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

Kanters, C.L.

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Author: Kanters, C.L.

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Chapter 6

Cooperating Efficiently:
Managerial Governance and
Ontologies of Efficiency

Renee, Jasper, and me stare at a flip chart [Figure 12]. Nico just drafted the juridical bodies that together will operate as Qoin's latest *SamenDoen* iteration called 'De WoolsePas'.⁹⁶ We are in the principal meeting room, one floor down from the office space. Behind the massive wooden table, the entire wall portrays larger-than-life cows eating wads of bright green grass against a blue sky. The mural probably serves to draw attention away from the windows looking out onto an uninspiring gas station and parking lot. Today, however, the view is almost obscured by a grey drizzle typical of Dutch winters. Currently we are looking at neither, as we try to solve the puzzle of not only Nico's handwriting, but the complex of responsibilities and risk-spreading between the two organisational forms, Qoin, and the local government of the Dutch municipality Woolse as they set out to collectively implement an alternative money [Figure 12⁹⁷]. *WoolsePas* intends to be 'the 'new money' of Woolse: an innovative social enterprise offering City Marketing, a Loyalty

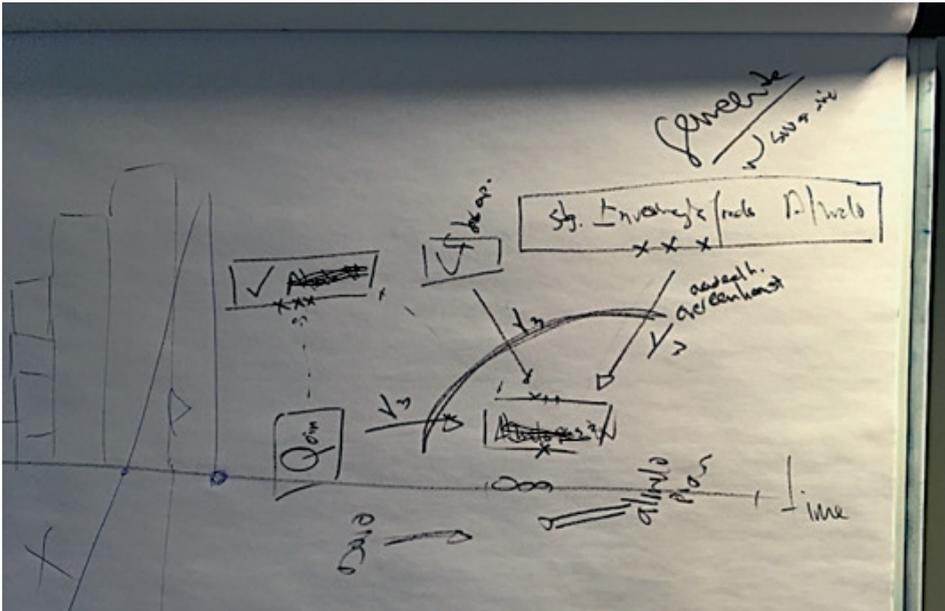


Figure 12 - Legal structure WoolsePas

⁹⁶ In English: 'The WoolseCard'. Woolse is a pseudonym for the actual name of the city.

⁹⁷ Image drawn by Nico, photo by me on December 15, 2016.

program and a regional payment system aimed at strengthening the social economy of Woolse’.⁹⁸

This new local currency in a quiet, countryside city near the border with Germany is typical of Qoin’s ‘build once, deploy many’ approach. This means that the currency platform *SamenDoen* has been developed once, to be implemented and adjusted according to the needs and desires of any locality. In their own documentation, Qoin writes: ‘after several concentrated one-off investments, Qoin has a service at its disposal which can be deployed multiple times against minimal costs in different environments’.⁹⁹ This service is called CAAS: Currency as a Service. It includes ‘a fully operational ICT system, an implemented legal structure, administrative and financial processes, and a helpdesk’.¹⁰⁰ Qoin is a for-profit enterprise and they position themselves as currency professionals, calling themselves ‘specialists in regional economies’¹⁰¹, who develop business cases for potential users—with a price to match. Dependent on the business case of the customer, the basic costs of CAAS are about €50.000 per year.¹⁰² The money is fully digital, but as with the paper Bristol Pounds, the currency is sold as a commodity in a marketplace.

The way the alternative currency is developed and instituted through CAAS deploys a particular ‘managerial governance’ (Hathaway 2020; Knafo et al. 2019), which redefines the relationships between different actors in this marketplace. It does so, I argue, by redefining what it means to be efficient. In this chapter I explore how Qoin strives to infuse efficiency in the realm of alternative economy and how the notion of efficiency gets transformed in the process. Key to this is the drive to become and act like a ‘proper business’ while simultaneously aiming to change the very role of business in the economy. I shall illustrate how the incorporation of a *SamenDoen* currency iteration, the *WoolsePas*, integrates this different meaning of efficiency into its very institutional design.

⁹⁸ Documentary analysis - Qoin 161118.

⁹⁹ Documentary analysis - Qoin 151108.

¹⁰⁰ Documentary analysis - Qoin 151108.

¹⁰¹ Documentary analysis - Qoin 161118.

¹⁰² Estimated costs based on documentation from 2015; this amount has fluctuated over the years. The actual quotation for the *WoolsePas* remains undisclosed per the NDA with Qoin.

If we think of efficiency as a *process* to reach a particular goal,¹⁰³ it becomes possible to disentangle the term from the neoliberal rationalities it is usually equated with (Peck, Theodore and Brenner 2012). The goal, the parameters to reach it, and the decision when it has been met, are managerial decisions that are not necessarily imbued with the values of competition and profit. I locate this approach in what Knafo, Dutta, Lane and Wyn-Jones (2019) call ‘managerial governance’ in political economy. Their radical historicist approach delineates how specific techniques and technologies of governing economies developed separately—with a different history and different principles—from neoliberal ideology. I use this disentangling of managerial techniques from neoliberal competitiveness as a jumping-off point to interrogate, more closely, ‘efficiency’ as a key guiding principle that supposedly entwines corporations so intimately with capitalist logics.

I argued that alternative currencies are brought into being, and operated, principally through the figure of the enterprise. To the Money Makers, this is necessary in order to be able to meet their ambitious goals. From their status as a legal person, these businesses work to change local economies of which they form part themselves. I have introduced incorporation and the landscape of institutional regulation in which currencies are embedded in chapter five, and I continue to build upon it here. After analyzing the concept of ‘efficiency’ in the following section, I discuss Qoin’s drive to become a ‘proper business’ and I outline ethnographically the legal framework within which Qoin operates; this is quite different from the Bristol Pound and it is important to stress the centrality of national legislation in shaping alternative moneys through incorporation. Understanding how the *WoolsePas* is legally embedded clarifies how and why its operational design is structured the way it is. What I call its ‘ontology of efficiency’ should engender cooperation between an amalgam of local companies and institutions such as nursing homes, sport conglomerates, as well as the municipality. According to Qoin, cooperation is brought about by a particular managerial structure, which should

¹⁰³ Differentiating it simultaneously from ‘effective’ which places the effect, i.e. the goal, more central.

engender inter-institutional conversation in order to withstand the monopoly forces of the global economy.

Efficiency as a Managerial Strategy

Efficiency is an intriguing notion to anthropologically ‘follow’ (see Marcus 1995), because it is both a trope of neoliberal rationalities as well as of corporate mentalities. The practices of Qoin highlight how the Money Makers acting upon the world as an enterprise cannot be simply understood as an immersion of alternative currencies into neoliberal markets. Instead, I ethnographically trace how efficiency—a seemingly universal corporate narrative—is apprehended and applied diversely.

Efficiency is a highly elusive term that travels across social fields and academic disciplines and comes to mean slightly different things in each domain. These nuances are rarely noted, perhaps because it has become a common-sense term. We have efficient brains; a family is best run efficiently; we are advised how to efficiently balance our work and free time; Premier League football teams are ranked on efficiency. In almost all areas of life, optimizing efficiency has positive connotations. As a seemingly non-negotiable principle it is rarely questioned and assumed to be a transferable, natural fact. Its meaning however is rooted in both neoliberal ideology and bureaucratic (management) rationalities. Max Weber stated in 1922 that the expertise, consistency and continuity of bureaucracy makes it the most efficient, and rational, organisational form. Efficiency, he argued, is of instrumental value to public administrators. Neoliberal thinkers such as Hayek (1980) and Friedman (1962) state that efficiently organising economic transactions happens through a free and competitive market, hence businesses should compete on the basis of efficiency and prices.

Neoliberal economics makes the argument that free markets are preferable by virtue of efficiency. This notion is also key in neoclassical conceptualisations of power and power relations in free markets. Businesses for example emerge because it is the most efficient way to organise the distribution of resources: firms exist *because*

of the free market (Coase [1937] 1991; Friedman 1962). In the Chicago School,¹⁰⁴ monopolies and oligopolies became sanctioned by virtue of being efficient businesses and therefore beneficial to consumer welfare (Hathaway 2020). These arguments are moral; though neoliberal economists naturalise such value-laden positions by presenting them as rational, disembodied, facts: as economist Richard D. White JR (1999) observed already two decades ago, ‘the close entwining of efficiency and rationality have separated the discourse on efficiency from social values’.

If efficiency bridges, or glues together, organisational processes with free market mechanisms—as Roland Coase and subsequent analysts of economies would have it—surely anthropology would have something to say about efficiency in corporate culture, values, beliefs and rituals (which profoundly shape organisational processes and their internal dynamics)? Alas, in anthropological studies the notion of efficiency is obliquely mentioned, and understood as simply a means for neoliberal ends; namely fuelling competition under free market rule (Peck 2010; Brown 2015; Davies 2014). This is most evident in discussions on audit cultures, which examine the ways in which efficiency is made measurable through evaluation tools (Shore and Wright 2015). The notion of efficiency, then, is thought about and analysed in anthropology as a ‘market mechanism’. Carrier (2016) argues that anthropological analysis has come to share, often too intimately, a particular footing with neoliberal economics. Parallel to the division that long haunted economic anthropology, the realms of economy (the market) and society (the community) appear securely separated. Businesses are commonly seen as an extension of the neoliberal project and, in both laudation and critique, efficiency is uncritically collapsed onto the notion of (market) competition.

In the following sections, I investigate efficiency ethnographically, as a managerial strategy. I stress that efficiency, as ‘an intellectual artefact, as doctrine or as ideology’ (White 1999, 8), is central to understanding how economies function—

¹⁰⁴ The Chicago School is associated with neoclassical economics, of which Roland Coase and Milton Friedman formed part.

and particularly how they are managed. What I call ‘managerial governance’ is predicated on shared imaginaries and practices, artefacts and routines. I propose this perspective in order to grasp what it means to envisage and manage an alternative economy through the terms and parameters of a business.

A focus on managerialism is gaining traction in political economy, where scholars increasingly discuss the misrepresentation of corporate agents in economies (Hathaway 2020). Political economy is concerned with the political institution of markets, and the goal of these discussions is to understand more fully the role of businesses in the idea and practice of neoliberalism. This line of scholarship provides an avenue for analysing the professionalisation of alternative currencies—with STRO, Qoin, and the Bristol Pound striving to become ever more ‘business-like’—without reading their development as mere processes of neoliberalisation.

Based on a historical analysis, Knafo et al. (2019) detail the development of managerial governance as an ‘expertise of decision-making’ in the defence sector of the United States in the 1950s—notably, not as a neoliberal technique: ‘this approach had much more to do with empowering policy-makers and top managers than with a neoliberal project focused on instituting markets, or market competition, as a tool of social regulation’ (2019, 236). They locate the rise of a specific managerial approach in the development of systems analysis and game theory (Knafo et al. 2019), especially through research of the think-tank of RAND corporation. Meant for large corporations in post-war US, this scientific approach provided managers with tools for benchmarking and standardisation—such as cost-benefit analysis and key performance indicators—to actually determine what their objectives were in the first place—and set out in the most efficient way to reach these objectives.

Managerialism relies on techniques to increase efficiency ‘as a way to frame the very practice of governance’ (Knafo et al. 2019, 236). Or, as Eagleton-Pierce states, ‘the ideological consistency of seeking efficiency is a hallmark of the managerial mindset’ (2019, 4). To be sure, the rise of managerial governance is located within a quite specific historical setting and cultural context. Yet these

practices and ideas became globally diffused in the twentieth century, influencing everyday economic management widely—if not uniformly. What is important to the analysis of Knafo et al. (2019) is the untying of management strategies from neoliberal ideology. In other words, managerial governance arose as a way to foreground decision-making about ‘which course to follow’, rather than ‘simply optimising a given operation’ (Knafo et al. 2019, 241). Managerial governance is a set of social technologies concerned with operating an enterprise and pursuing its interests—which are not *necessarily* about generating profit or competing on markets (Eagleton-Pierce 2019, 6). This is key.

Rather than positing a dichotomous conceptual framework wherein neoliberalism is pitted against its alternatives (*what*), this approach is concerned with the *how* and the *who*. It directs attention to the agents enacting governance within economies. I transpose the frame Knafo et al. (2019) have historically teased out onto the ethnographic present—namely the institutionalisation of alternative currencies—to argue that their managerial rationalities are not, necessarily, neoliberal. Instead, I highlight ‘efficiency’ as a route to understand how the Money Makers employ their managerial structure to determine which course to follow in the implementation of an alternative currency.

This is an act of ‘interdisciplinary redefinition’ of efficiency (Repko and Szostak 2012, 336), rooted in ethnography. Practices in heterodox economics lay bare silent assumptions about the way economies function. The consultancy work of Qoin highlights that efficiency is always a relationship; it represents a ratio between what is estimated as costs, and what is valued as benefits. As such, it means different things in different contexts. Indeed, the work of the Money Makers shows how efficiency is construed as a trade-off between values that do not necessarily follow the logic of capital. Rather than it being a transferable, naturalized fact, I argue that in the alternative currency model of Qoin, the notion of efficiency is apprehended and applied differently than to facilitate competition on markets. I

delineate efficiency as a value-laden ratio, a moral judgement made by managing agents, which requires careful ethnographic attention.

Running a ‘Proper Business’

The get-together between me, Jasper, Renee and Nico in Qoin’s principal cow-decorated meeting room had been planned in our Outlook agenda’s in advance. We were part of the project team ‘WoolsePas’ and fully aware of our individual tasks and responsibilities within them. We brought white mugs of freshly made coffee and tea into the room, placed our notepads and laptops on the table, and arranged ourselves according to hierarchy: three employees facing Nico, the director, who stood next to a flip chart wearing a chequered shirt and smart jeans. He explained, we asked questions and wrote down to-do lists to be checked off before the next meeting. These were all the protocols, rituals, and behavioural rules that ‘fit’ a professionally-run business environment. Similar to the Bristol Pound, Qoin’s directors and employees work very hard to professionalise their operations according to well-established ideas of what it means to be, in Jaspers words, ‘a proper business’. This is a continuous and laborious process that profoundly defines office relations; particularly those between management and staff.

During my time as currency consultant with Qoin, I came to know its team as young, impact-driven, idealists; all of them deeply loyal to the company’s cause. ‘Though we work in the sector of economics’, they had told me earlier, ‘none of us is an economist. 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.’¹⁰⁵ This impact, they feel, is best achieved if the organisation functions ‘as efficiently as possible’. Yet both Gerard and Nico did not originally envisage they would operate a local currency model through an incorporated organisation, and often struggled with their formal tasks as management. During our first interview

¹⁰⁵ Conversation - Qoin consultant 160320.

together, Qoin's technology director Brian reflects on the central place this development continues to have within the team:

[...] if you look at Qoin's history actually I mean [...]. Nico quite often has said to me that he and probably Gerard, they probably never imagined that they would be running an organisation in this way. So they were both individuals who wanted to do this kind of work, and sort of accidentally ended up with a larger organisation without really knowing how to effectively manage it. So I think there has been a lot of wasted effort and inefficiency over the years. We are just slowly figuring out how to improve, but it is an open question whether it is changing fast enough.¹⁰⁶

This is not very different from the development of the Bristol Pound I outlined earlier. Meetings are sometimes planned haphazardly; Gerard forgets to check in to the office or messes up the structure of the internal archive; tasks are unclear; people are expected to work on the weekends because promises were made to clients. All this, Qoin's employees lament, would not happen in a professional environment. A regular complaint, albeit under the radar, is that both Nico and Gerard conduct business as if they were all a group of friends. 'They are,' a long-time employee mentioned once, 'actual hippies at heart'. In Bristol, employees call this 'the founders' syndrome'.¹⁰⁷ Basically, Jade explained from her desk at the Bristol Pound office, it means the founding directors have some vision and idealism yet no idea how to manage an organisation. Operating a healthy governance structure and adequate human resources ('how to keep staff happy') requires a different skill-set from setting up a company.

In Amsterdam, the team at Qoin acts upon these difficulties by stressing that increasing organisational efficiency would greatly benefit their performance. Qoin's directors responded by introducing more procedures, rules and norms according to corporate logics—not leaving management to common sense, but moving towards

¹⁰⁶ Interview - Brian 160829.

¹⁰⁷ This is a common occurrence in social enterprises and the subject of many management studies. It actually means the extent to which founders continue to set the agenda and retain disproportionate power and influence over the organisation. See for example English and Peters (2011).

a managerial governance and executive decision-making based on facts (cf. Knafo et al. 2019). Gerard explains the ways in which he and Nico work to transform the company: ‘It has been a profound transition from a subsidy-driven organization to a for-profit enterprise. We are formalising our operations; starting at 09.00 am on Mondays; deepening our professional framework.’¹⁰⁸ For the Money Makers, the path towards becoming a professionally functioning entity is paved with corporate logics of efficiently organising work.

Simultaneously, however, there is a discourse of resistance within Qoin to the very same capitalist framework that glorifies efficiency as the rational approach to increasing accumulation and a disposition of ‘survival of the fittest’. The evening that we were handing out *SamenDoen* flyers in a windy Dutch city, when Gerard told me he did believe in the *homo economicus*, he also lamented there is little space for anything beyond economising in the current economy: ‘fundamental to everything we do at Qoin is changing this paradigm.’¹⁰⁹ Gerard is particularly critical of the growth-impetus at the core of the economy, and its competitive behaviour. The organisation attracts employees who share this same value system. Seeing a changing world facing many crises, Qoin’s team aims to improve the social and economic resilience of communities because, as I have outlined more fully in chapter three, to them capitalism is a faulty system that *does not work*. ‘None of us wants to work in an irrelevant place’,¹¹⁰ they tell me. During lunch I prompted Frank, the newest addition to Qoin’s management team, on the workings of the mainstream economy. He said, ‘Its efficient, definitely, but what is it efficient at? I’ll tell you. Increasing wealth-gaps. Making people hungry. Individualising societies.’¹¹¹ This is a pointed critique of efficiency as a neoliberal technique and ideology wherein competition is a core concept.

In order to grasp the particular reality that is brought about through this efficiency-paradox (aspiring towards efficiency whilst critiquing it), in the section

¹⁰⁸ Conversation - Gerard 160725.

¹⁰⁹ Conversation - Gerard 170727.

¹¹⁰ Conversation - Qoin consultant 160823.

¹¹¹ Conversation - Frank 160502.

that follows I focus on the *product* Qoin aims to bring about, which is a particular social, economic and physical space that is facilitated by their alternative currency *SamenDoen*. I aim to emphasize a conceptualisation of efficiency as a *means* to best enact and achieve ideals and values—wherein neither competition nor market share are central values. Early management theorist Chester Barnard (1938) states that efficiency is about the way resources are exchanged: it is a process. One key point is that efficiency is often equated with productivity, or the quantities of product.

However, while productivity is about increasing output, efficiency at its core refers to a process; a way of doing things in such manner that the end result is produced with the least amount of waste of time, energy and materials along the way. So what does it mean to say that economies are efficient? Importantly, what is considered efficient or inefficient depends on what is considered wasteful in relation to the best possible way to achieve the particular end result around which corporate processes are organised. For Qoin, the end result is an efficient economy—a way of exchanging resources—as much as it is for neoliberal imaginings of the economy. Yet these are efficiencies of a different kind, which bring about a different reality, and have different forms of socially binding consequences (Butler 2010, 147); hence it is about different ontologies of efficiency.

In addition to attending to the specificities of alternative-currencies-as-enterprises, which institute a particular kind of economy, without ‘backsliding into a general critique of capitalism (or neoliberalism instead)’ (Foster 2017, 112), this foray into efficiency is a way to re-entwine the distinction Urban and Koh (2013) have made in their analysis of the anthropology of corporations. In their much-cited review they identify one body of ethnographic work that focuses on the inner dynamics of businesses, and a second body of work that is concerned with the impact corporations have on their wider socio-cultural and economic environment. However, corporations are, in a very real empirical way, agents: they act upon their environment from a particular position that is informed by their inner values, beliefs, rites and stories. It is through this dynamic, then, that I trace efficiency as it translates

from internal managerial processes and values into the socio-economic community work of Qoin: instituting an alternative currency.

Incorporating the WoolsePas

Let us return once more to that meeting room adorned with cows, where tiny raindrops now create intricate pathways on the windows as they slide down. Renee pours herself another cup of tea; Jasper rearranges a tress of black hair, damp from smoking outside. What Nico is explaining to the consultancy team of ‘the WoolsePas’ is the legal structure which Qoin developed for the implementation of local currency SamenDoen in the context of Woolse. The structure consists of two new organisations: an association and a limited company.¹¹² These bodies are connected to each other and a range of other actors through a complex of monetary flows and responsibilities. This legal structure, ‘the WoolsePas consortium’, stipulates the—very real, though not physical—borders of the community by including certain actors and not others; such as ‘local’ companies and not multinationals; urban citizens and not those who live outside of the city; and public institutions that work in local service provision, such as nursing homes and various sport associations. The drawing Nico drafted on the flip chart [Figure 12] eventually

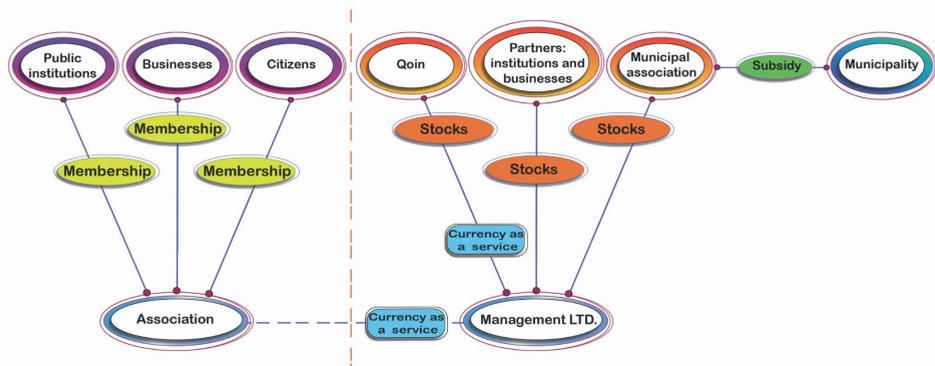


Figure 13 - Organisational structure SamenDoen

¹¹² By ‘association’ I refer to a particular legal form, which in Dutch is called *vereniging*. Another term for this type of collective would be ‘non-profit organisation’. I use the direct translation ‘association’ because it evokes a form of connectedness of its members (to associate) the same way the Dutch *vereniging* does (*verenigen* can be translated as to unite).

became digitalized [Figure 13¹¹³]. Everyone who uses the currency in any way, is included as actor in one of the white squares in the visualisation. For example, using the local currency as a citizen means that you will automatically become a member of the Association. All financial and decision-making partners in Woolse, moreover, hold a financial stake in the Management Ltd. This means that, through the very design of the alternative currency, the image of ‘the community’ is recast in the image of a corporation; the epitome, as Roland Coase would say, of efficiently organising the distribution of resources.

The reason for such a structure is to comply with financial legislation and to attain financial sustainability, effectively recasting community relationships. I will show how the alternative currency introduces a particular notion of efficiency that weaves through this renewed, formalised and bounded community. First, however, it is important to understand the conditions that require Qoin to implement and manage a local currency in the shape of a business consortium: why and in what way is it formalised and bounded? There is one key legal article that lies at the core of the answer:

Het is verboden in Nederland in de uitoefening van een bedrijf buiten besloten kring opvorderbare gelden van anderen dan professionele marktpartijen aan te trekken, ter beschikking te verkrijgen of ter beschikking te hebben.

It is illegal in the Netherlands to attract, attain, or hold outstanding financial claims which belong to others than professional market parties while running a business outside of closed circles. [my translation]

This article from the Dutch law on fiscal audit¹¹⁴ (*Wet Financieel Toezicht*, Wft) directly requires Qoin to create a legally sound ‘closed circle’ in which the alternative money

¹¹³ Structural design by Qoin; names are adapted by me to maintain confidentiality. Visual design by Harry Kanters.

¹¹⁴ I focus specifically on financial regulation. Fiscal law or regulations concerning labour and social security apply to the currency schemes, but are beyond my scope. In general, compliance with such regulation is also sought after but involves fewer complex structures. For example, for the currencies Qoin, STRO and the Bristol Pound operate, compliance with taxation—VAT, corporate tax, and income tax—involves quite simply that operators of local

is allowed to circulate freely. The Dutch financial regulators are principally the central bank *De Nederlandsche Bank* (DNB) and the regulatory body *Autoriteit Financiële Markten* (AFM). All actors that are liable to the Wft are regulated by the DNB and the AFM. The DNB focuses primarily on prudential supervision—which means compliance with financial obligations. The AFM monitors behaviour on the financial markets. The Wft defines regulation for all types of financial transactions and actors. In this regulatory context, not all money is the same money. Article 3.5. above is concerned with a type of electronic money called *opvorderbare gelden*, which I translated as ‘outstanding financial claims’. The Wft defines this type of money as ‘money that must be repaid to the owner at any given point in time, and of which it is clear beforehand that they are to be repaid’. An example of an outstanding financial claim is money that is labelled as ‘bank deposits’: this is the money that— theoretically—‘sits’ in your bank account. It is prohibited for any party other than a bank to attract outstanding financial claims. Yet acting as an alternative central bank is, in practice, exactly what a local currency does.¹¹⁵

The WoolsePas holds a deposit fund that contains the counter value of circulating digital currency in fiat currency. As a miniature central bank, this is how the consortium issues local currency and manages the way it flows.¹¹⁶ However, the law stipulates that convertible digital money of any kind is a form of electronic money. And all electronic money is regulated by the Wft. Qoin’s efforts concerning compliance are completely directed at ensuring regulation by the DNB or AFM will not label the currency as ‘opvorderbare gelden’, so that the WoolsePas is not audited.¹¹⁷ Crucially, not being audited is not equivalent to not being regulated. The

currencies notify all users of the currency that tax regulation of any kind applies to local currencies in precisely the same way as it does to national currency.

¹¹⁵ The Bristol Pound even calls itself a ‘mini-me central bank’ (Hemley 2019).

¹¹⁶ At STRO, which operates in the same legal context as Qoin, front man Theo reminds his employees often that they ‘cannot and should not communicate, officially, that STRO holds a guarantee fund of euros with a 1:1 ratio to circulating local currency,’ because, as he would continue, ‘this means one local coin is a guaranteed claim to a euro coin.’ This is what makes the currency a ‘financial claim’ and hence prohibited.

¹¹⁷ Note the difference with the UK regulatory framework, which *does* label the digital Bristol Pounds as pounds sterling.

financial regulations demand, effectively, the institution of an alternative currency through a consortium of legal persons.

The *WoolsePas* is therefore designed precisely so that transactions in alternative currency occur *within* closed circles. The Wft defines the notion of a ‘closed circle’ in article 1.1. as ‘a circle, which consists of persons or companies of which a person or company receives financial claims’ [translation mine]. The closed circle is further elaborated upon in article 1.5a, which defines cases that are not considered a ‘payment service’ and therefore are exempt of regulation

Het verrichten van betalingstransacties ten behoeve van de aankoop van goederen of diensten die worden uitgevoerd met betaalinstrumenten die uitsluitend kunnen worden gebruikt...op grond van een handelsovereenkomst met de uitgevende instelling binnen een beperkt netwerk van dienstverleners of voor een beperkte reeks goederen en diensten.

Conducting payment transactions to buy goods or services that are executed with payment instruments that can be solely used...on the grounds of a trade agreement with the issuing institution within a limited network of service providers for a limited number of goods and services. [translation mine]

The dynamics between the association and the management holding, as well as between all users of the local currency, are based on trade agreements. Therefore, the *WoolsePas* consortium brings into being a ‘closed circle’. As stated in the project proposal of the currency scheme, ‘all participants of the *WoolsePas* have a contractual relationship with Management Ltd.’¹¹⁸ This means, specifically, that businesses and institutions become a defined community of members, who pay a set contribution fee to the company and within the limits of their network agree to accept the local currency in exchange for goods and services. Citizens can also join the *WoolsePas* and use the currency by becoming members of the association. Fundamentally entwined with the particularities of the Dutch regulatory landscape, what emerges is a semi-closed economy in which citizens, a variety of public institutions, businesses and the

¹¹⁸ Documentary analysis - Qoin 161025.

municipality become connected through new financial, contractual, and ultimately social pathways. The new legal consortium in which they are connected is not just a ‘nexus of contracts’ (Jensen and Mechling 1976): it is a community—consisting of various actors, interests, responsibilities, and relationships—that through the implementation of an alternative currency is recast in the image of a business. It is within this regulatory and institutional context that efficiency materialises as a managerial strategy of internal cooperation.

Institutionalising Cooperation

‘The theory is a simple one’, says historian Morgen Witzel, ‘efficient businesses survive while inefficient ones go to the wall’ (2002, 38). There is no doubt that efficiency, interwoven with productivity and profitability, is a core business value. So too for the business of alternative currencies such as the *WoolsePas*—yet not in the way efficiency is typically understood. As I recount below, the need for financial stability, or profit, of the scheme is wound-up with a particular managerial structure that is steered towards engendering positive societal change through economic cooperation at a city scale.

Nico is clicking swiftly through the slides of his PowerPoint, glasses balancing on the tip of his nose. I am walking around him, arranging chairs alongside a long table. Everything in the room is of the deep, dark wooden colour that characterises traditional Dutch pubs, or *bruine kroegen*. The atmosphere breathes a certain warmth, similar to a living room where friends and family gather in an intimate setting. This morning, the project team of *WoolsePas* travelled from Qoin’s office in Amsterdam to the eastern, more rural part of the Netherlands where Woolse is located. It is an important day, for the stakeholders of the *WoolsePas* will come together to discuss the plans and progress of the alternative currency in their city. The patron of the pub is an avid supporter of the initiative, and has agreed to host the meeting in his establishment. As these things go, the beamer does not seem to work. So we are waiting for one of his friends to come and fix the problem. Luckily this doesn’t take

long. After some shuffling with wires, electricity sockets and plugs, the visual installation is up-and-running.

Soon after, people start to slowly trickle in and Nico gets up from his seat to welcome them with lighthearted enthusiasm. The guests greet each other with handshakes and amicable pats on the shoulder and find their spot around the table: the manager of the local housing institution; representatives of different fractions of the municipality; the CEO of the social work agency; local business owners; the representative of a volunteer agency. Woolse is not a large city, so they know each other's position and faces; yet it is quite extraordinary that they have all come together in a local pub this afternoon. Slowly, the chatter quiets down. Nico kicks off the meeting by once again reiterating the crucial role of money in society as a social technology, and the benefits of preventing value from leaking away from Woolse. He reminds his audience of why they are all here, together. Why would a municipality purchase an alternative form of money from a consultancy firm? Which logic justifies spending a portion of the—increasingly dwindling—budget of public institutions on implementing an alternative currency? Nico touches upon all these points. He elaborates, with confidence, on the more succinct statement Chief Currency Officer Gerard had given me earlier:

SamenDoen currencies are interesting first because they channel decisions and actions of people. On top of that, they incentivise a particular social organisation. Citizens taking more action, taking care of each other and the environment [...] a currency can be designed for example to meet the policy goals of retreating governments with little budget. The currencies have incentives to create a closer community, so together they reach their goals. It is much more efficient.¹¹⁹

An alternative currency is efficient. But what is it efficient at? And, importantly, for whom is it efficient? The people at that table, discussing the future and progress of the WoolsePas, were all representatives of their respective institutions or businesses.

¹¹⁹ Meeting WoolsePas - 170217.

Individual users—citizens—are hardly, if at all, involved in the design and decision-making process of the alternative money. Crucially, the currency is issued only through cross-sectoral partnerships of actors in government and public institutions. Rather than being grassroots-developed and citizen-controlled, local institutions form the backbone of the currency model by cooperatively setting the goals, terms, and directions of transactions. As Figure 13 on the organisation of *WoolsePas* shows, this stake is formalised as a financial interest for both the alternative currency and the participating institutions.

The financial security of the currency *SamenDoen* in Woolse pivots around the for-profit enterprise I have called Management ltd.: this legal person holds the actual ownership of the currency model in the city and the prospective board consists of a selection of the very people that came together in the *bruine kroeg* in Woolse. The holding is intended to secure financial sustainability in the long run by introducing the possibility of investment and the need for profit. In the project plan Jasper devised together with Nico, the aims of Management ltd. are outlined as follows:

The company aims to strengthen the community of Woolse. This is done by helping to build a community where people, businesses, governments and institutions can make a meaningful impact on social, economic, or environmental areas. *These goals are achieved through the exploitation of a community currency platform.* [emphasis mine]¹²⁰

By virtue of being a business, Management ltd. can purchase the rights to exploit the community currency platform *SamenDoen* from Qoin: this includes Currency As A Service (CAAS), so Qoin itself will also receive income. The alternative currency is thus positioned explicitly as a commodity to be sold. The money, or its design, is bought by Management ltd. from Qoin. In order to run the currency in the city, Management ltd. ‘promotes the currency to potential members, markets it, and builds customer relations.’¹²¹ Because one of the company’s main purposes is buying

¹²⁰ Documentary analysis - Qoin 161111.

¹²¹ Documentary analysis - Qoin 151108.

a service, it means that they should also have some form of income to be able to do so. This income is generated in a number of ways.

First, businesses and institutions pay a fee to be a member of *WoolsePas* because it brings them financial benefit: ‘more customers, more profit’, says a flyer of the *SamenDoen* currency model in a different city. Second, Qoin strongly believes capital should be generated through investments. This means the investors need to be able to retrieve their investment as well as be compensated for their risk. It follows that, in the words of Chief Currency Officer Gerard, ‘the most efficient way to arrange such a set-up is through the creation of a holding, which supplies stocks over which dividend is received.’¹²² Investors co-own Management Ltd. and can receive dividend over their shares. Hence there needs to be a return on investment. In other words: the local currency in Woolse brings profit to its users and also needs to generate profit by itself.

Such developments might easily be analysed as an instance of commodification, of the neoliberal steamroller hijacking creative innovation once again (Brown 2014). It is true that Qoin promotes the local currency by emphasizing the various ways in which it smoothens, eases and accelerates the internal business processes of participant institutions. As such they offer a Weberian type of efficiency, somehow interchangeable with rationality as well as financial gain. The language Qoin uses also appeals to the pervasive assumption that increasing efficiency is the primary goal of management. This is, to be sure, the legacy of the early 20th century scientific management movement—also known as Taylorism. Efficiency, said Frederick Taylor, is simply an algorithm that transforms energy expended into products created, in the least fatiguing way (White 1999, 9). Though Taylor has been readily critiqued—notably by Gramsci—this notion of efficiency still prevails, as is evident from the history of managerialism (Knafo et al. 2019). Yet, the reality of what it means to be efficient for Qoin is more complex than our general 20th century assumptions of the term. As much as the algorithm of the digital

¹²² Conversation - Gerard 170210.

currency sets the terms of transactions to include particular social values (see chapter four), so the algorithm of efficient management in alternative currencies is one that interlaces, explicitly, the financial with the social. Indeed, to Qoin, and to the institutions of Woolse, profit is not the ultimate goal.

In outlining their core business, Qoin notes that they offer a solution for [1] local authorities and institutions, who face pressure due to a restructuring state; [2] small and medium sized enterprises, who need new ways to connect to their market due to competition of global markets in the form of chain stores and online shopping; [3] civil society organisations, who need new business cases in a difficult financial context.¹²³ These actors tend to work towards their own interests in their own domains. It is Qoin's premise that having them work together to align their interests into a greater goal of creating stronger communities, it is possible to better serve these primary interests and simultaneously achieve positive socio-economic change on a local scale. As a Qoin consultant mentioned: 'What I like about *SamenDoen* the most is the merging of different interests. Through a complementary currency mutual advantages can be created. As such, we open possibilities for unusual collaborations.'¹²⁴

The idea is that Management ltd. works to bring together a variety of partners within the city, who contribute to the foundation of local knowledge that Qoin considers necessary for the successful implementation of the currency. This structure, they argue, produces 'a shared responsibility for creation of the platform and local excitement so that institutions, businesses and citizens will use the program'.¹²⁵ In 'People Powered Money' (CCIA 2014, 118), the Money Makers write:

A currency project's organisational structure should reflect the values that the currency represents. Broadly speaking, this requires a governance structure that brings stakeholders together to participate in dialogue, decision-making, and the implementation of solutions to common problems or goals.

¹²³ Documentary analysis - Qoin 160518.

¹²⁴ Conversation - Qoin consultant 160606.

¹²⁵ Documentary analysis - Qoin 161213.

Qoin anchors such principles of co-production in the way the currency is institutionalised through its financial structure. As such, capital accumulation is an explicit social act of building relationships. What the particular juridical body of Management ltd. ensures, is a web of interconnected financial flows with a specific purpose. First, these flows work to make cooperation between Qoin and local stakeholders a physical reality: they are now officially recognized and united as partners and shareholders in a business. This is important because according to Qoin, to survive, a *SamenDoen* platform needs to be set-up with its full networked capacity in place: 'it is the size and cross-sector interconnectedness that makes the community currency work'.¹²⁶ The monetary relationship, in conventional currency, solidifies and anchors the network. Moreover, the board of the company should consist of key local figures and business owners.

As such, through incorporation, the Amsterdam-designed monetary framework becomes locally owned and directed. By holding stocks in Management ltd., the cash flow major companies or institutions bring into the currency also entrenches their interests, values and goals into the design and course of *WoolsePas*. I have outlined how the precise way of incorporation is interlaced with values of institutional cooperation, rather than merely securing financial sustainability for the alternative currency. Because this cooperation, according to Qoin, increases efficiency. How, then, does this managerial structure work upon the communities in which it is active? The final section of this chapter details how efficiency is a value-laden ratio, decided upon by managers.

Valuing Efficiency

Rather than being a grassroots citizen initiative, *WoolsePas* then came into being as a professional organisation with institutional stakes. It is managed through a

¹²⁶ Conversation - Qoin office 160405.

consortium of local institutions (fractions of the municipality, a nursing home, sport associations, volunteer agencies), businesses, and the project management and organisational responsibility is shared by an executive team and a steering group. These institutions are approached by Qoin as interlocutors and managers of local economic life: they are, as was quite literally the case in the *bruine kroeg* meeting, ‘invited to the table’. As such, they are financially most intensively involved and determine the strategy of *WoolsePas*, assess its results, and decide upon its operational plans. Individual users of the currency are not consulted or included in these decision-making processes. Yet, the figures of ‘the citizen’, ‘the tenant’, and ‘the volunteer’ are at the core of the currency’s aims. More specifically, the networked behaviour of the collective forms the deliberate object of change, consistent with the thesis that societal change means changing how people relate to each other through institutionalised ways (Douglas 1987). The actual goal of *WoolsePas* as a governing practice is to shape the conduct of institutional practice. To be sure: through the discourse of efficiently organising the local economy, it is public and private sector organisations that start to regulate and frame their own behaviour in terms of added communal, social, value.¹²⁷

Qoin’s notion of ‘value proposition’ renders visible how their currency model aims to align the individual interests of institutions and other partners into a cross-sectoral common purpose that brings positive socio-economic change. All stakeholders join the project from the perspective of their own goals, desired actions, and timeline. This can (and has) result(ed) in tensions or mismatched expectations. For example, a municipality works at a much more structured, spread-out timeline than a business would. Resolving these rhythms requires the consolidation of each of the stakeholders’ stake in the project. Value propositions are, quite literally, the added value that according to Qoin, stakeholders and users should experience when using the alternative currency. They are story lines, anecdotes in a cause-and-effect form, describing which challenge is solved, or how a situation was improved for

¹²⁷ See also Holmes (2013) on the way central banks use communication strategies to enlist the public in the execution of their aims.

each separate stakeholder; stating the (in)tangible advantages of *SamenDoen*, as the currency model of *WoolsePas*, over using standard currency. Hence there are value propositions for the housing sector, the care sector, municipal services, schools, culture- and sports clubs, and waste management companies. I paraphrase an example of Qoins cause-and-effect narrative for for-profit businesses:

Through SamenDoen, the business shows social and regional commitment. As such it also is a more effective marketing mechanism than other outlets. Citizens and charities find your shop through the platform, and start purchasing and redeeming their points. Existing customers become more loyal and buy more. The improved image, together with new customers and more loyal customers, results in more sales.¹²⁸

For a non-profit institution, like a nursing home, the story goes like this:

The possibility to reward volunteering work results in citizens volunteering more often and doing more and diverse tasks. This reliefs workload pressure for professionals, who now have more time for specialised tasks. This improves service and client wellbeing. Moreover, there are less operational costs as professionals are less overworked and take fewer sick days.¹²⁹

These value propositions show how the alternative currency is expected to increase efficiency and add value, following the logic of productivity and profit. The initial grant proposal that funded *SamenDoen* states that the programme aims for ‘economic return on social investment’. A member of the operational team explains:

Yes, the focus is on deepening added value for the partners. It sounds commercial, but that is because the declining subsidies and scarce resources and time, self-investments are crucial for all partners. In the end, using this money makes the whole community more resilient.¹³⁰

¹²⁸ Documentary analysis - Qoin 170301.

¹²⁹ Documentary analysis - Qoin 170301.

¹³⁰ Conversation - *SamenDoen* team 160617.

Value propositions encompass more than what the business cases offer to each of the involved institutions and businesses. Through its structure of transactions—which come in a particular order, network, and are dedicated to a particular cause (cf. Bohannan 1955; Zelizer 1994)—the currency supposedly infuses market logic with other values, such as resilience, happiness, and sustainability. To explicate these values, Qoin organises Theory of Change workshops: this is a consultancy method that offers a particular way of envisioning future goals by companies, and delineates the planning and process for the implementation of these goals. It is thus a managerial technique to decide upon which route to follow. In a Theory of Change workshop for *SamenDoen*, the merger between individual for-profit interests and collectively added value became visualised as in Figure 14.¹³¹

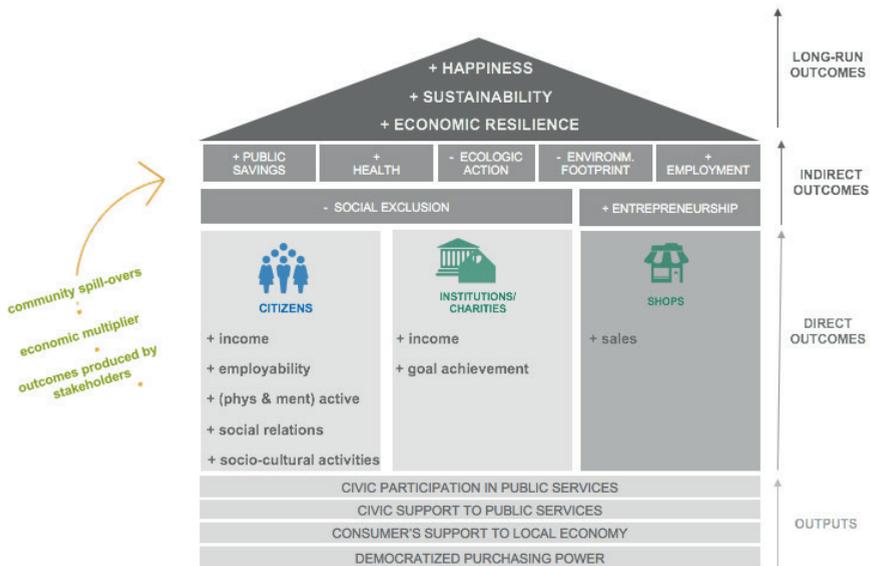


Figure 14 - Value outcomes SamenDoen

¹³¹ Both the workshop and the resulting Figure 14 are by Constança Morais.

The ‘Outputs’ foundation at the bottom of the figure stipulates *SamenDoen’s* practical behavioural changes. These should result in direct outcomes, differentiated by type of user. Here the individualised value propositions per stakeholder are articulated; namely each stakeholder allegedly joins because the *WoolsePas* allows them more efficiently to reach their goals. The indirect outcomes and long-run outcomes then are visualised as gains that add up to a common purpose of social, economic and environmental resilience. Through the alternative currency, the value of entrepreneurship is strengthened and people perceive less social exclusion. This means that the value of health is increased and there are more employment opportunities. Municipalities and institutions can save money and more easily reach their goals. In the end, the ultimate goals are happiness, sustainability and economic resilience. All of these come within reach precisely because of the institutional design of the *WoolsePas*. The determined objective is not (only) financial gain, competition, and market rule—as is the case with efficiency as understood within neoliberal theory—rather, the alternative currency becomes a managerial tool for the pursuit of public goals.

As any economic practice, the *WoolsePas* is infused with morality and value judgements about which goals are worth pursuing. According to this visualisation, the monetary outcomes for institutions, charities and shops are directed towards intangible indirect and long-term outcomes such as health and less social exclusion, and finally happiness, sustainability, and economic resilience. Indeed, (their) money is a measure of value. David Graeber (2001) notes how money is *earned*, in the sense that it represents the value of one’s contribution to the community. Through the *WoolsePas*, this contribution is supposed to be more efficiently directed into specific behaviour, so that the collective action within the community adds to its overall resilience. This goal is complementary to, or even includes, gaining individual profit.

For example, the Money Makers have thought a lot about internal competition. For example, when two different bakeries decided join the scheme. The narrative of the Money Makers is that both will thrive due to *WoolsePas*, because

the currency's cross-sectoral networked structure uplifts the entire community. 'It is not about dividing the pie differently', said Tobias at STRO once during an entrepreneurs meeting, 'it is about making the pie bigger'.¹³² In these efforts of creating a bigger pie, organisations and institutions are allegedly invited to set the rules for appropriate behaviour—and as such delineate their own social responsibility and activities in community building. It is precisely this central tenet of the alternative currency—namely social organisation through cooperation—that reveals a different ontology of efficiency in the work of Qoin. It is about structuring management to such an extent, that the processes it executes are as clean-cut and waste-free as possible because cooperation, both across and within sectors, is encouraged.

* * * *

This ethnography of Qoin's design and communication of the *WoolsePas* reveals the ways in which the goals and values of the Money Makers are translated into its institutional design and managerial structure. In conversation with the tight regulatory framework that defines money and steers its course, Qoin created a business model that includes networks of agents across different fields in society. Whereas studies of alternative economies tend to gloss over their institutionalisation, I argue that unpicking the way in which they are embedded in (financial) regulation and legal persons uncovers not only how they might be hindered or 'co-opted' by the very economic structure they aspire to change, but also how they work *with* and *through* this system to reach their goals in a number of ways. This perspective becomes available through the perspective of 'managerial governance'.

The Money Makers wish to create a new institutional environment in which money is allowed to flow; like 'mini-me central banks'. The legal structure of Qoin's currency model, as well as that of the Bristol Pound outlined in the previous chapter, envision a financially sustainable business model based on profit. Within this new

¹³² Meeting - STRO 171107.

network of institutions, corporate rationalities such as ‘efficiency’ traverse into the realm of the new economy; yet its meaning changes along the way. I showed how this difference in meaning is predicated on the concept of cooperation. As understood in neoliberal theory, market actors compete with each other by working as efficiently as possible in order to ‘survive’ (Witzel 2002). Here, the ontology of efficiency is the ability to reach the highest productivity or gain the most (financial) value with the least amount of resources; and failure to do so results in the business ceasing to exist because others can do it better. This means that efficiency is predicated on the assumption that growth (in productivity, in business size, in profit) is the highest achievable value and a guarantee of resilience to outside competition.

As I have shown in chapter three, it is precisely this entrenched necessity of growth and lack of diversity that the Money Makers criticise and hope to change with their alternative currencies. In chapter four I detailed how the economy and money are envisaged as ecosystems and water bodies in their political physiology of money. Chapter five introduced the process of incorporation of the Bristol Pound on the route to achieving the ambition of creating a local sustainable economy. In this chapter, I detailed further the Money Maker’s ideology of creating a healthy and diverse ecosystem by showing how it becomes materialised into the institutional design and managerial governance of Qoin’s *WoolsePas*.

Through the discourse and practice of efficiency, neoliberal logics interlace with recalibrations of societal value. The problem is that competition, to the Money Makers, ultimately leads to monocultures (and multinationals) because it is essentially a practice of elimination. Within the *WoolsePas*, efficiency materialises, rather, as an attempt to connect and align; as a way for diverse actors in the economy to strengthen each other. By fundamentally being a ratio between costs and chosen values, efficiency has the capacity to contain multiple values and order them in relation to each other. This different understanding of efficiency is made visual in the model of ‘value outcomes’. Qoins currencies are social policy tools that wish to direct the behaviour of citizens as well as of institutions, enacting managerial

governance by focusing on the logic of collaboration. The community, and the way in which it is managed, becomes more efficient because it becomes more cooperative within itself. This ideal of internal cooperation is so entrenched into the Money Maker's world view, that they come to expect it in their negotiations with potential partners in their currency models. This is the topic of chapter seven, where I outline how specific economic imaginaries expose a discourse of citizenship.

