



Universiteit
Leiden
The Netherlands

The money makers: The institutionalisation of alternative currencies in North-West Europe

Kanters, C.L.

Citation

Kanters, C. L. (2021, April 1). *The money makers: The institutionalisation of alternative currencies in North-West Europe*. Retrieved from <https://hdl.handle.net/1887/3158167>

Version: Publisher's Version

License: [Licence agreement concerning inclusion of doctoral thesis in the Institutional Repository of the University of Leiden](#)

Downloaded from: <https://hdl.handle.net/1887/3158167>

Note: To cite this publication please use the final published version (if applicable).

Cover Page



Universiteit Leiden



The handle <https://hdl.handle.net/1887/3158167> holds various files of this Leiden University dissertation.

Author: Kanters, C.L.

Title: The money makers: The institutionalisation of alternative currencies in North-West Europe

Issue Date: 2021-04-01



Introduction

The Money Makers of Europe

This dissertation is about the enduring efforts to establish a fraction of economic life wherein the design, supply, and movement of money is managed alternatively. I refer to those pursuing this endeavour as ‘the Money Makers’, because they aspire to challenge governmental monopolies over the issuance of money by making their own. The Money Makers are the founders, employees, and volunteers of three leading alternative currency organisations in the Netherlands and the United Kingdom. These are the Social Trade Organisation (STRO), Qoin, and the Bristol Pound. Their shared purpose is to make private currencies that follow particular rules and value systems that differ from conventional euros and pounds sterling. The Money Makers aim to institute their alternative monetary systems on city scales, generating vibrant local economies and socially engaged communities. Importantly, although privately issued, these currencies are subsidised, purchased, and implemented by local governments and civic institutions. This interaction with the norms and procedures of established public and private institutions impacts upon the ambitions of the Money Makers, as well as the form and goals of their respective currencies. I ask what this process of institutionalisation implies for current understandings of heterodox economies and, more generally, how we can approach the phenomenon of money beyond the agents that use it. In other words, what insights emerge from the observation that *money is made*?

At its core, this ethnography challenges dominant market-based conceptions of economic life. I put forward the argument that *all* currencies are administered. This means, in the first instance, that money is always governed, managed, and ruled. In this sense, ‘administration’ refers to control—the way in which money is operated or arranged—and that it is, unmistakably, not the market that controls such operation. There are myriad, interlocking networks of power and regulation that remain largely uncharted because they do not adhere to the neoliberal idiom of state-enabled ‘free’ markets. My aim in this dissertation is to broaden this perspective by demonstrating the various forms of institutional regulation to which unconventional, creative economic practices are subjected, as well as the institutions

that Money Makers establish themselves to navigate and govern economic activity. This is a key contribution that I formulate in response to earlier analyses by currency researchers (Dodd 2014; Greco 1990; Lietaer 2001; North 2007) and the well-established ‘diverse economies’ research agenda (Gibson-Graham 1996, 2006). Both bodies of work portray a liberated, non-capitalist view of alternative monetary practices that exist outside of conventional regulatory frameworks. However, as I demonstrate, rather than operating in a political and regulatory void, alternative currencies move within, through, and alongside the networks of power and control that permeate capitalist economies.

To take seriously the statement that currency is fundamentally administered, implicates money in the creation, enactment, and visualisation of ‘the good society’. In other words, it highlights the political physiology of money, by which I mean that money is a central element of the body politic. For ‘to administer’ also means to cause someone to receive something: it is a form of giving, a way to express the enabling of an effect. Medicine can be administered, for example, as well as penalties. To stress that currency is administered implies, not only that it is always carefully managed, but also that its managers set out to enable a particular effect. I have certainly found this to be the case with alternative currencies. The Money Makers explicitly ask *how* money should work in society: What are the design flaws in the current system? How might such flaws be remedied by an alternative currency? To manage something is a purposeful act, and it is through such purpose and the means to achieve it that I portray the political physiology of alternative currencies.

I detail both the desired effect of the particular currencies developed by the Money Makers, and the techniques used to establish these effects. What is at stake in the administration of money, I argue, is its movement. To control where money flows, how, and between which actors is central to the work of STRO, Qoin, and the Bristol Pound. Indeed, one of the most crucial factors facing alternative currencies is how to prevent money ‘leaking’ away from local communities. In building what they term a ‘monetary ecosystem’, the Money Makers stress the

importance of circularity in the flow of money. The desired effect, then, is to localise money and imbue it with a value that exceeds its mere face (monetary) value. The central technique used to manage the movement of money—an alternative banking software called Cyclos (n.d.)—exposes both old and new structures of power and control in directing economies. I develop the notion of ‘algorithmic reason’ to reveal that computational architectures have consequences, not only for the shape and scale of monetary alternatives themselves, but also for the manner in which authority functions in the management of money. These currencies exist, quite literally, as a set of data in software: The architecture of Cyclos determines their scope, use, and exchange experiences. Via this software, communities are created, and visions of humanity and society are articulated.

In addition, by outlining the ways in which alternative currencies are intricately bound within a complex web of regulatory regimes, I pay close attention to a particular social form that—despite the ubiquity of its various manifestations in contemporary (economic) life—is underrepresented in anthropological understandings of the emergence and regulation of the economy. This form encompasses the firms, enterprises, corporations, and other means by which economic activity is organised as a legal entity. In the field of alternative currencies in North-West Europe, the central means through which the Money Makers administer currency, is the enterprise. This is exemplified by the manner in which the crafting of heterodox economies is increasingly predicated upon the figure of the corporation. I focus on these processes of incorporation to highlight how the embedding of monetary alternatives into legal regulatory frameworks materialises via the increasing efforts of the Money Makers to professionalise their operations—efforts that, in turn, impact upon both their ideals, and their image of the future.

In their striving to ‘become proper businesses’, the Money Makers necessarily have to engage with the very economic discourses and rationales that they aspire to transform. As such, they work towards generating profit and design currencies according to complex business models. However, by embracing a particular form of

‘managerial governance’, the Money Makers also subvert key values of neoliberal capitalism. To demonstrate this, I show how the principle of efficiency becomes predicated on the value of cooperation, rather than competition. Finally, further drawing out the ways in which the Money Makers work to build another world through enterprise, I outline their efforts to engage in partnerships with key societal institutions. These cooperative efforts are entwined with specific political projects that profoundly shape the institutional landscape, both in the Netherlands and in the United Kingdom. Throughout this ethnographic investigation, I reveal the different economic imaginaries at play in the management of city economies, which materialise in different discourses of urban economic citizenship.

By analysing what is at stake in the management of alternative monetary systems, this dissertation ultimately redirects the prevalent focus on where currencies circulate and who uses them, towards those that administer them. In doing so, it proposes a perspective for theorising economies that is centred around a political physiology of money in which actors positioned in the space in-between markets and states emerge as prominent managers of economic life.

The Money Makers

Gerard’s¹ words cascade towards me, like the cacophony of sound from a waterfall, and the myriad ideas and terms each compete for my attention. It is January 2016 and we met just over five minutes ago at a North Amsterdam tearoom. The office, he had decided during our initial e-mail contact, would be ‘too boring’. Struggling to keep up with the terminology and monetary designs he hurls at me in this noisy café, I start to think ‘boring’ would have suited me just fine. Gerard is the executive director and co-founder of the community currency consultancy firm Qoin, which is, as I heard him explain to a potential client later, ‘spelt like “coin”, but with a Q for quality’. His official title within the company is that of Chief Currency Officer

¹ I have substituted all real names of individuals participating in this research with first-name pseudonyms (see chapter 2).

(CCO). As of yet I have no sense of what this entails, but I get the impression it fits him perfectly. Whilst Gerard messes up his grey-streaked hair with one hand, the other arranges coasters, sachets of sugar, and toothpicks to represent Qoin's main currency design; all the while talking and looking up at me to see if I follow along. 'Let me tell you about Qoin and all the exciting stuff we're up to. You'll love it here', he says. I look down at the intricate network of tearoom-items laid out on the small square table, curious about the reality it represents, and what 'exciting stuff' it takes to realise it.

My foray into the rapidly changing landscape of alternative currency in Europe begins with a sense of wonder—a sense I was to carry with me throughout three years of 'fieldwork, headwork and textwork' (van Maanen 2011, 218) with STRO, Qoin, and the Bristol Pound. As an intern at all three organisations, I learned about the shape and content of their economic imaginaries (Appel 2014) and how the routes to realise these ideals involve incorporation, business models, and the acquisition of stakeholders. Before anything else, however, I learned that Gerard's cheerful energy and relentless optimism are by no means idiosyncratic in the world of the Money Makers. The people that set out to overhaul the current monetary system with expertly designed alternative currencies are, without exception, brazenly ambitious. The title 'the Money Makers'—at face value referring to a defiant *making of money*—in the first place aims to capture this drive, optimism, and powerful 'get-up-and-go' mentality my interlocutors demonstrate as they fight against the relentless tide of global capitalism.

In the second, third, and fourth place, the phrase is deeply ironic. For in many ways, the product the Money Makers create is *not* money. Indeed, their currencies are forbidden by law to officially be or become money. Yet, and intriguingly so, these products are talked about, positioned, and used as if they were. In addition, other than the common usage 'making money' suggests, the Money Makers are by no means wealthy, nor does creating currencies make them rich. Finally, rather than

making a new economic order through money, they—effectively and powerfully—simply ‘conjure one up’.

The imaginative power of alternative currencies is certainly exceptional and encourages municipalities, institutions, and funding bodies to explore and invest in their potential. Yet the economic achievement of such initiatives—for example, the model Gerard laid out on that first day of fieldwork, called *SamenDoen* (‘doing together’)—is less impressive. The *SamenDoen* initiative, a multi-stakeholder partnership, is a novelty in the alternative currency field. Being top-down implemented and EU-subsidised, it forms part of the recent wave of local (professional²) currency schemes in North-West Europe, including STRO and the Bristol Pound (see also Batterink, Kampers, and van der Veer 2017). The subsidy from the European Commissions’ Department for Employment, Social Affairs and Inclusion (notably termed in the proposal as ‘social policy experimentations’) amounted to a little over 1.2 million euros for the period between 2 September 2013 and 31 October 2016. During my fieldwork, the team at Qoin worked hard to grow *SamenDoen* within, and beyond, the small municipality in the south of the Netherlands where it was first implemented.

However, in May 2017 there were 3021 active members out of a total of approximately 92,000 citizens in the area of circulation. These members could spend the alternative money in 47 local businesses; the number of digital transactions amounted to 13,705 for the entire month.³ This equates to less than 4 percent of the population actually using Qoin’s currency. Nonetheless, the municipality remained active and financially involved even after the subsidy period ended. Key public institutions, such as a housing association and a healthcare institution, also continued to invest significant time and money in the currency, as well as some philanthropic investors and other funding bodies.⁴ Moreover, Qoin continued to extol the success

² The Money Makers refer to the currencies they create as ‘professional’ currencies. This is how they separate themselves from other alternative currencies that are grassroots initiatives. I use this notion of ‘professional’ and ‘professionalisation’ throughout the dissertation when referring to currencies by STRO, Qoin, and the Bristol Pound and unravel it in more detail in chapters three and five.

³ Documentary analysis - Qoin 170605.

⁴ See the section on non-disclosure agreements in chapter two.

of the currency model and engaged in extensive talks and collaboration with other municipalities across the Netherlands with the aim of furthering its dissemination.

Central to the imaginative potential of alternative currencies and the continued interest from local governments and other stakeholders, fuelling the wave of professionalisation, is undoubtedly their digitisation. The digital revolution amongst alternative currencies is largely the accomplishment of STRO and its charismatic foreman Theo. From the 1990s onwards, Theo raised funds and invested millions of euros in the development of the now globally used open-source banking software Cyclos. This software, ‘created for banks, barterers, remittances and innovative currency systems’ (Cyclos, n.d.) is used by over 1500 payment systems. Now in his mid-sixties, Theo continues to govern STRO with the same tireless zeal and resolute conviction about the preferred shape of economies. The organisation is, to some extent, the personification of Theo’s slow-burning drive to ultimately overthrow the current monetary system. To this end, STRO experimented profusely with an array of currency forms that form the building blocks of today’s initiatives.

One of these initiatives is the Bristol Pound which, founded in 2010 by Caleb, Jack, Gabriel, Robert, and Martin, has grown into an international source of inspiration to budding alternative currencies because of its city-wide implementation and strong institutional support. Whilst most of its initiators left the Bristol Pound for different jobs, I came to know Caleb and Jack as the two ever-busy founding directors of the social enterprise. As a famous alternative currency in a city known for its quirky creativity, the Bristol Pound is more widely known than it is used. The member count as of March 2018 is 614 small and medium-sized enterprises and 1,469 individuals.⁵ This means that, with a total population of 671,000 (in 2018), less than 0.5 percent of Bristolians use the currency. To be fair, the Bristol Pound focuses increasingly on business members: a little under 3 percent of Bristol’s SMEs use the currency.

⁵ Documentary analysis - Bristol Pound 180319.

Writing down these numbers during my fieldwork induced some cognitive dissonance in my mind. Dwelling in the world of the Money Makers had also made me partial to the imaginative potential of alternative currencies. They are projected as so much bigger; so compelling; so grand; so world-shaking. Yet these initiatives are, in a very practical sense, not world-shaking at all. Indeed, based on purely quantitative knowledge, they might easily be dismissed. This is where anthropology, being ‘an inquiry into the conditions and possibilities of human life’ (Ingold 2017, 21), provides the lens, or disciplinary perspective, to recognise and value this discrepancy. As a subjectively situated and reflective ethnographer, I was not only able to locate this discrepancy, but also to examine what it entails.⁶ What might such a discrepancy teach us about the way in which metaphors are mobilised? How are normative claims and mechanisms of control embedded and naturalised in technologies? Finally, how are modes of being in the world systematised, structured, and subtly altered? Drawing equivalences, as anthropology does, between what is specific and what is common, I show that it is precisely the tension between ambitious ideals and, oftentimes immutable, practice—made analytically available through ethnography—that uncovers, not only how alternative economies are structured and thoroughly institutionalised, but also how economies at large are managed and systematised through an amalgam of pluralised actors that control the movement of money.

Research Context: The Spectre of Localism in Europe

‘Although we work in the economic sector’, one of the employees at Qoin told me, ‘none of us are economists. Most of us are political scientists and we all work with ideals. What drives us here has many reasons, but mostly we want to have a positive impact on the world.’⁷ STRO, Qoin, and the Bristol Pound all aim to offer concrete solutions to unravelling social support structures and vulnerable city economies by

⁶ I outline my position in more detail in chapter two.

⁷ Conversation - currency consultant Qoin 160320.

building local institutional networks through alternative currencies. Hence, the context in which they position themselves is not so much concerned with official currencies or the monetary histories of their respective countries. Instead, they explicitly address transitions in both British and Dutch governance, and the ensuing transformations in the relationship between citizens and the state.

As a result of the unfolding (ongoing) crises in finance and political leadership in Europe, cities and regions have gained attention as contexts of self-governance. In the Netherlands, the ideal of self-organising municipalities is framed through what has become known as the ‘participation society’ or ‘do-democracy’ (MBZ 2013; Newman and Tonkens 2011). The same political ideology in the United Kingdom is called ‘Big Society’, and was set out in 2010 by the (then) Prime Minister David Cameron, who emphasised the themes of ‘empowering communities, redistributing power from the state to citizens and promoting a culture of volunteering’ (Kisby 2010). Accordingly, the United Kingdom adopted the Localism Act in 2011 and the Netherlands rolled out programmes such as the Neighbourhood Renewal Policy (de Wilde and Duyvendak 2016). At the root of these legislative programmes lies, not only a project of national austerity and budget cuts, but also a re-conceptualisation of citizenship and democratic engagement as the scale of managing populations increasingly shifted to include neighbourhoods and communities as a way to bolster civic engagement. These visions of a participatory, ‘big’ society are encapsulated in an ideal of localism, whereby highly territorialised areas within the nation-state emerge as the preferred scale of governance and semi-autonomous self-management. In this section I briefly trace this shift so as to situate the political landscape wherein Europe’s alternative currencies are institutionalising and professionalising themselves.

Strong, state-supported welfare systems form a crucial aspect of how Dutch and British citizens now relate to the state. Like many other (post)industrial societies in Western Europe, these welfare states took shape after the Second World War. In subsequent decades, social security, an expanding care sector, and a range of

subsidies consolidated the post-war system of redistribution. In this large-scale institutionalised form of solidarity, citizens are cared for by the state. In Dutch, this is captured in the quite literal sense of the word *verzorgingsstaat* ('caring state'). At the same time as Europe became more unified as 'an imaginative object and a structured form of governmental relations between different nation-states' (Modest and de Koning 2016, 98), to a large extent, this process of collectivisation shaped the building of both European nation states and their citizens (Baglioni 2017; de Swaan 1988). However, worsening economic circumstances and technological developments, together with momentous shifts in politico-economic theory and models of governance, rendered the post-war model untenable. Thus, since the 1980s, an ongoing process of state-rollbacks has ensued. The most recent pinnacles of this societal transition, the United Kingdom's 'Big Society', and the 'participation society' in the Netherlands occurred in the wake of these shifting notions of ideal governance.

Political philosopher Philip Blond (2010, 242), the intellectual architect of the 'Big Society', critiqued the welfare state for spoiling its citizens through a culture of benefits, instead calling for a more cooperative economy and a localisation of responsibility. Breaking away from the neoliberal conservatism of Margaret Thatcher, he was also quite critical of the extremes of market ideology and the extensive individualism propelled by neoliberalism. Similarly, in *Big Society*, the British Conservative MP Jesse Norman (2010) calls for strengthening horizontal institutions as a way to achieve a more 'connected society' and to do away with 'big government'. At the policy level, discourse surrounding the concept of the 'Big Society', as Buser (2013) notes, 'indicates a democratic narrative of self-determination' (14). As such, it echoes Robert Putnam's (2000) ironic plea for social bonds as the bedrock of society, even though he called these forms of cooperation 'social capital' and poured them into a mould of neoliberal understandings of human nature and behaviour.

Mirroring these developments in the Netherlands, the king's 2013 address to the nation introduced the notion of the 'participation society' (*participatiesamenleving*)

into the public debate. On every third Tuesday of September, the reigning monarch of the Netherlands issues a policy statement written by the prime minister. This statement details the plans for the new parliamentary year and the minister of finance subsequently outlines next year's national budget and fiscal regulations. This particular speech marked a significant moment in the already shifting relationship between Dutch citizens and the state. By using idioms such as 'participation', 'responsibility', 'retreat from individualism', and 'adding value to society', the king spoke to the sentiments of the public, enlisting its participation in the project of setting a specifically decentralised agenda. Following Holmes (2013), such policy statements not only render the economy, but also society—its content and boundaries, as well as our role in it—as an empirical fact. This means that not only the realm of the economy is affected by policy statements; such statements also shape the way in which society itself is imagined and performed (Holmes 2013).

In both the United Kingdom and the Netherlands, an extensive bureaucratic restructuring and administrative deregulation ensued, as well as public debates on the changing role of the citizen. This emphasis on devolving political responsibility to scales smaller than the nation-state has been termed 'localism'. Whilst the term is widely used with a variety of nuances, geographers Clarke and Cochrane (2013) define the politics of localism in Europe as a 'positive disposition towards the decentralisation of political power' as well as 'the actual decentralisation of political power, either to elected local government or to other bodies presumed to be local e.g. partnerships, neighbourhood organisations, community groups, civil-society organisations, private-sector firms, public-service professionals, or individuals' (17). In the Netherlands for example, one significant change involved municipalities becoming responsible for youth care and home care for people with mental or physical disabilities in 2015. Localism, Clarke and Cochrane (2013) continue, 'describes the production and use of locality as a space of engagement to a variety of ends, including: regulation of the capitalist economy; efficient organisation of welfare provision; and government of the population' (17).

These conceptualisations of the local as an empirical, political space inevitably involve shifting notions of citizenship. Specifically, the proclamations by prominent figures and political leaders in the Netherlands and the United Kingdom show broad parallels, both in their development, and the current ‘affective turn’ towards a localised form of citizenship (Isin 2004; de Wilde and Duyvendak 2016). As De Wilde and Duyvendak (2016) summarise, this communitarian definition of ‘the good citizen’ implies a ‘truly local and highly territorialised’ enactment of citizenship wherein neighbourhood communities are engineered as localised, collective spheres of belonging (975). This is, they state, ‘a radical transformation from how citizens were previously perceived by governments: no longer rational, individual, calculating subjects, they have become relational, affective subjects in search of attachments to a greater good’ (de Wilde and Duyvendak 2016, 974).

The shift from a classic welfare state to a ‘big’ or ‘participation’ society is usually described and understood as one of self-responsibilisation (Koster 2015; Newman and Tonkens 2011). Within the narrative of self-determination, democratic norms shift towards empowering individuals. This is telling because it contains an assumption of the ‘active citizen’, in the sense that forms of self-organisation arise through enterprising citizens who move into the vacant spaces of governance. The focus, then, is on the individual agency of citizens. Examples are residents’ committees, communal gardens, neighbourhood watches, care networks, and community-run social centres (Koster 2015, 50). Yet, the transition towards the participation society happens across several social fields and the idiom of the active citizen is not understood uniformly throughout these fields. One crucial process of societal self-regulation is the transfer of guardianship and accountability for social services to organisations and institutions, which, I emphasise, assumes an increasing importance as the central locus where citizenship takes shape as a normative project. Especially—and particularly relevant for the way in which the Money Makers organise their activities—the concept of social entrepreneurship has become central to policy-makers’ interests (Baglioni 2017).

Social enterprises play a significant role, bolstering civic engagement in both the Dutch and British projects. They are, as economic management theorists Mason and Moran (2018) note, key to stories of sustainable social change and local economic prosperity.⁸ In the current political landscape, community enterprises—being market-based forms of organisation yet ‘locally accountable and committed to involving local people’—are the vehicle through which citizens should express their civic commitment (Development Trusts Association 2000, 3; see also Rijshouwer and Uitermark 2017). They are seen as the driver of participatory governance and critical in mending the fragmented social sphere (Evans 2011). The Dutch Coalition government actively pursues a social enterprise agenda (OECD/EU 2019) and the widespread comments on the failure of the ‘Big Society’ in Britain, or indeed the United Kingdom’s departure from the European Union, has not changed the discourse surrounding localism. In fact, some argue that building a just and socially inclusive civil society through enterprise is needed now more than ever (North 2011).

It is within this context that the local currencies issued by the Money Makers are increasingly subsidised, purchased, and implemented by municipalities and civic institutions. The notions at the core of participatory governance ideals, such as solidarity, self-determination, and responsibility, infuse the rationales and legitimisation of STRO, Qoin, and the Bristol Pound. The struggling local community is the central tenet of their existence, whereby alternative currencies provide an answer to budget cuts, state rollbacks, and the decentralisation of political responsibility from the national to the regional level.

I reiterate my key enquiry here, which emphasises the entanglement of economic flow, force, and function with political and regulatory processes and projects. The policy idioms of the ‘participation society’ and the ‘Big Society’ provide the backdrop to the institutional regulations that ultimately frame and mould alternative economic practice in the Netherlands and Britain. In what David Graeber

⁸ To anthropologists, this is not a new insight; Fredrik Barth (1963) already noted some decades ago that the activities of entrepreneurs provide a lens via which to examine ‘questions of social stability and change’ (10).

(2015) would call ‘the iron law of liberalism’, any retreat of government and deregulation are in fact forms of reregulation (see Polanyi 1944). However, my work is not an analysis of the Money Makers and their local currencies as mere instruments in participatory technologies of governance. Their institutional embeddedness is, crucially, not all-encompassing. It is precisely through the making of money that my research participants strive to create new institutions in order to navigate and govern both economic activity and local belonging on different terms. The following section of this introduction, before outlining the contents of this dissertation in more detail, introduces the shared ideals of the Money Makers by recounting their central foundational narrative: the miracle of Wörgl.

Mythopoesis: The Miracle of Wörgl

In order to understand a group of people, anthropologists tend to delve into their shared myths (Malinowski and Redfield 1948, 96), not least as such origin myths can be ‘indicative of a particular worldview and socioeconomic interest’ (Ho 2009, 29). Importantly here, the word ‘myth’ does not imply untrue or fictional. Rather, it means that the story is widely shared and the historical events are imbued with values and present-day significance. For the Money Makers, one crucial and foundational story is that of a small Austrian town called Wörgl, which implemented their own local money some ninety years ago.⁹ This story, also known as ‘the experiment of Wörgl’ or ‘the miracle of Wörgl’, is often referred to in conversations amongst the Money Makers, narrated in the practitioner literature they produce, and is conveyed, by default, to all neophytes. It is a story of particular significance and I have heard it countless times at the offices of STRO, Qoin, and the Bristol Pound, even though my research population was spread out over three organisations in two different countries. This story, through its ongoing reiteration, creates a mythology around one of the first successful locally issued currencies in Europe of the modern era and,

⁹ Although multiple currencies have been present across different continents (Guyer 2004), the key stories my research participants told are notably from a European, Canadian, or North American context.

as such, provides a baseline for what unites my interlocutors and motivates me to address them collectively as the Money Makers. The continuous recitation of this story must be understood as ‘mythopoesis’—meaning the act of creative myth-making—because it is not just a story; it is a political introduction into the rationale and ideologies of realising a local, circular economy. It is a myth, then, in the sense that it is a story with a purpose other than amusement (Tudor 1972), which sets the normative parameters of the nature of authority, money, and its use in a community.

The myth-like significance of Wörgl is unmistakable from the way in which the Bristol Pound starts the retelling of this story on their website, as if it were the beginning of a fairy tale: ‘Once upon a time, in a land far, far away which we shall call Austria, dear reader, there was a small town known as Wörgl’ (Parsons 2013). Because the myth is told over and over again by different people, on different platforms, vocally and textually, stressing different parts of the story depending on the context and the audience, there is no one stable version I can present here. Therefore, enacting mythopoesis myself, I retell the story based on my understanding of the myth as it has been told to me by the Money Makers. This reconstruction focusses therefore on the widely accepted elements of the events that transpired in Wörgl, which to this day inform and ignite local currency initiatives:

The miracle takes place between 1932–1933, in a small town in the Tyrol region of Austria, called Wörgl. The Great Depression is in full swing, and so it is a time of financial disaster. The New York stock exchange crisis of 1929 reached the European continent and, like many towns, Wörgl faces rampant unemployment and lacks public funds for much-needed repairs that would provide jobs. For example, bridges go unfixed and the streets need re-paving. There is, quite simply, a shortage of money. Faced with few options to rebuild their economy, Mayor Michael Unterguggenberger decides to put the ideas of an economist called Silvio Gesell to the test. Gesell argued in favour of the free market and personal property, yet simultaneously voiced strong critique on the interest-bearing monetary system as the root of systemic economic crises, because money can be earned with money. Interest, Unterguggenberger learned, is an undesirable feature in the design of money.

And so, the mayor convinces the town council to issue a stamp scrip that works with negative interest. This means the money would lose value when it stops circulating, hence disincentivising hoarding. Having paid for a first public employment project in the currency called *Freigeld* ('free money', in German), the money starts to circulate through the town and people spend it as quickly as possible. Because the money must move around quickly, it creates work for others at a much faster pace than the Austrian schilling would. The town's unemployment decreases dramatically as people work on re-paving, re-building the water system, constructing a bridge, and many other jobs that ensue as the stamp scrip circulates locally. There are sources saying the local currency created between twelve and fourteen times more work for local businesses compared to the schilling. Moreover, people become proud of their achievements and their monetary autonomy, so that a renewed sense of community emerges. The new bridge even features a plaque stating: 'This bridge was built with *our* own Free Money.'

Then something important changes. The system becomes popular and is copied by six neighbouring towns. As the word spreads, soon over 200 towns in Austria are looking to implement a similar system. This overwhelming popularity prompts the Austrian central bank to panic. The bankers get scared and begin to assert their monopoly power over the supply of money. A series of lawsuits ensues in which the people of Wörgl sue the central bank, all the way up to the Austrian Supreme Court. They lose. Issuing 'emergency currency' is, right up to the present day, a criminal offence in Austria.

Although only a short story, as Della Salla (2010) writes, 'this is where the power of myth rests; it tells a simple story that makes the evolution of a society and its polity intelligible' (4). In this instance the miracle of Wörgl sheds light on the evolution of a particular type of local currency and its communal—and, as I argue in this dissertation, political—agency. The story is significant because it conveys much of the rationale and ideologies that explain, without the technical details of monetary design, why the Money Makers put their hopes, dreams, and efforts into realising a local, circular economy. The miracle of Wörgl signifies something towards which to aspire—inventive power, solidarity, community strength, and sustainability against

uncontrollable forces—as well as the barriers to this goal, namely institutional regulators that feel threatened by such bottom-up initiatives to reform money. It teaches that local political authorities are crucial in adopting an alternative currency, and stresses the importance of enterprise and labour in sustaining communal life.

Today, the Money Makers of Europe engage with the vast and complex field of financial regulation at various scales by seeking out recognition by the state as social enterprises, rather than acting as grassroots social movements acting *against* the monetary regimes they aim to transform. Nonetheless, these existing monetary regimes continue to be heavily criticised by the Money Makers, as they claim to manage economic flows in a way that is better, because their currencies increase solidarity and empower local businesses. Moreover, where Wörgl failed, technological tools have given Qoin, STRO, and the Bristol Pound the means to evolve in dialogue with regulators. ‘And the moral of our tragic tale?’, The Bristol Pound ends their retelling of the miracle in their blog, ‘Perhaps it’s that centralised money doesn’t give us all the answers after all? Now, if they’d just had enough time to set up a sexy TXT2PAY [mobile payment] scheme like Bristol Pound...’ (Parsons 2013). Mobilised in the language of myth is an ideologically marked narrative that generates legitimacy for a contemporary (digital) experimentation with monetary alternatives that focus on local self-determination, prosperity, and solidarity. The instigator of the famous foundational experiment, Wörgl’s Mayor Michael Unterguggenberger, is oftentimes referred to as *Der Geldmacher*—German for ‘the Money Maker’.

Dissertation Outline

This dissertation explores the multiple implications of the fact that money is *made*. It does so by tracing the ambitions, ideals, and practices of three organisations that institute their own, alternative form of money in the Netherlands and the United Kingdom.

Part I situates the research theoretically and methodologically. Chapter one details my theoretical intervention in the subfield of economic anthropology. I argue that there are not two, but three sides to the metaphorical coin described by Keith Hart (1986). The Polanyian legacy of metonymically taking ‘the market’ for ‘the economy’ continues to inform current approaches to contemporary economic life. However, such a market-centred perspective is too narrow to give a comprehensive account of how the economy works. This becomes particularly evident in current analyses of alternative economies as de-institutionalised activities that operate in a political and regulatory void. The chapter instead makes a case for recognising the wide diversity of institutions that govern and enact economies. As such, it draws attention to the prevalence and centrality of corporate agency in regulating economic life and the various ways in which such agency intersects with political power. Chapter two positions the research as an organisational ethnography and reflects upon the ‘methodologies of office life’ I employed during my fieldwork. I detail my own position in the field and reflect upon the role of documents in anthropological research.

Part II introduces the Money Makers, as well as the organisations and currencies they have created, and continue to create, in ethnographic detail. Chapter three outlines the web of multiple currency forms, organisational entities, practices, and idea(l)s that comprise the field site of my study. I analyse the emergence and development of alternative currencies in North-West Europe as a process of ‘failing forward’, emphasising the spirit of experimentation present in each initiative. Chapter four zooms in on the political physiology of money by examining the notion of ‘circulation’ as central to the properties of alternative currency. Circulation is a key conceptual metaphor that becomes tangible in the architecture of the software program Cyclos. I develop the notion of ‘algorithmic reason’ to show how authority becomes naturalised in technology.

Part III is concerned with the ways in which the Money Makers work to build another world through enterprise. Chapter five focusses on incorporation as a

consequence of the institutionalisation of alternative currencies, specifically concentrating on the Bristol Pound. I detail how partnerships with funding bodies and financial institutions, as well as regulatory interventions, result in increasing pressure to adopt corporate procedures of accountability and auditing. These institutional and organisational arrangements inherently shape the ambitions and desires of the Money Makers. Chapter six uncovers how the Money Makers at Qoin employ business models and economic discourse in the design of a ‘*SamenDoen*’-type of currency called the ‘*WoolsePas*’, whilst simultaneously aiming to change the very role of business in the local economy. Their particular managerial governance redefines what it means to be efficient, displacing the value of competition in favour of cooperation. Chapter seven draws out the intricacies of the interaction between STRO and one institution with which they aspire to cooperate: the Entrepreneurs’ Fund (*Ondernemersfonds*). This serves to show that local currencies are embedded in an institutional landscape through particular, culturally informed modes of interaction. In this case, the ‘*poldermodel*’ (an emic term for collaborative deliberation between multiple stakeholders) and the idea of ‘*BV Utrecht*’ (Enterprise Utrecht) materialise in different notions of economic citizenship for the city because of the different economic imaginaries at play.

Finally, the **conclusion** interlaces the above strands of analysis. Local currencies are deeply institutional and organisational practices that provide an alternative incentive structure for the local economy. As economic institutions themselves, I argue that alternative currencies are administered in the sense that they are managed with a particular purpose. The Money Makers build currencies that speak to the idiom of participatory, big societies whilst simultaneously critiquing the ingrained neoliberal foundation of these governance ideals. As such, local European currencies can be understood as exercises in a form of economic citizenship for the city that moves beyond market-based conceptions of economic life.