of Gift*

Radical anthropologist David Graeber, in his seminal work *Debt: The first 5000 years*, identifies three distinct moral principles upon which all economic relationships are grounded:

- communism - "from each according to their abilities, to each according to their needs"
- exchange - "a constant process of interaction tending towards equivalence"
- hierarchy - relationships where one is considered superior to the other, often arising out of formal differentiation of people or groups

Implicit in this analysis of the varied yet context-dependent forms of economic relationships found throughout history and across cultures, is the insight that different types of relationships tend to meet different needs. Social unrest and decay are often a result of the pervasive creep of one form of relationship into the essential domain of other forms of relationship. Thus, community cohesion

¹⁰ The current European sovereign debt crisis in Greece, Italy, and Spain is a direct example of this - vast differences in economic strength between nations of the single currency zone has led to the threat of entire nations defaulting on debt repayment, causing increased volatility in global economic markets, destabilized political systems in many European nations, and high degrees of social unrest, violence and protest. This highlights both the fragile nature of the currency monocrop, as well as the social effects of declining trust in national currencies.

¹¹ Examples include Argentina during the 2001-02 financial crisis, USA during the Great Depression, and transition currencies in UK during the current financial crisis (North 2010: 64-68; Eisenstein 2011: Chpt. 15)

¹² Graeber and Stern-Weiner 2011

breaks down when gift relationships are replaced by monetary exchange¹³, or when exchange between equals becomes a system of hierarchy.¹⁴

Over the past three decades, and more recently since 2007 in response to global financial instability, the global economy has witnessed a flowering of various complementary currencies. Exchange systems such as timebanking and LETS (Local Exchange Trading Systems), as well as the proliferation of more conventional fiat and proxy local currencies, have developed in countries around the world in response to specific community needs. In contrast to more utopian attempts to completely replace the centralized money system, many of these more recent manifestations have sought to work alongside the dominant money system, offering a potentially more resilient polyculture of exchange where members of the community marginalized by the dominant system can participate more fully and equitably.

All of the various forms of local currency function in different ways, yet share a common purpose of rebuilding and strengthening local capital in all its manifestations¹⁵. Whether linked directly to the national currency (proxy currencies such as the Totnes £, Bristol £, and Brixton £), created as locally sovereign currencies circulating within a community (fiat currencies such as Ithaca Hours where someone prints money, declares it to have value, and a community agrees to honor it), measured in a completely different medium of exchange such as time (time currencies such as Timebanking), or cooperatively-created systems of mutual credit (LETS schemes and commercial barter networks such as the Swiss WIR network) - in different ways, each type of currency responds to a different set of needs within a community and fosters a different set of values.¹⁶

Of course, many complementary currency initiatives do not last or do not end up having a significant impact on local economic conditions. A study done in 2005 found that as many as 80% of all local currency projects launched since 1991 were now inoperative¹⁷. Such initiatives face a range of challenges including lack of government support, inability to pay local taxes, inadequate local participation or insufficient diversity of skills and offers (in the case of LETS¹⁸ and barter schemes). Governments have actively marginalized some local currencies¹⁹, and UK and US tax laws often create barriers to participation for citizens receiving benefits.

¹³ The monetization of basic familial and household relationships is just one example, which has been played out very explicitly in communities such as Ladakh (*Ancient Futures*).

¹⁴ This process can unfold in both directions, as when traditional functions of hierarchical leadership are given over to a community of equals and group functioning breaks down. An interesting example of this may be emerging patterns within social change movements such as Occupy, where traditional leadership is shunned at the expense of more efficient and productive (at least in the short-term) organizational structures. More traditionally, battles of succession within religious movements and governments often demonstrate this pattern.

¹⁵ There are many models of capital available, but one that has informed the development of Change the Exchange is Appleseed Permaculture's Eight Forms of Capital: Material, Living, Social, Cultural, Experiential, Financial, Intellectual, and Spiritual Capital. Please see Change the Exchange booklet in Appendix for more thorough explanation.

¹⁶ For more detailed analysis of the community impact of LETS and timebanking schemes, and their particular capacity to engage marginalized populations such as students, prisoners, and the elderly, see Smith and Boyle 2005.

¹⁷ Collom, "Community Currency in the United States," 1576 cited in Eisenstein 2011: Chpt. 15

¹⁸ For a more thorough explanation of the practical challenges in running a LETS scheme, see Granger et al 2010.

¹⁹ To avoid running out of money during the financial crisis of 2001-2002 in Argentina, local governments began paying employees and accepting payment for taxes in locally-issued bearer bonds. This currency quickly began circulating beyond the initial region of issue, reviving economic activity and saving the economy from complete collapse. Eventually the IMF came in with 'emergency loans' and forced the abolition of the locally-issued currency (Eisenstein 2011).

On the local context

“The capacity of LETS to stimulate social regeneration has been visible through the Totnes Acorn, through its community network, communal activity, and voice for the community which otherwise would not exist.”

-Granger et al, *LETS as alternative, post-capitalist economics spaces?*

The Totnes region has an active history of local economic alternatives. Beginning in the early 1990s, Totnes developed one of the first and largest rural LETS schemes in the UK, with an estimated membership of over 250 members at its height in the mid-1990s following a period of economic recession. However, after creating a thriving community of diverse economic exchange and interaction alongside the mainstream economy, the following period of conventional economic growth saw active membership in the Totnes Acorn diminish significantly until it was largely defunct by 2009²⁰. Since that time, several individuals have made attempts to restart a LETS scheme in Totnes, but have had no success attracting enough diverse and active members.

One potential challenge to participation in the LETS scheme has been the rise of Transition Town Totnes (TTT) and its range of community resilience initiatives, including the launch of the Totnes Pound in 2007. Like many local proxy currencies, the Totnes Pound enjoyed much enthusiasm at its launch and helped to raise awareness of the importance of economic resilience, but has since played a rather minor role in the local economy.

Given the challenges and benefits of both local proxy currencies and mutual credit schemes such as LETS, there appears to be social and economic space for a renewed dialogue on how more than one complementary currency might fit together to weave a truly resilient polyculture of exchange and economic interaction²¹. While the conventional economy is clearly not serving all the needs of the Totnes community, it is equally clear that the Totnes Pound on its own has not been entirely successful at engaging certain sections of the community.

The foundation of our collaborative inquiry into cultivating a polyculture of exchange - cumulating in the ‘Change the Exchange’ market event and community dialogue - has been exploring what types of exchange system meet different types of needs within the community and how multiple systems might be woven together to more creatively and inclusively meet more community needs. Already existing initiatives and exchange systems include the aforementioned Totnes Pound, the recently launched TTT REconomy project supporting social enterprise, a cooperatively-owned local credit union for local savings and loans, a TTT Skillshare programme offering a diverse range of free re-skilling workshops, and several other less systematized manifestations of the gift economy²².

²⁰ Granger et al 2010:577

²¹ Due to various social dynamics within the community, those previously involved in the Totnes Acorn have been less active in TTT initiatives despite sharing similar visions and values of a sustainable and equitable local economy. Based on my experiences of living in this community and participating in various TTT initiatives, I have observed a shared narrative of competition between those considered ‘transitioners’ and those who have felt somewhat marginalized by the movement’s rapid growth and publicity. However, it has seemed equally clear that such a narrative does not serve the vision of TTT or the larger community, and thus a renewed and inclusive conversation on how various resilience- and community-building initiatives might fit together and complement one another seemed potentially fruitful - hence the inspiration for the ‘Change the Exchange’ event and dialogue.

²² The more spontaneous and fluid nature of the local gift economy is worth noting since it is inherently difficult to quantify all such interactions. However, examples of the gift economy meeting specific needs in creative ways abound, including online networks such as couchsurfing.org (meeting a need for shelter), justforthe love of it.org (meeting needs for learning, shared use of tools, and access to working space), and freewheelers.com (meeting a need for transportation).

Identifying the gaps where unmet needs and unused resources are still not connected, and deciding what system might most appropriately facilitate these connections within the local context, will be a large part of the conversation catalyzed at our event and hopefully carried forward by members of the local community. A challenge going forward, and an area needing further inquiry locally as well as nationally, is determining what formal and informal platforms might most successfully connect different exchange systems in mutually-beneficial and user-friendly ways. Following the Change the Exchange community dialogue, there appears to be significant support for a revived LETS scheme, but how that might meaningfully complement other aforementioned local economic initiatives is still an evolving conversation.

From Scarcity to Abundance: Cultivating the Polyculture

“Remember children...love is a gift economy.”

- Reverend Billy and the Church of Earthalujah!

An explicit aim of many alternative currency projects is the democratization of the money system, giving individuals and communities more autonomy over the creation, distribution and use of their medium of economic interaction. Given declining trust in national currencies and continued economic instability, this seems an essential process from both a resilience perspective as well as a social and economic justice perspective.

Perhaps the more significant shift, though, will be moving beyond the conceptualization of the ‘economy’ as a distinct and independently existing realm of interaction. In “A Review of Marcel Mauss,” David Graeber says:

"Mauss held that in past market-less societies — and by implication, in any truly humane future one — ‘the economy,’ in the sense of an autonomous domain of action concerned solely with the creation and distribution of wealth, and which proceeded by its own, impersonal logic, would not even exist.²³"

As context-dependent and living experiments in economic alternatives, complementary currencies represent exciting terrain for the emerging of a new economy. However, LETS, time banks, and local currencies are still just means of measuring and thus socially witnessing acts of generosity and reciprocity - the ground of all social relationship. It may be that our society still demands such quantitative validations of human sociability, but this process should not come at the expense of a more spontaneous and ultimately less systematized gift economy.

A shift - economic, social, spiritual - from the narrative and structures of *scarcity* to those of *abundance* is already taking place in communities around the globe. Part of that shift is deeply realizing that no one solution, no one form of exchange, no one new system is appropriate for all people and all contexts. Processes that allow the flourishing of a plurality of ways of relating, interacting, living, and loving most authentically reflect the changing reality we inhabit.

The economic polyculture is already emerging in cracks in the pavement, in the spaces created by crisis, in the shadows of the monolith. How we creatively cultivate these emerging alternatives and weave them together into a coherent whole is the challenge and the opportunity of the coming years.

²³ Jain, M and Jain, S 2008: 23.

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Change the Exchange - 13th April 2012, Totnes

This document is intended to give an overview of each of the files/resources on **the attached DVD**, offering an aggregated perspective of the development, realization and some harvesting of this event/project/exploration.

Event (13th April)

Slideshow capturing the event

ChangeTheExchangeSlides.mov

Video of workshop and community dialogue

*Change the Exchange
Dialogue.mv4*

Booklet given out at market

*Change the exchange booklet
FINAL.pdf*

Handing over: sharing and learning

DESCRIPTION	DATE	FILENAME
Audio recording of core group reflection and feedback [rice pudding included]	17/04/12	10
Website as a container for sharing and learning		http://changetheexchange.wordpress.com
Email contact lists: 2 tabs: one of participants at the marketplace and the workshop; the other of background preparation contacts		<i>contact list change the exchange.xlsx</i>

Co-creation and preparation		
Radio Interview – Chris and Elise discuss and promote the event on local community radio (SoundArt Radio)	28/03/12	<i>changeXradiointerview(clip).mp3</i>
Flyer promoting the event, posted around town and online		<i>cooperative economy3.pdf</i>
Early handout for TTT Business and Livelihoods meeting	01/02/12	<i>timebanking intro sheet.pdf</i>
Email record of the unfolding co-creation process		<i>Emails to core group.docx</i>

For more, please see <http://changetheexchange.wordpress.com>