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

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Conclusion

Change Money, Change the World

A coin rarely lands on its edge, so we can be forgiven for not thinking too much about the space that lies between heads and tails. Yet it is precisely this perimeter, the area encircling and connecting heads and tails, that makes it possible for coins to spin, roll, and move. In numismatics—the study of currency materials—the edges of coins are referred to as their ‘third side’. This third side, numismatists say, is worthy of careful study because coins are reeded, grooved, or patterned differently, and such designs are the result of measured decisions. Of course, all coins are *made* and even the metaphorical coin that has marked anthropological studies of money since Keith Hart’s (1986) seminal lecture *Heads or Tails: Two Sides of the Coin*, I have argued, is no different. Political authority (heads) and markets (tails) engage with a vast array of institutional agents that populate the space in-between. This dissertation, by way of a numismatics of economies, has been a deliberate effort to foreground the edge of the coin.

I have consistently emphasised how the field of ‘the economy’ consists of a complex web of public-private relations—often legally defined—that interweave economic imaginaries and values with political identities and action. I have chosen to use money as a torch to shine a light on these entanglements. Particularly, I outlined a type of money that, through its aspirational force, highlights the deep and profound institutionalisation of modern economies. Alternative currencies are not only marginal in terms of their economic impact; they are explicitly, legally, *not* money. Yet the Money Makers aspire unremittingly for their creations to function as such. They invest time, energy, and resources towards localising economies, whilst the work they put towards institutionalisation represents a clear translation of this aspiration. Their ambitious efforts bring into sharp relief how metaphors and technology both illuminate and obscure forms of economic authority and control; how legal entities and regulatory intervention shape and direct the flow of money; and how particular nationally sedimented registers of institutional cooperation demarcate tacit notions of economic citizenship. These ethnographic insights

correspond to four perspectives used to study the institutionalisation of money, to which I shortly return.

I have chosen to collectively call the idealists, dreamers, innovators, currency experts, and changemakers at STRO, Qoin, and the Bristol Pound ‘the Money Makers’. Though my field site was geographically dispersed, and my interlocutors and the organisations they set up differed in many ways, this was not a multi-sited comparative inquiry. Instead, I made the methodological and analytical choice to emphasise commonality rather than markers of difference. This choice was empirically anchored in the entanglements of the histories, worldview, actions, and exchanges of my interlocutors: I encountered and created a conceptual and relational field (Falzon 2016; Lapegna 2009) that was not ‘out there’ geographically, but rather was constructed through relations and interactions (Hage 2005; Marcus 2011). As such, I follow Cook et al. (2009) and characterise my field as ‘un-sited’.

However, this does not mean there were no boundaries, or that the field was not clearly defined. For example, some borders took the form of paper. As I noted in chapter two, research in organisations is often framed by documents. As much as they closed some roads of inquiry, the non-disclosure and volunteer agreements I signed also provided freedom. Another clear boundary that emerged through interactions with the Money Makers was my decision to exclude the numerous ‘grassroots’ currencies that exist throughout Europe. My interlocutors explicitly distinguished themselves from these, in their eyes, ‘unprofessional’ initiatives, which in turn often looked to STRO, Qoin, or the Bristol Pound for guidance and advice. These dynamics demarcate field borders that are not related to geography, but rather pertain to conceptual and relational processes.

‘The Money Makers’ constitute a cohesive group; they form part of an interconnected undertaking that embraces a particular worldview and share a set of practices geared towards a mutual ideal. To a certain extent, they also share a personal biography: mostly male, middle-aged, white, middle-class, educated, with a propensity to ‘vote green’. They all describe having felt uneasy about being part of a

system that did not ‘feel right’, this sense of unease culminating in the realisation that money is ‘the root of all evil’ and it was this revelation that ultimately directed their energy towards a shared goal. This connected vision emerges in the stories, or myths, they tell each other and anyone else willing to listen. One vital myth I recounted at the start of the dissertation is the miracle of Wörgl. This story, set *in* Austria in the early 1930s, stars the original *Geldmacher* (Money Maker) Mayor Michael Unterguggenberger. It conveys, above all else, the promise of money’s transformative capacity. Creatively redesigning the rules of currency so that it bears no interest and circulates in a controlled area, means not only that the area concerned will be resilient to the otherwise uncontrollable shocks of the global economy, but also that its community will develop a sustainable form of solidarity. Thus, as a title, ‘the Money Makers’ primarily expresses ambition.

On the wall of the Bristol Pound office, stuck to a pin board next to Caleb’s desk, hangs a flyer that states: ‘Change money, change the world.’ This is precisely what the ambitious Money Maker seeks. To make money, in a way, is to make the world. It is this sentiment of ‘world-building’ at the core of the efforts of STRO, Qoin, and the Bristol Pound that inspired me to approach the phenomenon of money beyond the agents that use it, and to ask what insights emerge from the observation that *money is made*. It will be clear by now that with this act of ‘making’ I do not imply the actual minting of coins. To be sure, if the title ‘Money Makers’ conveys ambition in the first instance, in the second, third, and fourth, it carries a note of irony. The Money Makers do not make (any) money, nor do they become rich from their efforts. Ultimately, they do not make a new world; rather, they *imagine* one. The ambiguous title ‘Money Makers’ underscores the stark difference between sky-high ambitions on the one hand, and the actual scope and impact of alternative currencies on the other.

It is precisely in this tension between visionary ideal and practical reality where the methodological and analytical prowess of ethnography becomes manifest. Do most of the citizens of Utrecht even know their city has an alternative money? Is the

SamenDoen currency concept widely implemented and successful? Do Bristolians actually use the Bristol Pound on a structural basis? These questions may be rhetorical, however, they are certainly not cynical. It is easy to dismiss STRO, Qoin, and the Bristol Pound on the basis of their quantitative impact on city economies, or because such currencies are not as widely used as their makers might aspire to or proclaim. So why study such ever-changing small initiatives on the fringes of economic activity and the margins of political power? At the tail-end of exactly such a study, this question might appear equally rhetorical, however, I do not ask it simply for effect. The answer is that it is in this terrain—the hazy territory between idealistic proclamations and empirical impact—where the conditions and possibilities of human (economic) life are located in all their messiness, contradiction, and ambiguity. This landscape becomes analytically available through ethnography, not only as a method or mode of representation, but also as a perspective on social reality that reveals how people make sense of the world and how they frame their opportunity for action upon that world.

The key locations of my otherwise un-sited field were the three offices of the Money Makers. In this regard the rhythms of ‘working life’ shaped the practice of both implementing alternative currencies and the practice of doing ethnography. The economic imaginaries of the Money Makers were made accessible during office chats, business meetings, team deliberations, discussions over coffee, and lunch breaks. The alternative world my interlocutors strove towards became visceral in these office-based interactions as well as in the documents they produced and shared with each other. My consistent presence at all three office sites, my participation in the rhythm of work, and my embeddedness in the interactions, systems, and processes geared towards managing money alternatively, engendered the experiential and embodied ways of knowing that are so paramount to ethnography.

Although at all three locales I interviewed and conversed with municipal workers, business owners, directors of local institutions, philanthropist funders, members of the international network of local moneys, grassroots currency

initiators, and occasionally users of the currencies, this data mainly served to substantiate, thicken, and validate the insights I gained from long-term participant observation as either a volunteer or an intern. Although each group presented invaluable insights regarding the institutionalisation of money that are worthy of further study—especially, I would argue, the world of social enterprise philanthropy—these views are not spelt out in detail, as I keep my main focus on the management and staff of STRO, Qoin, and the Bristol Pound.

The trials and tribulations of the Money Makers I came to know and understand speak of the dynamics between the ways in which economies are imagined and how they are constructed in reality. I called the way in which STRO, Qoin, and the Bristol Pound manifest their vision and ambition through a succession of currency experiments ‘failing forward’ in order to express their attitude of perpetual experimentation, whereby failure is seen as a route to success. To the Money Makers, this work is worthwhile because the design of money is the pivot around which a wheel of fundamental societal transformation can revolve. However, societal change always happens from within its very fabric and what we think of as ‘the economy’ is entrenched in legislation, organisations, and culturally specific modes of interaction. The Money Makers actively seek to institutionalise their activities and as such illuminate the ways in which economies are institutionalised. The equivalence I aimed to draw is not between the Money Makers and a wider population or group of people. Rather, I worked to show that these small-scale initiatives are embedded in dynamics that are also present in larger economies including, but not limited to, other forms of alternative economic practice. Being attentive to the management of money opens up a framework for examining economies that is able to consider the space in-between markets and states.

Four Perspectives

Through ethnography, I have set out to address the following key questions: How and why do alternative currencies emerge, develop, and become interconnected in

the Netherlands and the United Kingdom? What is the political design of alternative currencies? How do financial regulation and legal compliance impact upon the implementation and shape of alternative currencies? What are the consequences when an alternative economy is managed in the terms and parameters of a business? How do the interactions between the Money Makers and local institutions take shape and what does this imply for citizenship? My analysis of the institutionalisation of alternative currencies in North-West Europe is therefore about how money, and images of money, are conceived; how its purposes are made explicit and altered through economic imagination; and how this exposes the ways in which the ebb and flow of monetary movement throughout society is tightly controlled and regulated. I have analysed the institutionalisation of alternative currencies from four perspectives.

The first perspective, ‘the political physiology of money’, focuses on how money—as understood and put to use by the Money Makers—is a vital life force that must flow within a contained environment. In feminist social theory, Donna Haraway (1978, 21) refers to ‘political physiology’ as the mechanism whereby human groups come to mirror natural forms. So too, the Money Makers liken the economy to an ecosystem and speak about the dangers of creating ‘monetary deserts’ if money continues to leak away, as water might. The physiology of money is expressed through this ‘money as water’ metaphor, which has a long history in philosophy and economic thought and continues to inform current monetary discourses. I have explicated how such a physiology of money, as a body of water, is inherently political because at its core lie issues of control and authority. These issues are embedded in the framing of an alternative currency as a matter of collective action in the interests of that collective.

In their ‘money talk’, the Money Makers express particular ideas of authority in monetary systems and explicate normative thoughts of what function money should have. They take issue with conventional currencies, precisely because of the way they are designed and administered by states and central banks—that all local

control over money has been lost to the perverse tendencies of capitalist and global systemic design. The interest-bearing money that is created by commercial banks demands incessant growth and sets the direction of monetary flows to financial centres, thus solidifying power relations that are detrimental to local communities. In short, the problem is that cities and regions have lost control over the flow of mainstream money. Central to alternative currencies then is the attempt to regain this control by intervening in the functions of money—to make it circulate more effectively as a medium of exchange and to do so within a defined area of circulation. By means of the water metaphor, the Money Makers formulate a very clear answer to the question ‘What should money do?’ and they are adamant as to *how* this should be done.

To achieve the ideal of bounded circularity, the Money Makers have designed a mechanism that, they argue, will make money flow the way it is supposed to. The software system Cyclos, created by STRO, is a means to regain control over the movement of money. Yet this control is not the democratic, community ownership over money that is rooted in the rationale for an alternative currency. I have argued that the parameters of this new form of control remain clouded as the Money Makers embed the interests of their own agency within the software, so that in effect, it becomes part of the machine. In what I term ‘algorithmic reason’, particular structures of power and authority become enfolded within the very operation of Cyclos. I took inspiration for the workings of this logic from Friedrich Engels’ ([1872] 1978, 2) notion of the ‘authority of the steam’ as an allegory for the naturalisation of capitalism’s agency within the workings of the factory, applying it to the workings of digital currency software.

The ethnography of STRO’s development of Cyclos and its use by the Bristol Pound reflects a ‘black box’ sentiment, as the local currency is understood to work its magic because it is ‘locked’ into the ‘system’. Cyclos becomes an ‘object endowed with agency’ (Colman et al. 2018, 8) which, seemingly by itself, *reprogrammes* money. This money, by virtue of it being in a new technological environment, is then

perceived by both the Money Makers and the currency users as being significantly changed in the process. Hence, even though STRO, Qoin, or the Bristol Pound determine the borders of the currency, how it is supplied, and how it moves, the software alone is understood to imbue currencies with values of solidarity, locality, and sustainability. The term ‘algorithmic reason’ describes precisely this logic, naturalising agency into the machine.

Using Cyclos, the Money Makers wish to create a new institution that embeds their terms and conditions for how money should function. Therefore, and to a significant extent, the work of making money consists of constantly ‘tweaking and tuning, repairing and refactoring’ (Seaver 2018, 375) the parameters of Cyclos. Re-making the world is indeed an effort of technology, yet this institution and the currencies it hosts does not ‘float’ in some abstract regulatory void. Although the digitisation of alternative currencies was instrumental to their growth and development across Europe, befitting the Money Makers’ ideals of freedom and autonomy, it did not ‘free’ them from regulatory constraints and financial oversight.

I articulate this argument using the second perspective, incorporation, which illuminates the agents and modes of control that are involved in regulating the movement of money. This perspective focuses on how (alternative) economies are controlled by networks of agents across multiple fields. I detailed the process of incorporation of the Bristol Pound, demonstrating that the economic space beyond conventional currency is not a ‘free-for-all’ field of monetary multiplicity and competitive freedom. Regulators, company actors, and their managerial ideologies and technologies fundamentally impact upon the shape and functioning of local economies.

Yet, instead of analysing the interplay of these various actors through a Foucauldian framework of governmentality, wherein subjects are enlisted in their own governance through technologies of the self (Rose et al. 2006), I have argued for a more empirical approach that uncovers how the Money Makers incorporate in order to navigate and govern economic activity on different terms. This provides a

framework for analysing economies beyond the perception of states or central banks as the main regulators, promoters, and consolidators of markets. Economies are highly structured and money flows are, always and in various forms, situated within institutional and organisational arrangements that inherently shape the ambitions and desires of the Money Makers. The embeddedness of monetary alternatives into legal regulatory frameworks materialises in the Money Makers' increasing efforts to 'work with the system'—which, in turn, impacts upon their ideals and image of the future.

The third perspective, called 'managerial governance', addresses the consequences that emerge from the incorporation of alternative currencies as their efforts to transform economies engage with the paradigm of business models and capitalist economic discourse. My ethnography of the design and communication process of the *WoolsePas* by Qoin is a response to scholarship that normalises businesses as an extension of the neoliberal project (see Brown 2015), whereby their central ideologies and technologies (such as efficient behaviour) are also automatically and uncritically collapsed into the notion of (market) competition. Looking at the *Woolse Pas* and Qoin from a 'managerial governance' perspective allowed me to better understand what happens when an alternative economy is managed in the terms and parameters of a business. In political economy, managerial governance is a paradigm and a set of technologies that developed alongside, but not inextricably from, neoliberalism as 'an expertise of decision-making' (Knafo et al. 2019, 241). Moving away from the assumption that efficiency is mobilised through management as a way to withstand competition in markets, I delineate efficiency as a value-laden ratio between estimated costs and chosen values—a moral judgement made by managing agents (in this case, Qoin) that requires careful ethnographic attention. The type of efficiency the Money Makers aspire to is brought about through a particular managerial structure that is steered towards engendering inter-institutional conversation, and hence cooperation.

The fourth and final perspective, economic imaginaries, brings into focus how particular institutional landscapes and forms of collaboration, in dialogue with the ambitions and actions of the Money Makers, materialise different discourses of economic citizenship for the city. The currencies of STRO, Qoin, and the Bristol Pound emerged following a distinct historical trajectory that is closely entwined with developments in the political and regulatory landscape of the Netherlands and the United Kingdom. Key amongst these developments is the move towards cities as contexts of self-governance through the political ideology of *de participatiesamenleving* in Dutch and the ‘Big Society’ in the United Kingdom. These terms denote a devolution in governing responsibility: from national state structures to municipalities, local communities, and citizens. Legislative programmes under this paradigm thus focus on bolstering civic engagement in order to generate semi-autonomous self-management (Busan 2011; Kisby 2010; Newman and Tonkens 2011). Simultaneously, notions of citizenship have changed from a more technical membership of the nation, to an active status of forming connections. This ‘affective turn’ denotes the way in which governments have come to see their citizens as affective subjects in search of meaning and belonging. By exploring the role of economic imaginaries in the way STRO engages with partner institutions, I put forth the argument that networks of local institutional collaboration are a central locus where economic citizenship takes shape as a normative project.

I highlighted two prominent political projects that infuse the practices and goals of the actors ‘on the edge of the coin’. In the Netherlands, in recent political discourse, the ideal of *de participatiesamenleving* (participation society) is entangled with a specific history of institutional collaboration as well as the transfer of societal accountability and responsibility to the figure of ‘the entrepreneur’. I identified these two strands as the *poldermodel* (from the verb *polderen*) and the imagery of a city as a business, expressed through the term *BV Utrecht* (Enterprise Utrecht). *Polderen* is an emic Dutch word that denotes a style of working together that involves laborious negotiations to determine, and hold, a common goal. *BV Utrecht* is derived from the

equally emic term *BV Nederland* and refers to a conceptualisation of the city (and of the nation) as defined by its entrepreneurship.

The Money Makers at STRO decidedly work from, and with, the institutional emphasis on cooperation and entrepreneurship present in these political projects, as do the institutions with which they wish to cooperate. The networking organisations that emerged prominently in Utrecht in 2012, such as *Ondernemersfonds Utrecht*, greatly enhanced the capacity of public, private, and civil society organisations to work across sectoral boundaries. I detailed the intricacies of institutional cooperation by locating the interaction between STRO and *Ondernemersfonds Utrecht* within the specific landscape in which it occurs and analysed what these efforts towards collaboration reveal about tacit notions of economic citizenship.

Ultimately, the Money Makers are devoted to social change by transforming economic practice. By aiming to create a network of businesses through a local currency, the actors involved ‘perform’ or ‘shape’ their world in distinct political ways. I showed that different conceptions of economic citizenship are mobilised in the cooperative effort to institute a local currency. Specifically, as managers (or would-be managers) of local economic life, the Money Makers operate with a particular ‘citizenship agenda’ (de Koning et al. 2015). This is a normative frame that defines good behaviour and what being a ‘proper’ citizen entails. The institutions they work with also develop their own citizenship agendas.

The ethnography of *Ondernemersfonds Utrecht* showed that businesses connect with the state and the market through institutionalised forms. They receive indirect support from the state through a buffer of institutions receiving subsidy streams; they petition the state to argue their needs; and point to routes of change and improvement. Their interest is not only that of a self-interested business working for its own survival, but also the interest of a collective, a network operating in the same ecosystem: the city. Enterprises express a shared stake in the prosperity of Utrecht. It is in this sense that enterprises act as political agents. By changing the economic fabric of the city with a local currency, STRO aims for the currency to solidify

networks of entrepreneurs and direct the behaviour of public institutions towards an even more inwardly oriented cooperative approach to managing city life. Examining the institutional infrastructure of economic cooperation in Utrecht through the lens of money flows reveals a far-reaching entanglement of public and private sectors, through which civil demands and duties are negotiated.

The Edge of the Coin

To conclude, I have demonstrated the ways in which alternative currencies are institutionalised at multiple scales and modes of interaction with regulators, economic processes, and political projects. My contribution, both to the earlier work of currency researchers (for example, Dodd 2014; Greco 1990; Lietaer 2001; North 2007) as well as the ‘diverse economies’ research agenda (Gibson-Graham 1996, 2006) is to show that unconventional, creative economic practices are not ‘liberated’ and do not exist outside of the regulatory framework that embeds conventional economies. From the perspective of a coin having only two sides, namely states and markets (Hart 1986), the liberation of alternative currencies is perhaps a tenable position. After all, alternative currencies are not the products of states and they have been largely understood as antithetical to the market (Karatani 2003; Maurer 2005). However, the empirical reality of the Money Makers at STRO, Qoin, and the Bristol Pound reveals a profoundly different experience. I have argued that this reality can be fruitfully theorised by paying close attention to the complex web of public-private relations in which (local) governments, public institutions, and private enterprises enact governance within economies.

Adding to anthropological scholarship that focuses on the use and users of money to expose the ways in which it specifically lacks neutrality (Guyer 2004; Maurer 2005; Zelizer 1994), I sought to outline how money is imbued with value by way of its very design and management. As such, I built upon important works in economic anthropology that focus upon the managers of money and markets. For example, Douglas Holmes (2013, 25) examines central bankers as ‘architects of

monetary regimes'; the traders in Caitlin Zaloom's (2006) *Out of the Pits* work to 'read' the money flows of to them ultimately unknowable markets; and Karen Ho (2009) shows how the investment bankers of Wall Street configure and legitimise markets from particular cultural models of elitism and high-risk decision making. I contributed to these studies by including in my analysis insights from the anthropology of organisations as well as from political economy. In bridging the gap between these bodies of literature, I focussed attention on the agents that populate 'the edge of the coin' and argued that businesses are not to be conceptualised as mere market actors, but as part of a complex institutional framework that manages monetary flows.

One key insight that emerges from the fact that money is made, is that it is infused with purpose as soon as it comes into being. In this way, money is a central element of the body politic, extending beyond the fiscal regimes of states into society's institutions. The administration of currency implies that it is carefully managed, and that its managers seek to enable a particular effect. This purposeful management becomes open to scrutiny by looking at economic imaginaries—visions of the future that concern movement and circularity as much as they concern containment and closure. By ethnographically unravelling the economic imaginaries of the Money Makers and their alternative currencies—marginal in scale yet grand in ambition—I revealed the economic imaginaries that lie at their core; how they work through the design of money; how they aspire to assert themselves in society; and how they shape models of citizenship.

By detailing the embedding of a marginal economic practice into the networks of power and control permeating capitalist economies, I have shed light on these networks themselves. Whilst working to make local currencies, the Money Makers deal with issues that are central to currencies at large. If we can conceive of money as water, this dissertation has been a way of making money visible, tangible by specifically *not* looking at it, but instead capturing the properties of the—engineered—canal that steers its course; the construction of its shores; and the

subtleties of controlling its flow. I illuminated not the water, but its canalisation. Or, to use a word from the world of paper rather than water: its administration. Rather than delving into the ontology of money, I have put forth the argument that all currency is administered. In doing so, I emphasised the diffused plurality of the managers of economic life. Money is institutionalised in technology and algorithmic reason as well as in legal assemblages that determine the various types of money and how they are allowed to circulate.

The Money Makers illuminate how economic activity is organised through processes of incorporation, management rationalities, and institutionally sedimented cultures of collaboration. They inspire broader reflection on the meaning and role of money in society, igniting new questions about what might arise when this pivotal element of economies should become instituted differently. Embedded as they are within existing institutional frameworks, STRO, Qoin, and the Bristol Pound ambitiously continue their efforts towards managing the design, supply, and movement of money alternatively, aspiring to that one experiment that will change the world.