

**“We Don’t Want Hippy Money”:
Contradiction and Exchange in a Local Currency System**

by

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Dedicated to Mom, Dad, and Dave,
who are always there for me, and always up for some fun.

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ABSTRACT

Local currencies are non-governmental monetary systems created to address particular economic, political, or social problems within a specific geographic area. They have a long history, exist in various forms, and have grown in popularity since the 1980s. Most recently they have been promoted as a strategy for economic localization and de-growth, preparing for climate change, and reducing social inequity. This ethnographic project draws on field study of various local currencies in British Columbia, Canada in 2012, focusing on the Columbia Basin Community Dollars system in Nelson. It considers local currencies' capacity to spur social change by focusing on the subjective experience of using them. Despite Nelson seeming an ideal site for a successful local currency, Community Dollars were not widely adopted. In considering why, I detail Community Dollars' development, the research context and its history, and the complicated Community Way currency model employed. The most significant issue in the Community Dollars system was pervasive tension between mainstream and countercultural values, a tension seen throughout the local currency movement. Using data from participant observation and interviews, and Bloch and Parry's concept of transactional orders, I argue that most people will only use local currencies if they experience some direct benefit from doing so. National currencies have lower transaction costs, so outside of periods of financial crisis people receive few economic benefits from using local currency. The main benefit for those most likely to use local currency in stable economic situations is feeling they are improving social balance by enacting countercultural values and challenging the status quo. This study of a struggling local currency counterbalances literature emphasizing unusually successful local currency systems, provides insight into the lived experience of currency pluralism, and casts doubt on local currencies' capacity to promote widespread social and economic change.

LIST OF ABBREVIATIONS USED

BC HCB	British Columbia Heritage Conservation Branch
CBT	Columbia Basin Trust
CLC	Convertible local currency
LETS	Sometimes an acronym for Local Exchange Trading System or Scheme
MOA	Memorandum of agreement
SFA	Submit for acknowledgment
UK	United Kingdom

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CHAPTER 1 INTRODUCTION

“The theory never matches the reality on these things, and I don't think I would have encouraged them to even go ahead with the whole Community Dollars thing. The whole thing is so fraught.” (Community Dollars user, September 26, 2012)

This dissertation describes the life and death of a local currency project. Local currencies are homespun money systems created by grassroots groups rather than the national government. Although laws vary from place to place, local currencies are usually legal as long as they are readily distinguishable from legal tender and not actively attempting to replace it. The real difficulty comes not from legal challenges but in trying to establish trust in and demand for special currency only accepted at particular businesses in a limited geographical area.

So why do people try to print money when the government is already doing so? Local currencies are often created in response to economic crisis, particularly when local areas have plenty of resources, but shortages of the money that helps people exchange and distribute those resources. They are also created to provide money that is qualitatively different from government money. Local monies can be created to explicitly support political goals like reduced inequality or increased environmental sustainability, while conventional money reinforces the status quo and is generally considered to be politically neutral. Local currencies take a variety of forms. Some are completely digital while others use physical tokens like bills. Most are pegged to the national currency, although some are denominated in time.

The Columbia Basin Community Dollars local currency, composed of colourful polymer bills (pictured Appendix 5, Figures 10-15), circulated in three small cities in the Kootenay Mountain region of the British Columbia interior from 2011 to 2013. I learned of Columbia Basin Community Dollars (henceforth “Community Dollars”) prior to its launch, while searching for a recently

established local currency system to study ethnographically. My initial hope was that by studying a local currency system early in its development, I could see if people learn new things about economic life by experimenting with a heterodox economic institution. When I began my research, the Community Dollar organizers were confident the currency would be a resounding success, and I shared their enthusiasm. After all, the literature on local currencies contains numerous examples of local currencies that were enthusiastically received by at least a portion of the communities in which they were established. Nelson, one of the participating Community Dollars communities, is well-known in Canada as a countercultural haven, and the sort of place one would expect a local currency to thrive. In my enthusiasm, I failed to consider the risk inherent in studying a new and unconventional social institution given the very real possibility that the currency system I chose to research might fail. And fail it did.

Community Dollars first launched in Fernie and Kimberley, British Columbia in July 2011, but never achieved the success its organizers hoped for. The majority of the population of the two communities were ambivalent toward the project, and very little local money entered circulation. This was also the case when the currency launched in Nelson a year later, in July 2012. The currency organizers in all three communities quickly discovered that managing the local currency system required far more effort than they had expected or were able to dedicate. Consequently, the Community Dollars project was officially discontinued in September 2013. I was no longer in the field when the decision to dissolve Community Dollars was made, but it did not come as a surprise. I first arrived in Nelson, where this research project was focused, in July 2012. Despite optimistic reports from the Community Dollars organizers prior to my arrival I observed little community support for the local currency, or awareness of its impending launch. So while I attempted to remain optimistic, as soon as I began my fieldwork I was forced to consider the possibility that the Community Dollars currency would fail, and wonder whether my research would yield any usable results.

Even when they are enthusiastically embraced, local currency systems tend to remain fairly small and peripheral. While I had grappled with the question of how to justify studying a social phenomenon that was likely to be quantitatively insignificant, I was left worrying whether there would be anything to study in the Community Dollars case. If so, what, if anything, can be learned from studying a failing local currency? As I pondered these questions, they gave way to a broader consideration: what constitutes success or failure for a local currency, given that they are almost always small, heterodox, and peripheral in nature? What factors might make a local currency attractive or unattractive to potential users, and how can these factors be balanced? These became some of the central questions in this research project.

During discussions in the field, and online research afterward, I came to realize that many proposed local currencies never make it to the point of circulation, and almost all that do have fairly short lifespans. Although some local currency researchers have made the same argument, such claims can be difficult to support empirically. Local currency systems are tiny grassroots institutions that generally leave very little trace once they are gone. This ephemerality is significant in its own right. My time researching Community Dollars seemed haunted by the ill-defined spectres of defunct local currencies. Throughout the research process people repeatedly informed me of the past existence of local currency systems in Nova Scotia, British Columbia, and beyond. The bulk of those claims proved difficult to substantiate, as I struggled to locate any concrete evidence that the currencies in question had ever existed.

Robert Rosenthal (1979) coined the term “file drawer problem” to refer to a bias in academic publication where experiments with significant results are overrepresented, and examples where hypotheses are null, or results are statistically insignificant, remain locked away in filing cabinets never to be seen again. The resulting publication bias means that the public and academic community only ever have a partial and limited understanding of the particular research area. A similar sort of bias exists in the local currency literature. A small number of particularly compelling local currency examples, which involved a

large volume of trades, or lasted a reasonably long time (for example Trueque networks in Argentina, or Ithaca HOURS in New York), are over-represented in the literature. This overrepresentation is at the expense of what appear to be more typical local currencies: the many relatively unknown systems where trading volume remains small before lapsing into dormancy, if the currency even reaches the point of circulating.

For the most part, the paucity of studies of failed or under-performing local currency systems is not a conscious choice, or judgement against their seeming insignificance. Because the study of local currencies is not lab-based or experimental, it is a simple case of lack of opportunity. These currencies tend to appear and disappear with so few people ever being aware of their existence that there is almost no opportunity to study them. For this reason, despite my initial consternation, I decided to seize the uncommon opportunity to study an ephemeral and temporary heterodox social institution, on the ground, while it still existed.

1.1. ECONOMIC CRISIS AND CRITIQUE

Local currencies are a compelling research topic because they represent attempts to reshape the economy, albeit in a localized manner. They are often developed in response to economic crisis or inequality. As such, they provide a partial answer to pressing questions about the potential for economic transformation. A series of economic crises, most notably in 2008, have resulted in increased economic polarization and injustice, and inspired growing skepticism in the stability and sustainability of contemporary economic institutions. Economic troubles have forced people to experiment with alternative economic organization out of necessity. Concern about the social and financial impacts of climate change and environmental degradation has spurred calls to proactively reshape the economy in preparation, as seen in the Transition Town and Economic De-growth movements. Widespread feelings of doubt and skepticism toward contemporary capitalism have also inspired grassroots political challenges of the existing economic order, notably in the short-lived

Occupy Movement. I first became interested in local currencies as an activist during the late 1990s and early 2000s, involved in what is generally called the anti-globalization movement. During several activist conferences and civil disobedience trainings I attended, local currencies were promoted as a potential tool for resisting economic globalization, and creating alternative parallel institutions to “live the revolution” in spite of the existing economic order.

The academic world has also faced a series of challenges to the theoretical and pedagogical hegemony of orthodox neoclassical economics. Even before the global economic crisis in 2008, there were growing calls to reintegrate the social and political into mainstream economic work, to better reflect the concrete realities of everyday life. “Post-Autistic Economics,” which expanded into a global movement after being established in Paris in the year 2000, provides an example. The primary argument of Post-Autistic Economics is that over-reliance on mathematical models and a lack of theoretical pluralism have caused the field of economics to become disconnected from reality. This belief was further reflected in 2008 when the Post-Autistic Economics Review was renamed Real-World Economics Review. The call for economists to expand their methods and assumptions about human behavior, and re-incorporate notions of history and culture into their work, are a call for a return to Political Economy.

Critiques of the current economic orthodoxy, and particularly the way economics is taught in universities, amplified during the “Great Recession,” beginning in 2008. Skeptics argued that neoclassical economic theorists had failed to see the crisis coming, and students of economics were continuing to be taught “theories now known to be untrue” (Inman, 2013, p. 11). A number of new organizations were formed to promote alternatives to the neoclassical orthodoxy, for example the Institute for New Economic Thinking (INET), founded in New York City in 2009 with an initial endowment by George Soros, and the International Student Initiative for Pluralism in Economics, which began as a coalition of sixty-five economics student groups from thirty countries in 2014.

Efforts to reconsider the economic orthodoxy have not been confined to the scholarly periphery, or limited to the academic world. When the Post-Crash

Economics Society at the University of Manchester published a report critical of economics education in April 2014, it featured an introduction by Andrew Haldane, the executive director for financial stability at the Bank of England. In the same general time period, books like David Graeber's *Debt: The First 5,000 Years* (2011), and Thomas Piketty's *Capital in the 21st Century* (2014), found widespread popularity among both general and academic audiences, suggesting a mood of uncertainty and curiosity regarding the current economic order. Given the context of economic upheaval and widespread calls for further change, it is essential to understand how novel and heterodox economic institutions, including local currencies, might be established, function, and evolve over time.

One feature of contemporary critique of neoclassical economics and contemporary advanced capitalism is increased attention to the long-neglected topic of money and how it works. The Great Recession keenly demonstrated that, however digitized, abstract, and ephemeral our financial systems become, they remain "real" in that they have concrete consequences on individual lives. Similarly, while money is a fairly arbitrary, socially-constructed benchmark through which exchanges are quantified, it nevertheless has real social impacts. Yet while the social institution of money is the fundamental unit of modern economic life, there remains no clear intellectual consensus as to money's definition and mechanics. To whatever extent there is an orthodox theory of money, its origins remain in the now widely-critiqued realm of neoclassical economics, specifically in abstract models based on pure capitalist relations in a Euro-American context. When they are discussed, monetary systems are typically portrayed as generic and predictable, and money as an autonomous historical agent with universal and predictable effects in all social contexts. This remains the case despite numerous social scientific studies from outside of the field of economics, which demonstrate the limits of such an approach. It is therefore imperative that we improve our understanding of what money is and how it works by questioning the nature of money, markets and our current understanding of the economy. In order to do this, we must attend to the

complex behaviours and attitudes which surround money, not simply the “fact” of money itself.

The largely unanticipated nature of the Great Recession demonstrates that existing models for predicting economic behaviour and its results are insufficient. In contemporary economic systems, concrete experiences are shaped by abstract financial markets that are themselves often fueled by speculation or panic. Consequently, how people perceive money is just as significant as what money really is. Critiques of the preference for abstract models over empirical data in neoclassical economics challenge of the notion of a *homo oeconomicus* who behaves in a predictable and predetermined manner. Redressing the limitations of the neoclassical approach requires observation and analysis of actual human behaviour and attitudes in the economic realm. Therefore any attempt to understand money and how it works should start with people, how they use money, and what they think about it.

Fortunately, there is a tradition for this type of research in the field of economic anthropology, and in other disciplines applying ethnographic methods to economic life. Ethnography is the in-depth study of everyday life and norms in a particular population, using direct, experiential field research methods like participant observation. Instead of relying on predictive models, this approach relies on the concrete observations and experiences of a researcher, and the informants they encounter in the field. Ethnography excels at providing detailed information about the complexities of social phenomena—including economic life as it actually exists—and revealing the social meaning and significance of norms, practices and institutions. Economic anthropologists have repeatedly demonstrated that empirical observation of economic relations in a particular locality—especially when they are somehow heterodox or “other” to those held to be universal—provides the deeper level of detail, and complexity needed to fully understand those relations (ex. Bohannan & Bohannan, 1968, Guyer, 2004, Parry & Bloch, 1989). Ethnographic research offers a corrective to neoclassical economic theories by empirically demonstrating the ways real life often diverges from orthodox economic models and assumptions, but economic anthropology’s

contributions have failed to be adequately applied by mainstream economists. Ethnographic studies provide insight into both heterodox economic forms and economic transformation. The abstract models typical of neoclassical economics assume that economies develop in predictable ways. Ethnographic studies help test these assumptions, both through contemporary study of reactions to economic crisis, and a rich ethnographic record including many colonial-era studies that describe diverse examples of significant economic upheaval.

1.2. RESEARCHING LOCAL CURRENCY

This research project responds to the need for ethnographic investigation of economic life—particularly in the context of crisis and uncertainty—with the study of a local currency system. Chapter two provides necessary context for the project by broadly considering what money is. The chapter begins with more conventional definitions of money rooted in the field of economics, before complicating those orthodox approaches with the results of ethnographic and sociological analyses of various monetary systems. The latter studies differ from standard economic understandings of money, which treat it as generic, apolitical, and largely disconnected from culturally specific value systems. Instead, anthropologists and other social scientists have identified diverse money forms and shown the varied ways they are shaped by and interact with localized cultural beliefs and social structures. In chapter two I argue that to fully understand social life, we must adopt a broad definition of money. Such a definition recognizes that the modern world contains many forms of money, including tokens like coupons or loyalty points we generally do not consider to be money. It also acknowledges that money forms are inherently cultural and social creations: they are created and used by human beings in their exchanges with one another, and are shaped by and understood through existing symbolic systems.

Local currencies, which are examined in more detail in chapter three, are just one of the various forms of modern money. Just as there are many forms of money in the world, there are also many different types of local currencies. To properly contextualize the study of the Community Dollars system, in chapter

three I introduce the reader to many of the most common local currency models, and the varied theoretical and practical motivations for establishing local currencies. Given Community Dollars' eventual fate, in reviewing the existing literature on local currencies, I focus on studies considering why some local currency systems fail, why some succeed, and what they succeed at doing. These studies show that there are particular geographical, demographic, and administrative characteristics associated with successful local currency systems.

Often, the "success" of a local currency is judged largely on its survival over time. But local currencies are created with particular goals in mind beyond endurance. In chapter three, I broadly classify these motivations into two categories. Quantitative motivations for local currency development and use are materially focused. They aim to increase the amount of money in a community to increase access to material resources and wealth. Qualitative motivations for local currency development are more varied, but seek to transform social life or organization in less tangible ways. For example some local currencies have been created to promote environmental sustainability, or to encourage people to be more neighbourly. Although the existing literature does not always explicitly say so, prior studies show that local currencies are generally unsuccessful at achieving quantitative goals outside of situations of economic crisis. In such scenarios, when there are shortages of conventional national currency, local currencies can provide an adequate substitute to help people meet their material needs. Local currencies have higher transaction costs than conventional currency however, so outside of desperate circumstances people prove less likely to adopt them for solely quantitative economic purposes. For that reason, local currencies have proven more successful at achieving some qualitative goals.

While prior studies have examined how much or little people have used local currencies, or whether they were satisfied with their experience, the existing literature generally gives very little sense of what those experiences were like. Downplaying or excluding the direct, subjective experience of using local currency leads to a limited and sometimes misleading understanding of local currency systems. For that reason, I specifically set out to examine what using

local currency is like, what local currency users feel they have learned, and what meanings their experiences have for them. As I explain in chapter four, my desire to understand the subjective experience of local currency is why I decided to employ ethnographic methods. In this methodology chapter, I describe the specifics of how I went about studying the Community Dollars system ethnographically.

Community Dollars' disappointing performance led to some unexpected methodological difficulties. They were used so little that they proved difficult to track and observe, with certain features of the Community Way model exacerbating these difficulties. I also struggled with incongruity between hype and reality in the system. Many local currency-related research projects rely almost entirely on reports from local currency founders and administrators. In their enthusiasm for their currency project, I discovered many reports from currency advocates and leaders turned out to be unreliable or exaggerated. Comprehensive participant observation paired with diligent collection of journalistic reports and internal group communications helped me identify inaccuracies and evaluate the veracity of many claims. In this search for more objective documentation, the internet became a secondary field site of sorts. To complement and triangulate my primary research findings, I also included short periods of field research in Fernie, Kimberley, Powell River, Comox Valley, Salt Spring Island, and Vancouver, British Columbia. These field stays reinforced the value of broader ethnographic inquiry.

While this research project includes a multi-sited component, it was primarily based in Nelson, British Columbia. I argue in this dissertation that money and markets are socially embedded, so we must understand the nature of the social relations and symbolic systems with which money articulates. Chapter five describes Community Dollars' social and cultural context in Nelson and British Columbia. My review of the local currency literature revealed that places where local currencies are more likely to succeed share several geographical, demographic, and political characteristics. In describing Nelson's unique history, topography, and social norms, chapter 5 demonstrates that the city is precisely

the sort of place one might expect a local currency to thrive. Its location in British Columbia is also significant, since the province has been a key site for local currency development. Several of the province's features contribute to its residents' apparent fondness for local currencies. Historically, British Columbia's vast and rugged terrain resulted in the founding of remote and insular communities with a strong and localized sense of place. This same remoteness has attracted many migrants who wish to "drop out" by physically removing themselves from mainstream society so they can do things differently. Both of these tendencies provide some explanation for British Columbians' taste for local currencies, and both are particularly pronounced in the city of Nelson.

Despite its seeming promise, Community Dollars did not fare well in Nelson. Chapters six and seven provide some initial explanation for why that was. Chapter six describes the Community Way currency model in its ideal form, as explained by its developers and advocates. Chapter seven details the history of the Community Dollars currency. The Community Dollars case specifically shows what happened when a group of people tried to put the Community Way model into practice in a particular geographical and cultural context. It concretely illustrates potential flaws of the Community Way approach, but also the impact individual agency had on the system's growth and development.

Community Dollars provide a somewhat messy illustration of the Community Way, because its organizers eventually grew skeptical of their chosen model, which they first modified and then attempted to abandon. This equivocation was part of the reason I supplemented my research in Nelson with shorter field stays in other cities with operating Community Way systems. At the same time, the Community Dollars organizers' concerns and struggles provide added insight into the Community Way model and its potential weaknesses.

The Community Dollars system was not solely defined by its chosen currency model. Local currency systems are small institutions with particular organizational and administrative structures, shaped by human behaviour and decisions. Local currency research shows that certain structural features and administrative approaches correlate with more or less successful local currency

systems. Comparison between Community Dollars and other Community Way currencies helps evaluate the extent to which flaws in the currency model ultimately contributed to Community Dollars' failure. In the end, I find that many administrative decisions exacerbated existing issues with the Community Way model, and created new problems that contributed to the currency's demise.

One of the major problems that contributed to the failure of the Community Dollars system was unclear and conflicting conceptions of the local currency's purpose and function. As noted, justifications for local currency development can be broadly classified into two general categories. Quantitative justifications focus on the amount of money available in the local economy while qualitative justifications focus on social issues and political goals that may be addressed using money as a strategic tool. Contemporary local currencies (including the Community Way model and the local currencies associated with it) tend to be promoted primarily based on their ability to bolster local economies by encouraging support of local businesses—adding money to local coffers and keeping it there. Such promotion often additionally alludes to local currencies' potential to encourage social justice goals like increasing opportunities for lower-income people, supporting local non-profits, or making the local economy more environmentally sustainable. As was the case with Community Dollars, these qualitative benefits are typically treated as secondary to or brought about by the promised quantitative economic impacts.

Chapters eight and nine discuss the experience of using Community Dollars on the basis of its quantitative and qualitative functions. Chapter eight analyzes Community Dollars as an economic instrument that provides access to more wealth and material resources. Chapter nine considers it as a social and political tool that changes the nature of social organization, relationships, and beliefs. Both chapters focus on how Community Dollars were experienced by individual consumers, business owners and employees, representatives of non-profit and community groups, and members of the community who were not active local currency users. They both begin by presenting the manner in which Community Dollars were promoted by local currency developers and supporters,

who emphasized economic prosperity and growth, and made more restrained claims about possible social effects. The claims are then evaluated based on the experiences of currency users, and their reactions to the way the currency was promoted.

My analysis reveals that, as has been the case with many other local currencies, Community Dollars did not provide a very useful or efficient means of exchange. It was difficult to understand and use, and had almost no quantitative economic impacts. In the absence of serious financial crisis, the economic functions that currency organizers promoted for the local currency were already being adequately performed by Canadian dollars. The most dedicated Community Dollars users therefore primarily valued the local currency based on its potential for qualitative social and political impacts. The result was an ongoing tension in the system where Community Dollars users increasingly felt their values were not being reflected by the local currency system. This ideological conflict contributed to the currency's failure, as stakeholders were unable to come to a consensus about the values underpinning the system, or the functions it was meant to fill.

The tension between quantitative and qualitative motivations in the Community Dollars system and the local currency movement generally provide a novel example of the offset transactional orders described by Bloch and Parry (1989). They argue that systems of exchange must achieve a balance that enables individual acquisitiveness while still allowing collective needs for social and cultural reproduction to be met. The selections in Parry and Bloch's edited volume *Money and the Morality of Exchange* (1989) demonstrate a cross-cultural pattern where money from the conventional economy, generally seen to support self-interest and materialism, is symbolically transformed to serve reproductive needs. These processes of transformation are described using domestic, largely alimentary metaphors of cooking, drinking, or eating money. Community Dollars users, and other local currency proponents, demonstrated a similar impetus to establish balance between individual self-interest and collective reproductive needs. Where the local currency movement can differ

from Bloch and Parry's account is in their implicit rejection of the idea that conventional money can be domesticated and transformed to serve collective social needs. Instead, for most Community Dollars users, the local currency's appeal was as an alternative, moral form of money that might contribute needed social balance on its own. A close reading of the literature suggests that this is typically the case for local currencies founded outside of situations of severe financial crisis.

1.3. CONTRIBUTIONS TO THE LITERATURE

As small scale spheres of exchange, local currency systems are promising sites for the concrete study of exchange. They provide an opportunity to observe how a specific form of money works in reality, outside the realms of abstract economic theory and complex national and international financial markets. This is particularly pressing given growing calls for improving and grounding our understanding of our financial systems, with the ultimate aim of transforming the economy to make it more stable and just. It is vital that we understand what happens when attempts are made to actually do so. Ethnographic study of local currencies allows us to explore how different forms of money and novel economic experiments are experienced and understood at the individual and collective level. This study of the Community Dollars local currency system provides insight into these concerns. It contributes to the academic literature by providing a detailed example of a failed attempt to use a local currency to transform the local economy in three small Canadian cities.

On a substantive level, this research project adds to the academic literature by providing detailed information about two subject areas largely neglected in prior local currency research. First, the ethnographic analysis of a regional British Columbian local currency system provided in chapters seven, eight, and nine adds to the sparse literature available about the Canadian local currency movement. More broadly, study of local currencies in British Columbia, additionally discussed in chapter five, provides insight into the understudied topic of how currencies are received in a context where there has been significant

prior local currency experimentation. That the system I studied employed the Community Way local currency model provided the second opportunity to fill a gap in the literature. Although the founders of the Community Dollars system believed theirs to be only the second Community Way currency in existence, in reality it was one of many Community Way or Community Way-inspired local currency systems founded in the United States, Canada, Ireland, and the United Kingdom since the 1990s. In part their misunderstanding was enabled by the scant published information available about the Community Way approach. Chapter six of this dissertation provides the first detailed explanation and analysis of the Community Way model available in print, and the first effort to collect scattered references to the model into a cohesive and contextualized history of the approach. The specific account of the experiences of Community Dollars organizers and users in chapters seven, eight, and nine further complement this analysis.

On a methodological level, this ethnographic project helps address the limited attention to individual experiences of local currency use in local currency research. Despite the established anthropological tradition of studying monetary pluralism and “special purpose” and non-capitalist currencies, and the fact that a large number of local currency systems have been established since the 1980s, there has been very little ethnographic analysis of these experiments. The recent resurgence of anthropological attention to money has mostly neglected modern local currencies. Those anthropologists who have studied local currency have mostly not used ethnographic methods to do so. As chapter three demonstrates, there have been noteworthy and valuable quantitative studies of local currencies that have hinted at local currencies’ limitations, including disappointment with local currencies communicated by users in survey-based projects. This research project complements such studies by providing needed detail about the shape of those disappointing experiences, and therefore why local currencies often prove disappointing to their users.

Some previous local currency research using mixed methods approaches including qualitative interviewing provided greater detail of such accounts. As

chapter four demonstrates, where this project differs is in its holistic ethnographic approach, including participant observation as a Nelson resident, local currency user, and volunteer within the Community Dollars organization. This more inclusive and intensive approach provides greater insight into the interplay between geographical context, administrative structure, and individual agency and interpretations in shaping the project. The result is that this project adds to empirical evidence disrupting orthodox analyses of money. Specifically, the challenges faced in the Community Dollars project call into question theoretical approaches assuming money to be socially disembedded, or subtly unilineal approaches implying that monetary development is inevitable and predictable. The Community Dollars case demonstrates the hard work involved in creating even a small and fairly informal monetary system, fostering trust in it, and creating new economic practices to incorporate the money into everyday lives. The conflicts that arose in the Community Dollars system further help illustrate the ways various forms of money are imbued with contested meaning.

On a theoretical level, this project extends Bloch and Parry's (1989) analysis of transactional orders by applying their approach in a novel context. The modern local currency movement largely reinforces Bloch and Parry's analysis by demonstrating concrete attempts to create tools and practices that establish balance between long and short term needs, and make systems of exchange more sustainable. Accounts from local currency users and supporters I encountered in the field echoed the idea that such systems must balance domestic, collective, and reproductive (long-term) needs with profit-driven, individualistic, and materialistic (short-term) drives. They suggest that local currencies are proposed, created, and used in an attempt to establish balance between often contradictory logics. In situations of economic crisis and chaos, where individual material needs cannot be met, local currencies are created as a stop-gap to help people provide for themselves. Outside of such scenarios, local currencies are generally adopted as an attempt to balance exchange systems people feel are too focused on short-term gain and self-interest to meet the community's—or humanity's—long-term and non-material needs.

At the same time, the Community Dollars case provides an exception to the cross-cultural pattern of monetary transformation and domestication observed in Parry and Bloch's (1989) edited volume. In that pattern resources from the short-term transactional order are symbolically transformed, or domesticated, so that they can be used to meet long-term, reproductive needs. The local currency movement largely adopts another strategy for attaining this balance. Community Dollars supporters did not see their system as a method for transforming conventional money to make it more moral, more effective, or more sustainable. Instead, the local currency was largely hoped to be a partial replacement to more symbolically dangerous conventional currency. Instead of wishing to symbolically cleanse or transform national currency, many supporters saw it as sufficiently tainted that they wished for an alternative. For that reason, Community Dollars supporters did not replicate the pattern of alimentary idioms used to denote a process of transforming money to meet reproductive needs. Instead, I noted a limited pattern where, when discussing and evaluating the local currency, supporters used directly reproductive and sexual metaphors to discuss Community Dollars' fitness. At the same time, my use of Bloch and Parry's framework does not primarily focus on symbolic and religious interpretations of money. Instead, the notion of opposing logics in dialectical tension is helpful in analyzing local currencies in a way that recognizes human agency, and the contested and dynamic nature of economic life.

On a practical level, this detailed account of a failed local currency system provides a cautionary tale of sorts. Even before the system was discontinued, the Community Dollars founders wanted other local currency organizers to learn from their mistakes. I hope this dissertation can help them in achieving this goal. Examining the Community Dollars system as an organization and political project, as well as the experiences and conflicts among its participants, reveals a number of factors that contributed to the system's failure. As has been the case for many prior local currency systems, the organizers struggled with financial limitations, volunteer burnout, and skepticism from the community. More specific to the system, the very complicated Community Way structure appears to

have exacerbated these pre-existing problems. The lack of a social component and insufficient communication strategies likewise hindered adoption of the local currency. In large part this was because it prevented the formation of a collectively constructed and accepted understanding of what Community Dollars were, how they worked, and what function they served. Without this shared interpretation, the system remained incomprehensible for most people. The wider context for these specific issues is the fact that adequate management of a local currency system is labour intensive, and the currencies are more difficult to use than conventional currency. My analysis of the Community Dollars system suggests some ways to overcome these difficulties, but also cautions that local currencies have limited promise as a strategy for the sort of large scale economic and social transformation increasingly being sought.

CHAPTER 2 WHAT IS MONEY?

Given its ubiquity, most people instinctively feel that they know what money is, but struggle to provide an explicit definition if asked to do so. Galbraith defined money simply, based on its most obvious function, as "what is commonly offered or received for the purchase or sale of goods, services or other things" (1975, p. 15). While this straightforward definition suffices for general use, it can be a bit simplistic for many academic purposes. It fails to address questions like why we are willing to accept tokens in exchange for more obviously useful items. One of the greatest difficulties of researching money, or answering such questions, is the absence of a clear academic consensus as to what "money" really means. It is the fundamental unit of the modern economy, popularly credited with making the world go round, but also being the root of all evil. To understand money we must avoid the tendency to take it for granted as obvious and inevitable, and disentangle it from such symbolic weight and assumptions.

Some social scientists argue that monetary forms are so diverse that it is impossible to agree on a single definition (Dodd, 2005, p. 387, 399). To whatever extent that there is currently an orthodox theory of money, its origins lie in the field of economics and its basis in abstract models of Euro-American capitalist relations. This chapter begins with this more orthodox economic understanding of what money is, how it works, and the nature of its value. This conventional approach is then complicated and disrupted by sociological and anthropological theories of exchange and value. These approaches recognize diverse kinds of money and value, beyond those traditionally acknowledged by economists. They likewise highlight tensions and contradictions that occur when plural monies and values interact.

Studying money sociologically or anthropologically requires recognizing that money and exchange are inherently social. People and power relations are therefore placed in a more central analytical position than is the case in the more abstract economic approaches with which we begin. This chapter provides a foundation for the academic study of different money forms by introducing the

reader to basic vocabulary and concepts. It starts by enumerating the material characteristics of money forms, and then moves on to discuss its conventional economic functions. These basic qualities are drawn from classical economics, but will be fleshed out with critiques drawn from other social scientists and political economists, like Marx. From there, we will move on to approaches to money drawn increasingly from economic anthropology. These broaden our understanding of what qualifies as money beyond modern government issued cash, and move beyond speculation about how and why modern money came to be created. The final sections of the chapter introduce theoretical approaches that look beyond economic exchange value and calculative rationality to see how other values and forces help shape our relationship with money.

2.1. MATERIAL CHARACTERISTICS

The most basic formal economic definitions of money focus on its physical or material characteristics. For an object to function as money it must be portable and durable, so it can be stored and brought from one context to another without decay or changes in its characteristics. It should also be homogeneous and roughly commensurable, meaning that each object in a monetary system is generic, and therefore considered equal to any other object with the same denomination. Money must also be easily recognizable and distinguishable from other objects: a distinction often upheld by it being made of something relatively scarce, either by the nature of its physical substance (like precious metals) or by controls over its creation (Graeber, 2001, p. 78, 92, North, 2007, p. 7). While contemporary definitions of money tend to assume paper notes or metal coins inscribed with a denomination and design dictated by a central political authority, historically a broad range of items have fulfilled monetary roles, including precious metals, beads, shells, stones, teeth, tobacco, and promissory notes (Gregory, 1997, Guyer, 2004, p. 15, Leyshon & Thrift, 1997, p. 4, Maurer, 2006).

Whether an object qualifies as being portable, durable, homogeneous, and recognizable depends on the specific cultural, historical, and physical context in

which it exists. For example, stamped paper money is an inappropriate means of exchange in situations where the majority of the population is illiterate and cannot recognize the denomination, or where it is inadequately durable because lifestyles and technology do not support protecting paper from rain, fire, or insects (Hutchinson, 1996, p. 68). In fact, money need not be a tangible object at all. Recent technological developments have enabled the proliferation of electronic money forms which exist only as notional ledger ticks on computer hard drives (Dodd, 2005, Leyshon & Thrift, 1997, Maurer, 2000).

There are inherent tensions between a currency's material form and its symbolic associations. As physical objects with specific vulnerabilities, coins and bills are open to multiple interpretations and are also at risk of being damaged, diverted or put to alternate uses (Keane, 2001, p. 70-73, 87). Alternately, the exchange and trade of non-material currencies like electronic monies have concrete economic and social consequences which directly affect individual day-to-day lives. Money, then, is a complex artifact upon which symbolic meanings are projected. The particular form a currency takes (or its lack of a tangible form) affects how it is used and thought about, and its overall social effects (Lemon, 1998, p. 29).

2.2. A MEANS OF EXCHANGE AND A METHOD OF PAYMENT

The five most common functions attributed to money in economic definitions are serving as a means of exchange, method of payment, store of value, standard of value, and unit of account (Hart, 2000, p. 237, Leyshon & Thrift, 1997, p. 5, Maurer, 2000, p. 159, Maurer, 2006, p. 20). Recall that Galbraith describes money in terms of it being a tool that allows us to exchange with one another. In doing so, money provides an instrument for transferring wealth from one person to another in exchange for goods or services. When money accomplishes these tasks it is referred to as a means of exchange, and method of payment. The term currency is often used interchangeably with the word money. Currency specifically refers to money that is currently used as a means of exchange and method of payment, and therefore actively circulates

through the economy as it is exchanged. Money that exits circulation, for instance coinage that has been recalled and is no longer used in exchange, can still be described as money, but it is no longer currency. Money's role as a method of payment and means of exchange are a given in most economic analysis: they are rarely, if ever, questioned. The degree to which money serves as store or standard of value, and the impacts of it doing so, is more open to debate.

2.3. A STORE OF VALUE

There are reasons beyond government recall that money might be removed from circulation. When money is used as a store of value, it means money is removed from circulation and saved as a strategy for preserving wealth over time. Assuming that money is intrinsically valuable can be problematic. Despite its physical durability, money can be an unreliable store of value in some situations. In cases of hyperinflation, money's purchasing power declines rapidly, so the most prudent course of action is to spend it as quickly as possible (Oliven, 1998, p. 51). Dominguez describes a relevant example from Israel, when the falling value of the Shekel led to rushes to purchase land and durable commercial products like household appliances as a strategy for preserving value through investment in stable commodities (1990, p. 16-17).

Many historical currencies were, in fact, valued commodities. Early coins, for instance, were generally minted from precious metals that were coveted in their own right, and could be put to alternate uses like making status items like fine jewelry. The coin's denomination ostensibly reflected the market value of the precious metals in the coin¹, and therefore the token's actual exchange value, regardless of the value stamped upon it. Paper (and, more recently polymer) currencies avoid the inconvenience of carrying around heavy pieces of metal, but they are made of inexpensive material that bears no relation to their denomination and effective exchange value. To overcome this discrepancy, many early paper currencies were directly backed by commodities like precious metals, which underpinned their exchange value. American Dollar bills were famously

¹ This was not always true since practices like "coin clipping," where metal was shaved off of coins, meant coins could become devalued over time.

backed by gold held in a reserve at Fort Knox, for which they could theoretically be exchanged. This exchangeability ended in the early 1970s, which marked the end of the “gold standard” for US currency.

Today almost all of the monies used worldwide are “fiat currencies,” meaning that their value is based on the “fiat,” or declaration, of the issuing government, rather than backed by commodities. One can therefore argue that the paper bills and base metal coins in fiat currency systems are not commodities. Their worth is based on widespread trust that they will be accepted for payment, not any intrinsic value or usefulness of the tokens themselves. Governments hold powers that enable them to ensure the money they issue is widely accepted, despite being intrinsically close to worthless. Most significantly, governments can legally compel acceptance of the money they issue. The term “legal tender” is another synonym often used to refer to government issued money. “Tender” refers to the fact that such money can be “tendered”—or handed over—to pay off debts. In other words, it can be used as a method of payment. It is legal tender, because national governments enact various laws that encourage and regulate its use. These laws generally dictate that the national currency must be accepted for payment within the national boundaries, and sometimes forbid use of foreign currencies, with various allowances and exceptions being made in each case. Governments can also compel the use of the currency they issue by requiring that it be used to pay mandatory taxes.

Money is therefore sometimes a commodity, and sometimes not; sometimes a reliable store of value, and sometimes not. But even in the case of fiat currencies, there is a tendency to treat money as something with inherent value. There can be broader social effects of such assumptions, and their impact is a central concern in some sociological analysis. Marx’s labour theory of value argues that the basis of all economic exchange value is the labour power required to produce a good or service. In the famous section of *Capital*, “The Fetishism of the Commodity and its Secret,” Marx (1867/1990) argues that when money is considered intrinsically valuable, it acts as a veil that conceals the social relations underlying economic activity. That is to say, money effectively obscures the fact

that labour power underpins economic exchanges. The result is that monetary transactions between people are seen as relations between things. The risk of this fetishism is that money is frequently treated as an autonomous historical agent with "powers of social transformation" (Gilbert, 2005, p. 377) rather than a placeholder representing social and economic relations between people. We will see examples of this later in the chapter when discussing money's historical development.

2.4. A STANDARD OF VALUE AND UNIT OF ACCOUNT

When money is a standard of value, it acts as a general measure to indicate precisely how much one thing is worth compared to another (Graeber, 2001, p. 15, Maurer, 2005, p. 103). That means that monetary denominations like dollars and cents are used as standardized measurements to quantitatively compare the relative worth of qualitatively different commodities. Another way of saying this is that money acts as a convenient yardstick that reduces qualitative differences to quantitative calculations: commensurating incommensurabilities (Maurer, 2006, p. 16). That means money provides us a standard we can use to compare the market value of raw steel to the market value of a book or of labour time spent digging holes. This is how money is able to be used as a unit of account: it is the standard by which exchanges can be calculated and recorded. Reducing qualitative differences to easily calculated quantities, money makes exchange faster and easier.

While such calculations are convenient, by definition they must ignore value that cannot be easily communicated in numerical form. They therefore risk implying that the only kind of value that exists is market exchange value. In the same way that Marx worried that money masks the social relations of production, seeing only exchange value masks significant qualitative differences between objects, for example symbolic importance or sentimental attachment. Employing a one-dimensional "calculative rationality" has the effect of obscuring inherent complexity and ignoring diversity, including the various non-economic varieties of value that can be attributed to a particular object. Similarly, focusing only on

economic exchange value elides the fact that exchange can be used to establish and maintain social relationships in addition to securing needed material goods (Mauss, 1950/1990). In the sociological and anthropological literature, when money is analyzed based on its ability to act as a standard of equivalence, the results tend to be markedly critical and negative. Simmel (1900/1978), for instance, argued that money's ability to render the qualitative quantitative flattens social relations and erodes value systems. As will be seen in the next section, many theories of monetary development mirror the idea that the development of modern money has resulted in weakened and broken social ties.

2.5. MONETARY DEVELOPMENT

There is a common-sense understanding in the social sciences that money was developed because it facilitates exchange by overcoming the limitations of barter. Barter is direct trading of goods or services without using monetary tokens. In order to barter, each trader must find someone who simultaneously has the goods they need, and needs the goods they have to offer in exchange. Barter can be problematic in cases where there is a mismatch between the quantities or values of available commodities, for instance if one trader regularly produces small quantities of a perishable food item, while the other periodically produces more labour intensive and valuable items like pieces of furniture. By providing tokens of entitlement that can be transferred from one context to another, money enables open-ended and flexible exchange, where fulfilment can be delayed on one end until a commodity is needed, or a needed commodity is located. Money therefore overcomes barter's requirement for a "double coincidence" of wants (Jevons, 1896, p. 3-4). It also allows delayed redemption for higher value items in the absence of highly personalized relationships based on trust and obligation. Given the assumption that human beings have a natural drive to "truck, barter, and exchange" (Smith, 1776/2003, p. 22), monetary development is assumed to be inevitable, since money is a superior exchange technology that facilitates the natural expansion of commodification and trade (Kopytoff, 1986).

Economic anthropologists frequently portray money's invention as the principal catalyst for the transition from "traditional" to modern, and gift-based to commodity-based capitalist economies (Bloch & Parry, 1989, p. 7). Polanyi's *The Great Transformation* (2001) is the classic example of this perspective. It describes the transformation from personalized, socially and culturally meaningful exchange to systems that are impersonal and separate (or "disembedded") from cultural values and structures. The implication is that money frees economic behaviour from the constraints of religious belief, kinship obligation, and other cultural imperatives that might render its use emotional or irrational. In orthodox modern economic theory, individual agents in fully monetized and capitalized economies are assumed to behave predictably and effectively in terms of their own self-interest, their choices the result of deliberative cost-benefit analysis, or calculative rationality. They are therefore described as *homo oeconomicus*, or "economic man." As we will see in this and subsequent chapters, empirical study of real economic activity and behaviour challenges the idea that modern money exists apart from cultural and symbolic life, or that money's functions and effects are solely confined to the sphere of economic exchange.

One problem with theories positing grand transformations caused by money's invention is that they imply that money is an independent agent of historical change. Doing so risks ignoring or concealing the active role that people play in shaping and conceptualizing monetary relations, and leads to the false assumption that monetization and commodification processes always follow the same universal logic (Hutchinson, 1996, p. 102). Monetary theories that imbue money with agency are therefore problematic because they ignore human subjectivity and geographic specificity, and tell us very little about how money actually functions in real life versus theoretical circumstances. Likewise, assuming that monetary development is inevitable ignores the enormous amount of effort required to instill trust in emerging money forms, and for the continued production, circulation, and reproduction of existing currencies (Gilbert, 2005, p. 365-366, 376-377). Empirical data provided by ethnographic and historical case

studies provides an essential counterpoint to such oversimplified monetary theories. They show the reality of human effort and intention that goes into monetary development and exchange. Money is a human artifact. It does not create and perpetuate itself.

2.6. SPECIAL MONIES

The ethnographic and historical record also complicates assumptions about money by describing money forms that do not fulfill all five functions commonly attributed to currencies (acting as a means of exchange, standard of value, store of value, method of payment, and unit of account). The unification of these economic functions in a single currency is considered characteristic of “modern” money used in complex, capitalized economies. The separation of these functions between different forms of currency is associated with smaller-scale, non-capitalist economies (Dominguez, 1990, p. 20, Gilbert, 2005, p. 358, Hart, 2000, p. 237, Maurer, 2005, p. 84, Maurer, 2006, p. 20) and money traditionally described as “archaic” or “primitive” in the ethnographic literature (Dodd, 2005, p. 394-395). This separation of monetary functions results in currencies with limited powers of substitution and a correspondingly limited ability to act as a quantitative benchmark, and therefore as a standard of value and unit of account.

The classic example of these types of “primitive monies” appears in Paul and Laura Bohannan's (1968) study of spheres of exchange among the Tiv people in West Africa. The Tiv separated types of exchange goods into several discrete categories with exchange generally possible only within—not across—the categories. A hypothetical example of this would be a society where there was a specific type of currency used to buy food, and another used to buy land, and neither could be used to purchase the other. The brass rods the Tiv used as a form of currency were restricted to one such “sphere” of exchange, and therefore could not act as a general standard of equivalence. When equivalence between different categories of goods is limited, certain forms of wealth cannot be converted into others, a situation that can reinforce the existing social order by enabling particular groups to monopolize valuable categories of goods (Hutchinson, 1996,

p. 89). Because "primitive monies" are objects of exchange that do not fulfill all the possible functions of money, the Bohannans described them as "special purpose," in contrast to modern, "general purpose" money.

Adopting a Polanyian vocabulary, the distinction between special and general purpose money can be rephrased as socially embedded versus socially disembedded money, with the latter linked to the "great transformation" of society due to the development of capitalism (Polanyi, 2001). Polanyi believed modern money to be completely removed from social and cultural restrictions, and therefore completely generic and neutral, while non-capitalist money forms are entangled with kinship and social relations, and thus imbued with cultural meaning. In reality, ethnographic research demonstrates that even the most "modern" and capitalist currencies are embedded in social relations, cultural categories, and moral imperatives which limit equivalence and therefore exchange (Appadurai, 1986, Gudeman, 2008, Guyer, 2004, Lemon, 1998, Maurer, 2000, p. 159). So while the concept of special purpose money provides a new way to understand exchange technologies in small-scale societies previously considered to be moneyless (Maurer, 2006, p. 20), it can also open up the standards of what qualifies as being money in contemporary capitalized economies, to include items like cheques and coupons. Zelizer's (1989, 1994) work provides a noteworthy example of looking at capitalist money forms in this way, although she uses the slightly simpler term "special monies." Zelizer also describes the complex ways that individuals perceive money, and impose social and moral limits on ostensibly amoral and generic money. Her approach provides one potential path for moving past limited and static conceptualizations of monetary systems and economic rationality.

2.7. THE DIALECTIC OF MONEY

Broader and more inclusive definitions of money allow us to more fully describe the complexity and diversity of human behaviour when it comes to exchange and satisfying material wants and needs. Unfortunately, most of our efforts to understand monetary systems focus on rigid, dualist categorizations.

Currencies are labeled special or general purpose, socially embedded or disembodied, social or antisocial, value-laden or amoral. Bloch and Parry (1989) employ a dialectical approach to money in an attempt to transcend such dichotomous thinking by accounting for the coexistence of “socially disembodied” calculative rationality, alongside broader “socially embedded” imperatives with fundamentally moral and social underpinnings. The case studies in their edited volume demonstrate a recurring pattern of related “transactional orders” or “cycles of exchange” across a number of geographical and cultural settings. These are “short-term” orders of individual acquisitiveness and competition, and “long-term” orders which aim to reproduce the collective social and cosmological order. The contributors’ examples demonstrate that, far from being amoral and free from the constraints of cultural beliefs and institutions, even general purpose money is integrated into existing cultural categories and rituals, and thus socially and culturally embedded. The articulation between monetary exchange and cultural beliefs and values is in constant negotiation. Money can mean different things in different cultures, but also at different times in the same culture (Bloch & Parry, 1989, p. 21). The contributions to the volume suggest that all societies must make space for some degree of individual acquisition, while constraining it to the extent that collective social life and institutions continue to be reproduced. This leads to a sometimes awkward relationship between transactional orders supporting the different cycles of exchange. Bloch and Parry note a pattern where the processes through which goods are converted from the short-term to the long-term order are often described using food-related idioms of cooking, eating, or drinking money (1989, p. 25).

The case studies in Parry and Bloch’s edited volume provide culturally-specific examples of how balance is established between social reproduction and individual self-interest and ambition in non-western societies. Zelizer’s research shows how earmarking is used to impose social and moral imperatives onto otherwise generic currency, and establish a balance between cycles of exchange, in Western, capitalized economies. Earmarking is a process of labeling specific

quantities of money in particular ways, often resulting in otherwise “general purpose” currency being limited to special, socially dictated, purposes. Money can be physically marked by being written on, spatially earmarked by being separated into jars, envelopes, or specially designated bank accounts, or it can be invisibly marked through conceptual labels. Earmarks can be based on how the money was obtained (for example inheritance money, lottery winnings, or wages from a part-time job), its intended use (gift money, vacation money, or a college fund), or other culturally relevant features. These features help locate supposedly generic and standardized money within a system of cultural and social values, and dictate the appropriate way for these now "special purpose" monies to be used (Zelizer, 1994, p. 207-210).

Earmarks often imply specific moral judgments about acceptable behaviour. Zelizer recounts the example of sex workers in Oslo, Norway in the 1980s, who sharply distinguished the "dirty" money earned through sex work, with “clean,” legal income received as welfare and health benefits. While the latter money was carefully budgeted and spent on rent, bills and food, "dirty" money from sex work was quickly spent on drugs, alcohol, clothes, and "going out" (1994, p. 3). Expectations about the correct or proper use of inheritance money provide another, somewhat more mundane example of the prevalence of earmarking and differentiation of money in industrialized economies. Earmarking processes exist in non-Western societies as well. The Nuer people in the Nile Valley describe money earned by emptying latrine buckets for municipal governments as symbolically dirty "shit money." They believe that cows purchased with the "money of shit" will die, and instead return that money to the government for taxes (Hutchinson, 1996, p. 84).

Ethnographic and historical studies help illustrate money’s context-specific social and cultural meanings (Gilbert, 2005, p. 365-366). Such studies show that, far from being generic and socially disembodied, each monetary form is strongly influenced by localized social relations and symbolic values. Ethnographic and historical data also provide an essential counterpoint to oversimplified monetary theories implying monetary development is inevitable

and predictable by demonstrating the enormous amount of effort required to instill trust in emerging money forms, and for the continued production, circulation, and reproduction of existing currencies (Gilbert, 2005, p. 365-366, 376-377). When Truitt (2006) did fieldwork in Vietnam in the early 2000s, the low face values of the Vietnamese Dong currency meant massive quantities were required for all but the smallest purchases. Although the Dong made for an inconvenient means of exchange, compromising its economic exchange value, it nevertheless retained great non-commercial symbolic value, and remained an important "medium of sociality" used in ritual and ceremonial gift exchanges (Truitt, 2006, p. 303). Similarly, Dominguez recounts that, when doing field work in Israel prior to the introduction of the New Israeli Shekel in 1986, her informants did not highly value their currency as an object of economic exchange due to rampant hyperinflation, but nevertheless ascribed to it great symbolic value as a representation of their nationalism and independence (1990, p. 39-40).

These ethnographic examples demonstrate why economic and social relations cannot be treated as independent, binary opposites: "the market" is always entangled with social relations of some kind. The social meanings with which money is invested are as much the product of the cultural matrix within which economic relations are embedded as they are of money's objective economic functions. It is therefore impossible to predict money's symbolic meanings based on its functions alone, and failing to recognize that views of money are culturally embedded proves especially problematic when culturally-specific meanings are assumed to be true for money in general (Bloch & Parry, 1989, p. 1, 19-21). If we fail to recognize the active role subjective and diverse human agents play in shaping and conceptualizing monetary relations, we will falsely assume monetization and commodification processes always follow the same universal logic (Hutchinson, 1996, p. 102). We must focus on the specific cultural context of particular currency forms rather than attempting to attribute universally occurring characteristics to monetary systems. The question is therefore not whether money and markets are socially embedded, but rather what is the nature of the social relations and cultural beliefs in which they are

embedded (Powell, 2002, p. 629)? Simply put, money is not an autonomous historical agent shaping world views, but a cultural product the experience and representation of which is constantly renegotiated in light of existing world views and technology.

2.8. MONEY BEYOND THE “ECONOMIC”

Given the understanding that money forms are diverse, culturally constructed and socially embedded artifacts, it is insufficient to discuss money strictly in terms of its “economic,” market exchange functions. Lee et al. (2004) describe five broad characteristics of monetary systems that provide a helpful starting point for studying individual currencies as diverse and complex socio-economic phenomena with specific institutional structures, power relations, and social effects. The concepts of accountancy, regulation, spatiality, sociality, and reflexivity provide guidelines for deconstructing individual monetary systems in a manner that addresses both formal economic and substantive sociological concerns.

"Accountancy" refers predominantly to how money serves as a tool for market exchange, and for documenting such exchanges. It therefore includes the most basic functions enumerated by formal economic theories: money's role as a means and medium of exchange, standard and store of value, and unit of account. Accounting, exchange, and economic decision-making practices are all revealing indicators of a particular monetary system's accountancy.

"Regulation" describes how a currency's functions are protected or enforced, and speaks to money's functions as a form of social power. This category incorporates notions of politics, power, and sociality that are absent in many formal and abstract economic analyses. Studying regulation requires considering questions of the extent to which people trust currencies, how this trust is fostered and maintained, whether people explicitly think about and discuss the stability and trustworthiness of money, or whether that trust remains implicit and unconscious. This includes consideration of how disputes involving money and behaviours surrounding monetary exchange are resolved. Are there

laws in place that allow them to be considered in a formal court system, or are they resolved on a more personal or community level through less formal forms of dispute resolution?

“Spatiality” refers to the geographical specificity of a currency system, including the physical borders within which it circulates. Attending to spatiality requires recognizing that monetary networks are embedded in particular physical and geographical areas, and also that their meaning and effects are geographically differentiated. A person may therefore experience particular currency differently based on their geographical location.

Finally, the concepts of "sociality" and "reflexivity" distinguish between two levels of social relations in a particular monetary system. Sociality is the manner in which information about value and exchange circulates between economic actors in a system. One could describe this as social relations at a more macroeconomic scale, particularly in cases where the currency is fully institutionalized and national in scope. Attention to the notion of monetary sociality encourages analyzing the social networks through which information about money is shared, and evaluating the impact money has on social relationships. This is particularly important in light of well-established theories assuming money inevitably acts as a solvent dissolving social bonds.

While sociality refers to monetary relations on a group level, reflexivity is how information about a currency is experienced at the individual level. It describes how individual choices are informed by expectations based on past experiences. This distinction is important because it acknowledges that while monetary relations are inherently social, monetary exchanges are not experienced in a predictable, homogeneous manner by all members of society, or even parties in a particular economic exchange. Recognizing the importance of reflexivity allows for individual variation, avoiding homogenizing analysis assuming all individuals to be predictable *homines economici*.

2.9. CONCLUSION

Money is difficult to define because it has diverse and culturally specific

forms. One limitation of existing monetary theories is that they often assume monetary development to be inevitable and predictable. As a result money's features in European and North American capitalist societies are generally assumed to be universal, and money is treated as an independent historical agent operating separately from culture and social life.

Money is most obviously something that people use to exchange with one another. The most basic definitions of money focus on its material characteristics and exchange functions. Money must be portable, durable, homogeneous and roughly commensurable, and operate as a means of exchange, method of payment, store of value, standard of value and unit of account. But after listing off these supposedly universal features, questions remain. What about money that does not appear to share all of these characteristics? Is money that only exists in digital form durable—or even money? When money is a standard of equivalence, to what extent does it actually erase qualitative difference? And what impact does that really have? Similarly, what happens when money is fetishized to the extent that it conceals the social relations of production?

Empirical studies of exchange in various cultural, historical, and geographical contexts cast doubt on many of our most basic assumptions about money. They show that substantial effort is required to introduce and use money, revealing that monetary development is not an inevitable or automatic process. They illustrate diverse and heterogeneous money forms that complicate the simple definitions above. For example, they show that many objects that do not possess characteristics previously assumed to be universal among money forms nevertheless perform monetary functions. They further demonstrate that money is always incorporated into the existing cultural matrix – it does not exist in a special economic vacuum.

This chapter describes two tools for analyzing money that help overcome limitations of earlier approaches. Lee et al.'s five characteristics of monetary systems (accountancy, regulation, spatiality, sociality, and reflexivity) provide guidance for considering money systems as complex, context-specific social institutions. Characteristics like sociality suggest monetary functions beyond

those generally considered in formal economic analyses, like money's potential to serve as a store of information or medium of communication (see, also, Hart, 2000). Bloch and Parry's concept of competing transactional orders that balance between short and long term cycles of exchange similarly helps overcome simplistic dualist analysis that assumes exchange systems are only wholly self-interested or entirely altruistic. By providing a basis for dialectical analysis of exchange, Bloch and Parry reveal a grey area where human agents make complicated decisions balancing multiple and shifting motivations beyond naked self-interest, and socially and culturally disembedded rationality.

The need for culturally-specific monetary analysis is particularly important given the widespread contemporary tendency to assume that neo-liberal policy paradigms and economic globalization are resulting in worldwide economic homogenization. In fact, such policies continue to interact with specific local contexts. And responses to economic crisis and resistance to neo-liberal policy regimes have taken locally-specific forms, which includes the re-emergence of diverse barter systems and local currencies. Due to their heterodox and localized nature, local currency systems provide a promising site for the study of monetary systems and economic change in a culturally-specific manner.

Having considered basic and more complex approaches to analyzing money, this chapter provides a basis for analyzing exchange in terms of diverse, plural currencies. The next chapter shows how these tools can be put to work surveying and evaluating local currency systems. The local currency movement encompasses diverse grassroots, non-governmental currency forms. My intention is that the information provided in this chapter provides the reader with multiple lenses for evaluating local currencies, including the ways they are different from or similar to national currency, the degree to which they even qualify as being money, and their social functions and importance.

CHAPTER 3 SUCCESS AND FAILURE IN THE LOCAL CURRENCY MOVEMENT

Local currencies are small-scale currencies not backed by a centralized, national government. They are a heterodox economic strategy for redressing limitations in the existing system, particularly during periods of recession or economic crisis. Modern local currencies have also been employed to promote countercultural political and social goals. As heterodox and often countercultural institutions, local currencies have not broken into the mainstream. As a result, most people do not know very much about them, or even that they exist at all.

For that reason my aim is that this chapter provide the reader with a general understanding of the modern local currency movement, its diverse historical and ideological underpinnings, and its concrete impacts. The first section establishes basic vocabulary and begins contextualizing local currencies in terms of the theoretical approaches introduced in the previous chapter. The section that follows familiarizes the reader with different types of local currencies. This provides a glimpse into the substantial diversity of the local currency movement, which continues to grow in various geographical and linguistic contexts, incorporating numerous theoretical and political goals. That discussion focuses on the most common and influential local currency types, specifically LETS, HOURS, and Time Banks. It is supplemented by briefer discussion of more modern forms of alternative currency like Convertible local currencies (CLCs) and digital cryptocurrencies like Bitcoin, historical antecedents like depression-era scrip, and less common local currency models specifically relevant to this research project, like Community Way. A general review of academic research about local currencies follows basic background information on the subject, with a focus on identifying gaps, biases, and limitations in the existing literature.

The existing research suggests that local currencies are generally short-lived, and rarely live up to the often grandiose claims made about their economic potential. Of course, some local currencies have bucked that trend, lasting well over a decade and improving participants' material well-being and quality of life.

Local currencies sometimes serve vital functions in local economies, particularly during periods of economic crisis. Several scholars have argued that evaluating local currencies using predominantly quantitative methods like traditional cost-benefit analysis overlooks or downplays positive impacts that are not easily quantified (see, for instance, Seyfang, 1997, and Williams, 1995). Given the large volume of written material about local currencies, and the diversity within the local currency movement, it is beyond the scope of this review to provide an exhaustive account of the academic literature on the topic. Instead, to frame and contextualize this ethnographic research project, I focus on studies that contribute to understanding why some local currency systems fail, why some succeed, and what they actually succeed at doing.

In the course of describing the existing research, I will detail the two categories describing rationales for developing and using local currencies introduced in Chapter 1. The distinction between quantitative and qualitative motivations helps clarify tensions I have observed in the local currency movement and the literature describing it. It also provides a basis for discussing local currencies' actual effects. As previously noted, many of these impacts can go unnoticed if researchers only attend to easily quantifiable outcomes. They can also be distorted by the common tendency to treat "the economic" as something separate from "the social." I therefore introduce the quantitative/qualitative typology not only because it illuminates debates in the local currency movement, but also as an attempt to overcome this tendency.

3.1. THE MODERN LOCAL CURRENCY MOVEMENT

The global economic crisis in 2008 resulted in an upsurge of local currencies being developed in places like Greece and Spain (Conill, Castells, Cardenas, & Servon, 2012, Hughes, 2015, Sotiropoulou, 2011, Valor & Papaoikonomou, 2016). They were part of an established tradition. Powell argues that "[f]or as long as there have been state currencies, there have been attempts to establish private monies" (2002, p. 619). Often these attempts have been in reaction to shortages of those state currencies. Transferable notes of credit were

used as an alternative currency in colonies when there was insufficient colonial money to enable exchange (see, for example, Baxter, 2004). Significant past examples include: scrip currencies during the Great Depression (Elvins, 2012); ledger-based digital currencies responding to recessions in the 1980s and 1990s; and Trueque barter networks in Argentina following the 2001 financial crisis in that country.

Many contemporary local currency projects are not simply pragmatic reactions to negative economic conditions, or not primarily so. Instead, they are explicitly political, seeking to achieve goals like reshaping the social relations of production, or transforming how people understand money and exchange. So while local currencies still arise in response to economic crisis, they are also frequently deployed as a tool for promoting social and economic justice and achieving other political ends. The creators of modern local currencies seek to address limitations of conventional national currency, but they do not necessarily agree about the nature of those limitations. The idea that national currencies are flawed stems from diverse judgments including the notion that modern money is: a) intrinsically immoral or amoral; b) ineffective at fulfilling local needs; c) meaningless and unstable because it is not backed by physical commodities, or; d) rooted in systems that reinforce social and economic inequity (see, for example, Boyle, 2000, Brandt, 1995, Greco, 2001, Jacobs, 1984).

But can homespun, private currency systems actually be considered "money"? As established by the previous chapter, a broad definition of money encompasses not only government-issued bills and coins, but cheques, coupons, vouchers, and even corporate loyalty programs like Air Miles (Dodd, 2005, Zelizer, 1994). Adopting a broader definition of money allows us to more fully understand social life by recognizing the diversity of exchanges people make. The contemporary monetary landscape therefore includes diverse currencies issued by nation states, corporations and other private institutions, as well as by grassroots groups in local communities (Dodd, 2005, p. 388). All of these diverse forms of currency must be acknowledged and understood to be money in order to fully comprehend our existing systems of exchange.

Grassroots contemporary local currencies and Zelizer's "special monies" are conceptually distinct from both national currencies and the unconventional special purpose currencies described in the anthropological literature. One notable difference is that local currencies and special monies like coupons fulfill more limited social and cultural functions than national and "special purpose" currencies. No currency can be completely socially disembodied, given that they are created and used by human beings, rather than being autonomous agents who spontaneously arise and then do their own bidding. Embeddedness nevertheless exists on a spectrum: some currencies are more socially and culturally important than others.

Using general purpose currency is more or less mandatory in any place where a centralized government imposes taxes that must be paid with legal tender (Dittmer, 2013, p. 10). Conversely, special purpose currencies are deeply rooted in the symbolic life and norms of the specific cultural groups within which they circulate. Although they often circulate in parallel with more generally useable government currencies, they nonetheless serve obvious and essential social functions within a particular cultural group, and are therefore valuable and useful for group members. Modern local currencies are different from either in that they are inherently voluntary. Therefore, outside of cases where the economy is near collapse and people are willing to do whatever they can to access basic necessities, these types of currency tend to remain fairly peripheral. In this dissertation, my focus is on local currencies used outside of desperate, crisis situations. People who use local currencies in relatively stable economic conditions are a self-selecting minority of the general population. Modern local currencies therefore tend to be significant and valuable to one small subculture rather than mainstream society. As such they are less deeply embedded into the general cultural and social life of the geographical area where they circulate.

The diversity of geographical contexts in which local currencies have been developed and the variety of theoretical and ideological motivations for local currency development have contributed to inconsistent and confusing vocabulary. In the English language, the terms "local currency," "alternative

currency,” “parallel currency,” “complementary currency,” and “community currency” are used almost interchangeably. The situation is further confused when looking at non-national currencies across linguistic boundaries. While the English word “barter” refers almost exclusively to commercial trade, equivalent words used in Spanish (Trueque) and German (Tausch) have broader meanings incorporating notions of non-governmental currency, sociality, and reciprocity, and are therefore used to describe local currency systems (North, 2007, p. 149, Schroeder et al., 2011, p. 32-33). The terms “social money” or “social currency” are used to describe grassroots currencies in French and Spanish, but in English they typically denote crowd-sourced funding or decentralized digital payment options (see, for instance, Kremers & Brassett, 2017). Terminological differences sometimes indicate particular political and ideological perspectives. For example, while describing a currency as “parallel” or “complementary” can signal an attempt to establish monetary pluralism within the existing economic system, the term “alternative” can suggest the intention to replace, or even eventually overturn, existing economic institutions.

Schroeder et al. (2011) argue that the term “community currency” helps overcome this terminological confusion. In English, the word community is used to describe spatial areas, but also social relationships based on common characteristics, goals, or interests (Williams, 1983, p. 75). While local currencies are usually defined by geographical boundaries, in some instances their use is confined to particular institutions, certain sectors of the economy, or to particular segments of the population. Examples include social-service oriented systems directed at women, the financially disadvantaged, or the elderly (Schroeder et al., 2011, p. 36). The fundamental ambiguity of the term community therefore makes it the most theoretically accurate for describing non-national currency forms, because it better encompasses their diverse institutional forms and political goals.

Despite this theoretical accuracy, the term community currency was rarely used by the currency organizers and users I spoke with during my field research. Instead, local currency was the predominantly used term, or occasionally

complementary or alternative currency. So while academic researchers specializing in local currencies often opt for terms like complementary currency, and increasingly community currency, local currency nevertheless remains the most common term used by the grassroots activists with whom I communicated, and among non-specialists in the academic literature. For these reasons, and particularly to accurately reflect my research population, I use the term local currency as a general term in this dissertation. In contrast, I refer to government issued currencies as national or conventional currency, or as legal tender. I use the term complementary to reflect explicit intention to create a currency that circulates alongside conventional money, and alternative to denote intentions to displace or replace national currency. Finally, the term scrip refers to physical tokens that are used in roughly the same manner as national currency, but are not issued by the government.

As will be explored further in the next section of this chapter, local currencies are historically and culturally contingent, and differ widely in terms of their usability, dependability, and institutional structure. Their common characteristic is their ability to enable exchange by acting as a standard of equivalence that quantifies qualitative differences (Dodd, 2005). This capacity to facilitate exchange is why local currencies can be helpful during times of economic decline, when there is a shortage of the national currency typically used to fulfill local needs. Local currencies' voluntary nature nevertheless curbs this capacity, and a particular local currency's usefulness is limited to specific spheres of exchange defined by the people and businesses willing to use and accept it.

3.2. HISTORY AND DIVERSITY OF THE LOCAL CURRENCY MOVEMENT

The roots of the modern local currency movement can be traced back to Robert Owen's Labour Notes in the nineteenth century and Depression-era scrip currencies inspired by Silvio Gesell (North, 2007, p. 63-66, Schroeder, Miyazaki & Fare, 2011, p. 32). There has been a notable contemporary resurgence of similar initiatives starting in the 1980s and 1990s. This resurgence is commonly attributed to the creation of the first LETS system on Vancouver Island, British

Columbia in 1983, although Hirota notes that modern local currencies have been developed in Japan since 1973 (2011, p. 22).

LETS are modified barter systems that operate on a mutual credit basis as digital ledgers. Mutual credit systems are membership-based, and operate based on reciprocal, in-system debts and credits. Individual members' balances oscillate above or below zero as they provide or receive goods and services, with the sum total of the system always equaling zero (Schraven, 2001). During a period of economic recession and high unemployment, LETS creator Michael Linton recognized that his local community in Comox possessed abundant physical resources and potential labour power, but lacked a mechanism to get those resources circulating. In a LETS system, members advertise products and services they are willing to provide. If one member wishes to receive an advertised product or service, they contact the offering member directly to arrange a trade. If successful, the trade is reported to the LETS administration team, who subtract units from the account of the benefiting member, and credit the providing member's account.

Although the name LETS is now commonly treated as an acronym, standing for Local Exchange Trading Systems or Schemes, Linton argues that the term LETS actually refers to the fact that the model enables exchange - or "lets" it take place - in the absence of legal tender (Pirillo, 2007). Linton continued to develop LETS database software and promote and refine the system throughout the 1980s and 1990s, inspiring the establishment of other LETS and LETS-inspired currencies worldwide (Douthwaite, 2002, p. 143).

The wave of resulting LETS systems inspired further experimentation with localized currency forms, including the development of systems where physical bills or scrip circulated alongside conventional money, rather than trading remaining limited to a mutual credit ledger. The most famous of these systems in North America is Ithaca HOURS, which was developed in Ithaca, New York in 1991. Although inspired by LETS, HOURS reworked and significantly altered the LETS structure, most notably by denominating the currency in labour time rather than pegging it to conventional currency. Unlike digital LETS credits, which are

created through the act of trading, HOURS' material currency tokens must be physically issued into the local economy. HOURS are primarily put into circulation by giving local currency to people and businesses who advertise their willingness to accept local currency by being listed in an official directory. Ithaca HOURS also entered circulation through grants given to community organizations.

Edgar Cahn is generally credited with inventing Time Banking or "Time Dollars" in the 1990s (Cahn & Rowe, 1992). Like LETS, in a Time Bank exchanges are tracked using intangible units in a ledger. Like HOURS, the units exchanged are measured in labour time rather than being pegged to the national currency. Time Dollars are a money form that enables and tracks the trade of good deeds and favours. Unlike LETS and HOURS where members trade with one another directly, in a Time Bank trading is facilitated by a paid coordinator or "time banker" who matches people who want a service performed with someone who can provide that service. In that way, Time Banks are much more centralized, "top down," and labour intensive than other local currencies, and have higher costs due to the coordinator's wages (Cahn, 2001). They are more focused on social service than commercial trade, and are generally created to improve the quality of life of elderly and lower income individuals. As with LETS and Michael Linton, Cahn is usually described as the inventor of Time Banking in the Anglophone literature however there are historical and non-Western precedents for the Time Banking approach. It builds upon the ideas of early time-based currencies like Labour Notes, although it is less explicitly political than Owen's projects. More recently, Mizushimo Teruko has been credited with having developed the world's first Time Bank in Japan in 1973 (Miller, 2010, p. 261).

As LETS, HOURS, and Time Bank systems gained prominence in North America and the United Kingdom, other local currency forms were being developed elsewhere in the world. One example is the large number of successful regional currencies in Switzerland and Germany (for example Chiemgauer in Bavaria), using demurrage systems where the currency loses value over time if it is not spent. These currencies have been developed independently of the LETS

phenomenon since 1980 (Schroeder et al., 2011). As explained below, the demurrage approach is linked to Silvio Gesell's economic theories, which saw short-lived popularity during the Great Depression. Another notable development in the global contemporary local currency movement was the spectacular nationwide proliferation of Redes de Trueque barter coupon networks in Argentina following financial crises in the 1990s and early 2000s (Powell, 2002, p. 619). Like Ithaca HOURS, the Trueque format was developed when the standard LETS model failed to meet local needs, leading to experimentation (DeMeulenaere, 2000, p. 2).

The social and cultural context of monetary exchanges is produced through specific historical conditions and power relations. This is especially evident when observing reactions to newly introduced currencies in light of pre-existing cultural and social matrices (Bloch & Parry, 1989). The considerable variation in local currency projects therefore results in part from the specific cultural and historical context of the area in which the project is developed. Trueque networks in Argentina provide an example, as their proliferation was enabled in part by a local history of monetary pluralism. Colonial states often had multiple currencies, with local money circulating in parallel with currency from the colonizing power (Truitt, 2006, p. 287). Historical episodes of hyperinflation in Argentina had compelled the replacement of paper currency with new notes on a number of occasions. In remote or neglected areas of the country, the creation of unofficial non-national monies was also often required to support the functioning of the regional economy. These factors likely enabled the widespread adoption of Argentine barter currencies because they helped develop more flexible conceptualizations of money, and therefore receptivity to new money forms (Powell, 2002, p. 622-623). Unfortunately, the same history of currency instability and pliable attitudes toward money that supported the development of the Trueque networks helped lead to their sudden collapse after claims that they were a "great barter scam" aired on a popular television show (North, 2007, p. 156).

Another source of diversity in the local currency movement is disparate theoretical justifications and political beliefs among local currency organizers and advocates. Contemporary local currency proponents have been inspired by theorists including Hayek, Schumacher, Gesell, Marx, Simmel, and Putnam, and more recently by the economic de-growth and Transition Town Movements (Dittmer, 2013, Hopkins, 2008, Maurer, 2000, p. 162, North, 2007, 2010a). Friedrich Hayek was a monetarist economist who extended his support of free markets to currency production. In "Denationalization of Money," Hayek (1990) argued that state monopoly over money production prevents the economy from functioning efficiently and, if private banks and institutions are permitted to create money, the invisible hand of the market will ensure a sound monetary system (Maurer, 2005, p. 67-68, North, 2007, p. 15). In contrast to Hayek's amoral utilitarianism, E. F. Schumacher (1973) sought to reshape economic theory by incorporating moral imperatives for environmental conservation and human health and happiness. His "Buddhist Economics" requires determining the most appropriate scale for each project or institution based on the goals one wishes to achieve. Schumacher argued that small, human-scale institutions are more appropriate for an economy more concerned with people and the environment than industrial profit. Many local currency advocates celebrate the small and bounded nature of their projects on these grounds, and the E.F. Schumacher Society has been actively involved with promoting local currencies.

While Hayek believed the central problem with formal currencies to be government monopoly and intervention, and Schumacher argued for currencies on a more "human" scale, Silvio Gesell identified the central problem with money to reside in the existence of financial interest on cash holdings. He advocated for a demurrage system where scrip currencies need to be validated with a stamp purchased at designated intervals. In such a system money loses value over time if unspent, rather than gaining value through interest as is the case with conventional banking systems. In Gesell's (1916/1958) *The Natural Economic Order*, he justified demurrage on an ecological basis, arguing that money should decay over time as natural substances or goods do. Gesell's naturally "decaying"

money would discourage stockpiling, thereby increasing local economic production by encouraging money to circulate rapidly (North, 2007, p. 64). Although in practice demurrage encourages increased production and consumption, modern proponents of Gesell's theories often link them with efforts supporting environmental sustainability. Some envision local currencies as being more in line with ecological principles than capitalist monies that grow without limit (see, for instance Eisenstein, 2011). A number of Gesellian scrip systems were developed during the Great Depression, with many being sufficiently popular that they were shut down by governments nervous about losing tax revenue and their monopoly over currency issue (North, 2007, p. 63-66).

In one example repeatedly cited by advocates of local currencies, in 1932 the mayor in the town of Wörgl, Austria decided to try to address rampant unemployment and unpaid taxes by issuing a Gesellian-style scrip currency. Their scrip was used to pay fifty percent of town employees' salaries, and could be used to pay local taxes. The local currency needed to be validated on a weekly basis with a stamp purchased from the town, and could only be redeemed for cash with a significant service charge. This encouraged residents to spend rather than save or redeem their local money. The influx of currency in the local economy cleared up tax arrears and eventually funded significant public works projects (Greco, 2001, p. 66, North, 2007, p. 64). When two hundred other Austrian towns expressed interest in reproducing the experiment, "emergency currencies" were declared illegal by the federal government (Lietaer, 2001, p. 153-155). It should be noted, of course, that despite the fact that it is regularly cited by local currency advocates, Wörgl's demurrage scrip is of limited comparability to modern local currencies. While not national in scope, it was a government issued currency. Unlike grassroots local currencies, its issuer therefore had the power to compel its use to some degree, and better guarantee its usefulness by accepting it for payment of government taxes. The Chiemgauer currency in the Bavarian region of Germany, however, provides a contemporary example of non-governmental Gesellian demurrage scrip. It expanded rapidly after being established in 2003 and is a promising case for showing what might

happen to a demurrage system left to function without government interference over the long-term.

Local currency systems denominated in units of time are generally designed to be tools for social or political transformation rather than functioning solely, or even principally, as a means for material exchanges. As previously noted, Marx (1867/1990) argued that treating money as a commodity with an intrinsic value masks the social relations of production which underpin all economic exchange. Money therefore naturalizes the unequal and unjust productive relations in a capitalist system. Consequently, some local currencies denominated in labour time, like Ithaca HOURS, have been developed in part to overcome this shortcoming by revealing the labour power and social relations underlying economic exchanges.

While HOURS currencies attempt to defetishize the social nature of economic relations, Time Dollars organizers focus more directly on specific social problems. Many of the philosophical roots of the local currency movement mirror Simmel's concern that money's commensurability makes it a "solvent" that destroys social ties and communities (Maurer, 2000, p. 157). Time Dollars systems are developed to address social concerns by supporting sociality and inclusion, and promoting the exchange of good deeds and help. Time Bank organizers have broadly Simmelian concerns, but their approach can be more immediately linked to Robert Putnam's (1993, 2000) concept of Social Capital—the idea that durable social relationships are a necessary foundation for harmonious and economically successful societies. As already noted, the most significant difference between Time Dollars and HOURS currencies is that Time Banks have a higher degree of central control and regulation over membership than HOURS, which are left to circulate freely and can be used by anyone. Time Banks are a bit of an outlier in the local currency movement, in that they are less "grassroots" and overtly political than many local currencies. Instead, they primarily operate as social services organizations, generally with external governmental support to provide for their greater staffing and infrastructural requirements (Lee et al., 2004, p. 611-613).

Convertible local currency (CLC) scrips are one of the most recent local currency forms developed (Dittmer, 2013, p. 8-9). They are much more directly linked to national currency than forms like LETS, HOURS and Time Banks. They are not only denominated in the same manner as national money, but also redeemable for it to some degree. The BerkShares currency in the Berkshire region of Massachusetts and Salt Spring Dollars on Salt Spring Island in British Columbia are two notable examples of CLCs. Demurrage currencies like Chiemgauer are also generally convertible to national currency. Modern non-demurrage CLCs like Salt Spring Dollars and BerkShares have not been widely studied (Dittmer, 2013, p. 8). Their similarity to, and interchangeability with, national tender makes these currencies much easier to fit into existing economic practices than more unconventional currency forms.

Convertible local currencies differ in the extent to which they are redeemable for conventional money. For instance Salt Spring Dollars could originally be redeemed one-to-one for Canadian dollars, with several local banks agreeing to act as an intermediary between businesses and the local currency organization. This meant there was little financial risk for businesses accepting the local currency, but also very little motivation for them to keep it circulating by spending rather than redeeming it. Salt Spring Dollars therefore tended to circulate on repeated closed loops, from the local currency organization to an individual consumer, to a local business, to the bank, and back to the local currency organization. The organizers, fearing the whole exercise was economically pointless—that is, not spurring any economic growth or production—eventually instituted a 5% redemption fee, meaning businesses received 95 cents on the dollar if they redeemed the local currency rather than spending it (M. Contardi, personal communication, November 14, 2012). This is a very different approach from BerkShares, where the local currency is sold to consumers and redeemed by businesses for 95 cents USD on the dollar (face value). The intention is to encourage local shopping by providing what amounts to a five percent discount to local currency users, a cost borne by the local businesses.

Digital cryptocurrencies like Bitcoin are a more recent, and radically different, development in the world of alternative currencies and monetary pluralism. Their fundamental characteristic is that they are secured through cryptography, or the concealing of information through encryption and coding (Jansen, 2013, p. 10). Modern cryptography relies heavily on mathematical algorithms. In conventional currencies, control over currency issue and transfer is exerted through government regulations and the authority of centralized banks. In cryptocurrencies, mathematical algorithms fill these roles. Cryptocurrencies grew out of calls for systems enabling “untraceable payments” starting in the early 1980s. No cryptocurrencies had attained mainstream success until Bitcoin was launched in 2009 (Bonneau et al., 2015, p. 105).

Bitcoin is a decentralized peer-to-peer global payment system facilitating trade in its own eponymous currency (Jansen, 2013). Like LETS, it is a digital currency with a publically accessible ledger. Unlike LETS, traders maintain anonymity, with ownership over the alternative currency linked to digital keys and signatures instead of personal identity. The Bitcoin currency is denominated in bitcoins and bits, with one million bits making up one bitcoin. Before a transaction made with bitcoins can be completed, a process called “hashing” must take place. This essentially means that a team of volunteer users dedicate their computer processing power to compete to be the first to solve time-consuming math problems that verify that a trader owns, and has not already spent, the bitcoins that are being transferred. Each individual bitcoin is actually a record of all of the transactions that have been made with it, coupled with the “proofs-of-work,” or essentially solved math problems, that verified that the transactions were valid. The individual time-stamped transaction records, called “blocks,” are linked together in a series called “blockchain.” In many ways this is a real-life example of Keith Hart’s claim that modern money is increasingly a form of information (2000, p. 4-5).

Bitcoin was first proposed in a white paper posted on the internet in 2008, under the pseudonym Satoshi Nakamoto. That the first relatively successful cryptocurrency surfaced at the height of the financial crisis that led to the Great

Recession is no accident. As already noted, many local currencies were developed in response to the financial crisis and Great Recession. Both can be seen as illustrating a loss of confidence in existing financial institutions, but very different interpretations of the cause of the crisis. Local currencies are frequently promoted as a method for re-personalizing and re-socializing exchange (see, for instance, Thorne, 1996). These arguments are often based on the idea that many of our social and economic problems stem from the fact that conventional money is completely disembodied from social life: ideas often inspired by Polanyi, Marx, and Simmel. Bitcoin's creators went in the other direction by implying that conventional money is far too social to be safe or rational. That is, it is not sufficiently socially disembodied to function properly. This concern better reflects Hayekian, free-market critiques. Cryptocurrency developers like Nakamoto are trying to create money that is more appropriate to current levels of technology, with the hopes that monetary diversity will mean that the best currencies win out in the end.

The Nakamoto white paper repeatedly argues that the problem with conventional currency is the need to have trust in other parties in a financial transaction. The Bitcoin project seeks to anonymize and automate trading in an attempt to de-socialize it. The idea is that cryptography specifically replaces the need for trust in centralized third party institutions, like government and banks, to facilitate exchange. Users collectively keep the system running by hashing, or solving math problems, because they are rewarded for their work with newly created bitcoins: a process described as "Bitcoin mining." The logic is that the cryptographic puzzles are sufficiently time consuming that it is unlikely that one particular person or small group of people will have sufficient processing power to take over the Bitcoin system, keeping it decentralized. Providing a reward of newly created bitcoins for hashing will theoretically ensure that more "honest nodes" are recruited to do this work than corrupt actors seeking to attack the system, ensuring security is maintained (Nakamoto, 2008). The claim that Bitcoin abrogates the need for trust rings somewhat hollow. In reality, trust is merely transferred from existing mainstream institutions to artificial intelligence,

mathematics, the administrators of the “honest nodes” doing hashing, and to Bitcoin’s anonymous creator(s). The Bitcoin system is portrayed as existing autonomously from human whims and frailties, insulated by cold, rational arithmetic functions. But the association between Bitcoin and criminal activities and security breaches somewhat undercuts this idea (Bonneau et al. 2015, p. 105).

Cryptocurrencies are not local currencies by any means, but are similar in that they are voluntarily used by a self-selecting segment of the population, and they contribute to the monetary diversity advocated by many local currency advocates. There is increasing doubt that Bitcoin is truly a currency. The way people take up and use money defines its ultimate form and social function. In its early days Bitcoin was famously (or infamously) used predominantly for purchases in the underground economy, particularly on websites like the Silk Road where drugs and other illegal goods were sold. More recently, fluctuating value and users’ increasing difficulty accessing their bitcoins have made it an inconvenient means of exchange. Moreover, surging values and limits on the number of bitcoins that will be created have led many people to treat Bitcoin as more of a speculative investment product than a currency (Yermack, 2013). Cryptocurrencies are therefore quite different from the sorts of local currencies I am discussing in this dissertation, but given their current celebrity they nevertheless have the potential to shape public opinion about other kinds of alternative and complementary currencies.

At the same time that cryptocurrencies have grown in popularity as a tool for addressing the limitations national currencies pose in an increasingly globalized world, grassroots local currencies have also been developed as a response to economic globalization. Specifically, they have been created to prepare for expected or planned social changes, including climate change or the collapse of the globalized economy. One of my first introductions to the concept of local currencies was at a nonviolent direct action training session prior to anti-globalization protests in the year 2000. The trainers, citing George Lakey’s (1973) book *Strategy for a Living Revolution*, argued that peaceful social and cultural

transformation first requires creating alternative “parallel” institutions like local currencies. There were two reasons given for this. First, creating countercultural, alternative institutions provides people the opportunity to “live the revolution” or concretely enact their alternative values while waiting for mainstream society to come around to their way of thinking. Secondly, given the assumption that major social or economic changes are inevitable, the trainers argued that alternative institutions must already be in place to fill the vacuum left when society as we know it collapses. More recently, Lakey (2004) described Trueque barter currencies in Argentina as an example of the kind of parallel institutions he recommends. Although direct references to Lakey and his revolutionary strategy in the local currency movement are rare, I have nevertheless repeatedly heard rationales for local currency development that closely mirror Lakey’s revolutionary strategy.

One notable contemporary example is of the Transition Movement (also called the Transition Town Movement). The Transition Movement’s main assertion is that individual communities should re-localize their economy and develop alternative institutions and social programs to prepare for the social and economic changes that will come with catastrophic climate change and reaching “peak oil” production. One of the first Transition Town projects was in Totnes, England, and one of its earliest endeavours was issuing the Totnes Pound local currency (Hopkins, 2008, p. 182-183). The inclusion of a local currency in an early Transition Town effort inspired many subsequent Transition Towns to attempt them as well, for instance the Stroud Pound, Lewes Pound, and Brixton Pound, as well as the Community Dollars currency studied in this dissertation.

Transition currencies have taken a variety of forms. The examples in the United Kingdom have mainly been paper currencies backed by Pounds Sterling, similar to the convertible local currencies, but with variations like including digital trading options or, in the case of the Stroud Pound, Gesellian demurrage (Cato & Suárez, 2010, North, 2010a, Ryan-Collins, 2011). The Community Dollars currency studied in this dissertation developed out of the Nelson Transition Town, and adopted a completely different approach with the Community Way

model. The only unifying characteristic of Transition currencies is the motivation for their development. The local currencies described up to this point in the chapter were generally created as a reaction to existing economic and social conditions: for example as a stop-gap to survive an economic collapse, or as a strategy for tackling existing social problems like inequality and social exclusion. Transition currencies stand out in that they are created as a proactive strategy to address social and economic conditions that are anticipated, but which do not yet exist.

One final source of variation and diversity in the local currency movement is ongoing efforts to adjust and improve existing local currency models and approaches. Of particular consequence are long-term efforts by some more passionate local currency developers and proponents to evaluate, share, and improve upon the most successful elements of previous local currency experimentation. For instance, economists Thomas Greco and Bernard Lietaer have each written or co-written multiple books promoting alternative and local currency systems, and share practical resources for local currency development through seminars and workshops worldwide (see, for instance, Greco, 2001, 2009, Kenny, Lietaer & Rogers, 2012, Lietaer, 2001, Lietaer & Dunne, 2013). More significant for the purposes of this project are Michael Linton's efforts. He has continually sought ways to improve and refine the LETS systems and software since the early 1980s, and to have it break into the mainstream. The most recent iterations of LETS approach are the "Open Money" philosophy and the Community Way model. Community Way is the model used by the Community Dollars system analyzed in this dissertation. The model, analyzed in greater detail in Chapter 5, was developed by Michael Linton and other advocates of the "Open Money" approach as an attempt to improve the likelihood of success for future LETS systems.

3.3. LOCAL CURRENCY RESEARCH

As diverse and heterodox social institutions, local currencies have rightfully attracted academic attention. As sometimes radical attempts to provide

alternatives to our current economic and political paradigms, they can reveal a lot about our conventional systems by putting their characteristics—especially those we typically overlook—into sharp relief. But they are also social institutions worthy of study on their own terms. A sizeable body of literature grappling with the modern local currency movement has accumulated since the first LETS systems were developed in the 1980s. The 1998 founding of the peer-reviewed online academic journal IJCCR (International Journal of Community Currency Research), and the 2015 establishment of RAMICS (Research Association on Monetary Innovation and Community and Complementary Currency Systems), a local currency-focused research association hosting biennial international conferences, are just two indications of ongoing academic interest in local currencies. The Bibliography of Community Currency Research, a selective multilingual online collection of publications about parallel currencies (generally excluding alternative and convertible currencies like Bitcoin), currently has over 1500 entries. As early as the 1980s and 1990s, local currency advocates began to recognize the need to catalog and share the growing collection of local currency-related publications. From these efforts grew a number of online resource collections, many now defunct. The Complementary Currency Resource Centre is a notable extant resource which grew out of these efforts. It was established in 2002 by Stephen DeMeulenaere, a key figure in establishing online networks for local currency researchers.

Although the modern local currency movement has been researched for decades across numerous academic disciplines, the diversity, variability, and mostly grassroots nature of local currencies has made the phenomenon difficult to encapsulate. Description is one of local currency research's most basic tasks. The local currency movement, and specific types of local currencies, are still relatively recent phenomena and remain alien to most people. For that reason, basic description of what local currencies are and how they work is a necessary first step in their study, and particularly characteristic of earlier literature on the topic (North, 2007 provides a noteworthy global survey of local currency efforts).

The task of describing local currencies will never be complete, given constant innovation and experimentation among local currency creators, and the sheer number of local currency systems that continue to be developed. To give some idea of the scale of this undertaking, in 2002 a research report estimated the number of local currencies worldwide at between 5,000 and 10,000 (You & Allen, 2002, p. 133). In a global study of local currencies, Seyfang and Longhurst identified 3418 extant local currency projects across 23 countries and 6 continents (2013, p. 69). In early 2012, a subgroup of the now-defunct online Complementary Currency Research Group similarly attempted to create an up-to-date global list of extant local currencies, producing a count of 3822 systems. My own knowledge of British Columbian local currencies demonstrates the difficulty of producing an accurate count of existing local currencies, and suggests that the totals could underrepresent actual numbers. As this chapter shows, local currency systems tend to have short lifespans and a high failure rate. They are frequently small and inward-looking, and thus easy to overlook. Further, local currencies are generally only studied once they are well established (Schroeder et al., 2011, p. 37), but many—or possibly most—currencies never reach that point. Local currency systems' ephemeral nature therefore presents a challenge for researchers.

The range of political and theoretical inspirations for local currency development also suggests nearly endless theoretical frameworks for analyzing local currencies as social movements and policy tools. For instance, local currencies have been analyzed as a means to foster community renewal (Grover, 2006, Seyfang, 2003) and social inclusion (Seyfang, 2004, Williams & Windebank, 2001), to increase employment opportunities (Peacock, 2000, Seyfang, 2001) and encourage sustainable consumption (Helleiner, 2000, Seyfang, 2009), and as a response to the globalization of capitalism (Maurer, 2000, North, 2006, Tibbett, 1997).

As local currencies remain a moving target for researchers, there has been little academic consensus, and I would argue no classic or essential sources, on the topic. Nevertheless there are some scholars who, through their sustained

interest and prolific publication, have emerged as central English-language subject experts, specifically Gill Seyfang and Peter North. There is also a significant volume of non-academic and grey literature on the topic of local currencies, directed toward a non-academic audience. Most of it is practical or promotional in nature, mainly intended to sell the idea of local currencies generally, or a specific local currency model. Such sources ultimately aim to encourage the establishment of new local currencies, and so generally provide motivation and guidance in doing so. A lot of this literature is of limited academic use unless you are studying the particular local currency model being advocated, and it can have limited distribution and be difficult to locate and access. Nevertheless, as in the academic literature, there are some authors who have written about and promoted local currencies for long enough that they emerge as experts in the field. This includes British author Danny Boyle and American author Thomas Greco. Bernard Lietaer and Stephen DeMeulenaere are also prominent local currency advocates who straddle the academic, non-academic, government, and non-governmental spheres. Lietaer mainly writes for a popular audience, while DeMeulenaere generally seeks to support research and practical efforts.

The existing local currency literature tends to be geographically skewed, with access to information further limited by linguistic barriers. Government support and research infrastructure in Britain and Japan have not only encouraged the development of local currencies, but also research relationships and academic study focused on them (Schroeder et al., 2011, p. 36). Note that many of the most prolific Anglophone local currency-focused researchers and writers – like Gill Seyfang, Peter North, Colin Williams, and David Boyle – do most of their work in England. As a result British examples are possibly over-represented in the English-language literature on local currencies, while other significant examples, like the existence of numerous Regiomoney systems in Germany, are generally not reflected in the academic literature. Also, very little information on the hugely diverse Japanese local currency movement is available to non-Japanese speakers (Hirota, 2011).

Similarly, despite the fact that LETS originated in Canada, and there has been noteworthy experimentation with different currency models nationwide, there has been very little research on Canadian local currencies. Some notable exceptions are study of the Calgary Dollars system in Alberta (Wheatley, 2006, Wheatley, Younie, Alajilan, & McFarlane, 2011, Mascornick, 2007), and Accorderie in Quebec (Fare, 2009, Lizotte & Duhaime, 2011). In fact, as Seyfang and Longhurst note, Canada's local currency movement provides an interesting case in illustrating how linguistic barriers constrain the spread of information and innovation in the local currency world. They note that Canadian local currencies demonstrate a unique pattern of parallel development, with an obvious divide between the Francophone and Anglophone population (2013, p. 74).

Most of the published English-language academic local currency research has been produced by geographers, sociologists, and political scientists, or scholars working in related disciplines (Schroeder et al., 2011). This research has been methodologically diverse, sometimes including ethnographic components (see, for example, Aldridge & Patterson, 2002, and North, 2006). The two most prominent anthropologists to study the modern local currency movement are Keith Hart and Bill Maurer. Hart (2000) tends to consider local currencies as a general category, doing more meta-level analysis than looking at particular case studies or engaging in ethnographic study of the phenomenon. His analysis incorporates Polanyian and vaguely Marxist concerns and concentrates on local currencies' potential as an instrument for social transformation. He gauges this potential based on currencies' potential to serve as a store of knowledge. Maurer (2005) has used participant observation to study heterodox economic practices like local currencies and Islamic finance. His analysis focuses on legal concerns and alternative forms of calculative rationality in such heterodox economic institutions.

What has generally been absent from studies of local currencies are the voices and perspectives of local currency users. User surveys have provided some sense of user experience, but quantitative approaches are limited in the degree of

detail and complexity they can communicate. This can lead to sometimes ambiguous results, as will be seen later in this chapter when discussing local currencies' impacts. When employing interviews, researchers have often limited themselves to local currency organizers and coordinators (see, for instance, Jacob, Brinkerhoff, Jovic, & Wheatley, 2004a, Kim, Lough, & Wu, 2016, Lee, 1996, Thorne, 1996). Other researchers have constructively employed interviews and conversations with local currency users to investigate their experiences (see Aldridge & Patterson, 2002, Caldwell, 2000, Jacob, Brinkerhoff, Jovic, & Wheatley, 2004b, North, 2006, 2007, Wheatley, Younie, Alajlan, & McFarlane, 2011, Williams, Aldridge, Lee, Leyshon, Thrift, & Tooke, 2001). The results have generally focused on why local currency users participate and what they feel they have gained from doing so, but rarely get at the details of what the act of using a local currency is like, what concrete practices are involved, or what kind of changes, if any, local currency users experience in their lifestyle and behaviour. In a recorded public conversation, Maurer and Hart (2007) discussed local currencies as a form of political education. They note that most of the literature on local currencies focuses on how and to what extent they “work” when it comes to helping people fill their needs or increasing trade. But other functions and effects, particularly their pedagogical potential, are often overlooked. Maurer, in particular, notes, “no one ever really asks just the basic interview question, ‘what did you learn from doing this?’” (Section 2, para 10). Nevertheless, such questions will always be in a larger context of considering what local currencies do or do not do.

3.4. SUCCESS AND FAILURE OF LOCAL CURRENCY SYSTEMS

The earliest literature on the modern local currency movement (after the first LETS system was created in the early 1980s) largely promoted local currencies based on their assumed potential as a tool for sustainable development of economically marginalized areas. LETS were seen as particularly promising in the “new economics” movement that started in the United Kingdom in the 1980s, having been promoted by Michael Linton at “The Other Economic

Summit” in London in 1985 (Williams, 1996b). At the height of the LETS movement in the 1990s, however, there began to be calls cautioning against excessive optimism about LETS’ economic potential from people with practical experience organizing LETS systems (see, for example, Stott & Hodges, 1996). It was not until this time, and particularly in the late 1990s and early 2000s, that earnest efforts were made to empirically evaluate how well LETS and other local currencies were living up to the claims being made about their economic and political potential. Colin William’s survey-based research projects (1996a, 1996b, 1996c, 1996d, 1997) are notable early efforts to do so. Empirical assessment of that sort has remained sporadic.

It can be difficult to make sweeping conclusions or generalizations about local currencies based on existing empirical research, because the literature covers—and often conflates—many different local currency types, across multiple geographical contexts, and uses inconsistent standards of measurement that can make cross-study comparison sometimes problematic (Evans, 2009). Some types of local currencies are structured in a way that makes observing and measuring activity levels and outcomes easier than others. LETS and Time Banks have centralized systems and record-keeping, so exchanges can be quantified and tracked fairly easily. Paper currencies like HOURS and CLCs are much more decentralized. Generic physical bills are fairly anonymous, and nearly impossible to track, meaning researchers must rely more on surveys and interviews, with the quality of data more dependent on the accuracy of the reports and memories of local currency users and administrators.

Despite the ambiguities and limitations of existing evaluative research about local currencies, some noteworthy patterns emerge in the literature. The empirical studies reviewed in this section sketch an outline of the successes and failures of the modern local currency movement, and provide some insight into what local currencies are capable of achieving, and why some local currency systems are more successful than others.

One major finding of the few more “macro” level studies evaluating a large number of local currency systems is that local currencies appear to have a very

high failure rate (Collom, 2005, finds this for paper HOURS currencies in the United States, and Williams, 1997, for LETS systems in Australia). Reading between the lines in these, and other, more limited, studies of local currency systems gives the impression that most local currencies are not used very much, and tend to not last very long before fading away. Collom found that of the 82 paper-based HOURS local currencies founded in the United States between 1991 and 2003, only 17 were still active at the end of his data collection period in May 2004. This represents a failure rate of 79.3% (2005, p. 1565). These findings are further reinforced by reports of the large number of LETS systems in the United Kingdom in the mid-1990s. At the time there was a tendency to assume the LETS phenomenon would continue to grow (Williams, 1996a), but the boom ended up being temporary (Seyfang & Longhurst, 2013). There are far fewer LETS systems today, meaning the bulk of the systems from the 1990s onward have ceased operating.

Another noteworthy question is what impact this failure rate has (or does not have) on local currency research. Kim et al. (2016) note that a major limitation in the literature is that typically only successful local currency systems are studied (p. 348). This can provide a misleading impression of the local currency movement. Local currency research therefore presents a particular version of Rosenthal's file drawer problem (1979), in that the literature on local currencies contains repeated reference to a small number of successful examples in a way that implies these few, probably atypical case studies are in some way generalizable. This is a difficult problem to overcome, since the omission of failed local currency systems from research is typically unintentional. Most local currency systems are small, ephemeral, and grassroots. Although the local currency organizers I spoke with generally claimed to place great value on transparency, informal local currency systems are not bound by official record keeping policies in the way government, registered non-profits, or even small businesses are. Ultimately, most local currencies appear to leave very few documentary or archival records behind. Those they do produce can be very difficult to access, and have no records management laws or policies requiring

they be retained and maintained. This makes failed systems very difficult to study unless a researcher happens upon them during their lifespan. The inconsistent information available about the local currency movement can contribute to an overly rosy view of local currencies' success rate and potential. Intentionally or unintentionally the literature over-emphasizes successful systems, while the many false starts, disappointments and outright failures more-or-less disappear from view.

That is not to say that successful local currencies are not worthy of study. If we accept my argument that most local currency systems fail, accounts of various types of local currencies that found a dedicated user base and lasted at least a decade become all the more noteworthy if understood to be outliers. The often-cited Ithaca HOURS local currency was founded in 1991 and while it appears to have been struggling recently, it was nevertheless a big success story for a long time (Khromov, 2011, Meckley, 2015). The Talentum currency in Budapest (North, 2006), LETS systems in Sheffield, Brighton, South Powys, and Bristol in the United Kingdom (North, 2010b), and Green Dollars in New Zealand (North, 2007) are all relative success stories celebrated in the literature. The striking difference in lifespans and popularity between local currency systems demands further examination. Starting from the realization that the success stories are fairly atypical, we can start to consider the characteristics that set them apart from systems that do not last. What factors cause some local currencies to fail, while others survive?

3.4.1. Characteristics of lasting local currency systems

Using census data, Collom (2005) found that American cities where paper-based local currencies were developed shared particular demographic characteristics. Only some of these characteristics were correlated with systems that survived over time. Collom found that local currencies are more likely to be developed in more economically marginal cities (with higher poverty rates, lower household incomes, and higher rates of unemployment) where there are higher levels of self-employment compared to the national average (p. 1579). Despite

Collom's initial assumptions, he found that factors like the size, population density, and ethnic diversity of a locality had no effect on the likelihood that a local currency would be created. And he found that none of the above factors correlated with local currencies' persistence over time.

Cities are more likely to develop local currencies that survive over time when their population is proportionally younger and more highly educated, with more post-secondary students, and lower rates of both marriage and residential stability compared to the national average. Collom hypothesizes that this is because younger, more educated, and less settled populations have greater "social movement resources": they are more open to new ideas and, because they have fewer responsibilities and more free time, have fewer obstacles to putting those ideas into action (2005, p. 1571, 1580). In a wide-ranging survey of LETS systems across the United Kingdom, Williams came to a somewhat similar conclusion that LETS users are disproportionately highly educated and politically progressive people with below-average income: what he called the "disenfranchised middle class" (1996d, p. 238).

Kim et al.'s qualitative study of five local currency systems in the US, UK, and Canada, two of which struggled, found that local currencies are more likely to be successful in places with "a history of alternative economic movements" (2016, p. 350). Collom similarly notes that areas where residents are more liberal and politically progressive are also more "culturally conducive" to the establishment of local currencies, but this more qualitative data does not fit into his quantitative analysis, so he never explicitly comments on whether or not these political leanings contribute to local currencies' survival (2005, p. 1579). A study of the Ithaca HOURS system credited its success with an active base of local currency users who were very politically progressive (Jacob et al. 2004b), suggesting this could be a key factor for successful local currencies. Nevertheless, Williams cautioned that being overly associated with a "green" or "countercultural" user base limits local currencies' potential by limiting their potential audience to a niche minority (1995, p. 264-265).

Collom also notes that geographical proximity between local currency systems appears to be advantageous (2005, p. 1579). He speculates that systems that are closer together might have increased survival rates because local currency organizers who are spatially closer can more easily engage and learn from one another's experiences and mistakes. Hirota inversely argues that, despite its diversity, the Japanese local currency movement has had limited success because language barriers and an inward-looking nature have prevented them from benefiting from experiences of local currency organizations outside of Japan (2011, p. 26). Contradicting some of Collom's conclusions, Kim et al. found that local currencies are more likely to be a success when based in less populated, geographically isolated areas. They speculate that greater geographical isolation and a smaller population base might foster a greater sense of local "belonging," and greater need for community support, which could contribute to a local currency's success (2016, p. 356). Williams' research on LETS in the United Kingdom and Australia provides some added context to this idea. He found LETS systems were more successful in rural areas, but specifically in places with less dispersed populations, like villages (Williams, 1996d, p. 235). In general, trading levels are higher in systems that cover smaller geographical areas, like small towns or specific neighbourhoods in larger urban areas, because participants are generally unwilling to travel long distances to trade (1997, p. 4-5). So while isolation might lead to a greater feeling of belonging, a minimum population density appears necessary to ensure there are sufficient trading options.

While the demographic patterns Collom noted suggest factors that might enhance or limit a local currency's success, his research does not account for internal characteristics at the system level that could be equally influential. Peter North has studied a wide range of different kinds of local currencies in different geographical contexts. In the course of this research, he observed that while many local currency systems quickly fade away, others prove much more resilient. He analyzed these stronger systems and identified five key characteristics they share (2010b).

The first and second of these characteristics have to do with the currency's administration. The first is that durable local currencies have "strong management systems," where administrative tasks are shared by a team rather than one individual (2010b, p. 39). Sharing responsibilities helps prevent volunteer burnout. Despite the requirement that administrative tasks be shared, the second characteristic of lasting local currency systems is that they have "at least one key and committed activist" who will act as a driving force to ensure the local currency is administered well (2010b, p. 39). North argues that while these "key activists" are typically retired or working part time, and have incorporated the local currency "into their personal livelihood strategy," (2010b, p. 39) their primary motivation for participation in the local currency system is political, social, or religious, rather than economic. The Ithaca HOURS system provides one noteworthy example of the impact a key activist can play. Founder and administrator Paul Glover's efforts were a crucial factor in the success of the system (Greco, 2001, p. 98), which declined after he left Ithaca (Khromov, 2011). Based on mixed-methods research of a number of LETS systems in the United Kingdom, Williams et al. concluded that men tend to drop out of leadership roles in local currency systems more quickly than women, suggesting that it could also be beneficial to a system's longevity if administrators, and particularly key activists, are women (2001a, p. 122).

A third characteristic of lasting local currency systems is that they have ongoing support from an external body like the government or another non-profit organization (North 2010, p. 39). This support can be direct grant funding, or provision of in-kind resources like photocopying and staff support. Williams et al. (2001b) found that LETS systems that received external funding to cover infrastructure and promotional costs had more diverse and representative membership profiles, and higher levels of trading than non-funded systems (p. 359). North does note that some systems have survived without external support if they were able to establish some kind of in-system cost recovery, for instance subscription fees paid by members. Ultimately some form of financial support is needed for a system to persist over time. Administering a local currency takes a

lot of labour power, leading to high rates of burnout for leadership and volunteers in systems without external support (Collom, 2005, Dittmer, 2013). While having formally employed staff can reduce these problems, even in cases where local currencies have direct government support labour requirements can prove to more than the system can handle (Aldridge & Patterson, 2002, p. 377-378, Callon, 2005, p. 1580, Seyfang, 2004).

External funding relationships also run the risk of creating a situation of dependence that leads to catastrophic failure if funding is withdrawn. This can happen if the local currency does not live up to the granting agency's expectations, or if the granting agency adopts new objectives or priorities that no longer involve local currencies (Dittmer, 2013, p. 10). This might help explain why Williams noted a high "death rate" among Australian LETS systems, attributed to lack of financial resources and labour power, even though many Australian LETS were instigated and funded by government authorities (1997, p. 4, 7). North therefore cautions that external support must be ongoing. Large amounts of short-term funding often prove "disastrous" for local currency systems (2010b, p. 39-40). So while "seed funding" and innovative fundraising methods contribute to local currency system's chances of success, they prove insufficient factors on their own (Kim et al., 2016, p. 350, 356).

The fourth characteristic of enduring local currency systems is that they have built-in "commitment building mechanisms" that encourage participants to remain committed to the local currency past the initial novelty stage (North 2010b, p. 40). These mechanisms are social arrangements that help currency users feel like they belong to something larger than themselves, instead of just being isolated consumers. Commitment building mechanisms can include positive outreach and interaction between the currency organization and its users using newsletters, social events, and special markets to encourage trading. They can also include more formal mentorship and buddy systems to help users learn to incorporate local currency into their everyday lives. Australian LETS systems were more successful when they instituted mentorships, and communicated regularly with members through newsletters and up-to-date directories

(Williams, 1997, p. 7). Ongoing and frequent communication with local currency users is “critical” to systems’ success (Kim et al., 2016, p. 353). Effective marketing and advertising have proven necessary for LETS systems to reach their full potential and appeal beyond a “green” and “alternative” minority of the population (Williams, 1996a, p. 264-265).

Study of LETS usage also found the majority of exchanges happen at specially organized markets. The most successful systems hold such events, reinforcing the importance of special events in promoting trading and engaged users (Aldridge & Patterson, 2002, p. 379, Williams, 1997, p. 7). Studying paper-based HOURS currencies, Wheatley found special events were a centrally important factor that contributed to local currency users experiencing benefits from their participation. This was true in terms of increased social and economic capital (2006, p. 134). Fare further notes that trading fairs and other market-type events introduce moments of friendliness and celebration into local currency systems, and promote a sense of belonging for the membership (2009, p. 7).

North argues that commitment building mechanisms can also be punitive. This might include the introduction of penalties for behaviour not supported by the local currency group, like providing poor quality services or leaving the system with outstanding debts. I have not found this claim to be corroborated in the literature to the same extent as positive commitment building mechanisms. One important reason is that local currencies generally lack the sort of strong regulatory structures needed to effectively impose penalties or punishments, or the financial resources necessary to pursue conventional legal action. One exception appears to be Green Dollar schemes in New Zealand, which reportedly has successfully regulated behaviour in their system with threats of legal action (North 2007, p. 136). Most systems, however, have relied on social pressure and reputation to regulate member activities. At worst, systems have placed controls on trading, like establishing maximum balances in LETS systems, to limit the potential impacts of improper behaviour rather than dealing with it after-the-fact (Powell & Salverda, 1997).

The fifth characteristic of longer lasting local currency systems is that they are made up of a “large and dense network of like-minded people” who have skills to share and feel that they gain something through their participation (North, 2010b, p. 40). As the next sections in this chapter demonstrate, what participants feel that they do or can gain from using local currency varies widely. The issue of users having skills to offer is also complicated because it relies on users’ self-perception as much as the objective existence or absence of valuable skills. Systems like LETS and Time Banks are generally service-based. One of the most significant barriers to participation in these systems is feeling one does not have anything to contribute (Williams et al., 2001a). Williams speculates this is part of the reason he found LETS to be predominantly used by the “disenfranchised middle class” (1996c, p. 1395). Although lacking economic capital, these more highly educated local currency users possessed more cultural capital. As a result, they tended to be more confident that they possessed skills and abilities that others would value, encouraging greater participation in the local currency system. The requirement for high levels of self-confidence among local currency users can limit the capacity for systems like LETS to benefit lower income and unemployed people (Williams, 1996c, p. 1410-1411). This could help explain why lower income communities are more likely to establish local currency systems, but not more likely to have them be successful (Collom, 2005).

There is some evidence that local currency use can help users gain new skills, improve existing skills, and increase self-esteem and self-confidence. Fifty-three percent of the HOURS currency users Wheatley interviewed felt their currency participation had helped them develop self-confidence (2006, p. 102). There is also a risk that participation can have a negative impact on participants’ confidence if they find the services they offer are not wanted by anyone (Williams et al. 2001a). The currency model and administrative decisions in a specific system will influence the degree to which issues of user confidence impact a currency’s success. Convertible local currencies do not require that regular users offer a product or service to others, but they still have barriers to entry for lower income people because national currency must be surrendered to participate.

Time Banks are usually social service organizations designed to benefit lower income people, but they generally also have paid “time brokers” who will act as intermediaries guiding participation. This could lessen the initial impact of low self confidence among potential users, as the time broker can help users identify their skills and talents. Similarly, the sort of commitment building mechanisms previously discussed, particularly mentorships and buddy systems, could limit the negative effect of low self-esteem and or a lack of self-confidence.

Moving back away from individual psychological level, we recall that these confident and skilled users must be part of a large network for a local currency to find success. Williams’ studies of LETS systems in the United Kingdom and Australia help quantify what “large” might mean in this context. Based on study of numerous LETS currencies, he argues that order for a system to function well, it must reach a “critical mass” of around 50, and ideally 100, members (Williams, 1996a, 1996c, 1997). To meet their full potential, local currency systems need some diversity in the products and services on offer. When local currency systems are very small, users can struggle to find things they want to purchase. This is particularly significant for systems focused on recruiting professionals and formal businesses instead of just regular people. Fare notes that professional members have a greater impetus to spend the credits they earn, meaning systems hoping to incorporate formal commercial enterprises have a larger minimum size (2009, p. 6). Studies of LETS have shown that larger and more diverse systems are more successful in recruiting professional businesses than smaller systems (Williams, 1996a, p. 263-264). The “homespun” nature of local currencies tends not to impress many customers, which can lead to a lack of trust (Cato & Suárez, 2012, p. 114). Larger systems’ ability to attract formal and professional commercial enterprises can therefore foster a more diverse base of local currency users, and inspire greater trust in the system. A system’s minimum or ideal size also varies based on the goals its organizers wish to achieve. For example, Fare places the minimum workable size for a system whose goals include social diversity at around 200 members (2009, p. 6).

While a minimum size is required for local currencies to reach a critical mass, there also appear to be risks if local currency systems become too large. Williams notes that when LETS systems reach 200 members, trading begins to slow (1997, p. 4). Aldridge and Patterson similarly argue that when LETS systems become too large they become inefficient, unwieldy to administer, and it is increasingly difficult to rely on social trust as a regulatory mechanism (2002, p. 378-379). More dramatically, Marxist theorists predict that when alternative institutions like local currencies become sufficiently large and successful that they could pose a threat to the existing order, they risk provoking negative and repressive reactions from conservative forces (North, 2010b). As previously described, there are examples of this happening during periods of economic crisis, when shortages of national currency cause local currencies to be adopted more enthusiastically than is generally the case. Trueque barter networks in Argentina collapsed after being “debunked” in mainstream media accounts, and Austrian “emergency currencies” like in Wörgl were declared illegal by the national government when it feared losing control over the monetary system. For the most part, however, local currencies have not gained enough momentum to pose much of a threat to the existing economic system. North therefore notes that while long-lasting local currency systems tend to be larger than systems that fail, they still tend to remain reasonably small (2010b, p. 41-42).

None of the above characteristics exists in isolation, and accounts of successful local currency systems suggest that no one characteristic is sufficient prerequisite for success. In order to endure and succeed, local currencies must strike a precarious balance between often contradictory demands. For example, Aldridge and Patterson note once a local currency system’s basic administrative demands are fulfilled, there is generally little time left for essential tasks like outreach, promotion, mentorship, and organizing special events (2002, p. 378). Demographic studies like Collom’s (2005) also suggest that even if all of the required organizational and administrative factors described above are achieved, a local currency still depends on an inviting external context if it is to find a welcoming audience.

3.5. MOTIVATIONS FOR LOCAL CURRENCY DEVELOPMENT AND USE

Longevity appears to be fairly uncommon for local currency systems. Longer lifespans for such systems are correlated with particular organizational characteristics, administrative choices, and demographic traits in the community, specifically among local currency users. Survival over time is only the most basic element for a currency to be considered successful, however. Local currency developers have loftier goals for their currencies than simply existing. We must therefore also consider the extent to which local currencies achieve the goals its founders and users wish to achieve.

The existing literature recognizes three major motivations for local currency development and use: pursuing economic, social, or moral (sometimes described as ideological) outcomes. In this section, as we examine the features and relative prevalence of these three types of motivations, we will discover that they are not as distinct or discrete as they might appear. They often overlap, and adopting these categories can oversimplify local currency developers' and users' complex motivations. They also subtly imply that the economy and economic activities are separate from social life, cultural beliefs, and political values. For these reasons, in the next section I introduce my own alternative categorization of motivations in the local currency movement, delineating between "quantitative" and "qualitative" goals for local currency development and use.

In spite of the limitations, it remains worthwhile to describe what the existing literature has to tell us about why people create and use local currencies. The studies being considered in this section use inconsistent standards of measurement, and discuss many different types of local currency, with different histories and institutional structures that could impact founders' and users' motivations. This means they are not necessarily generalizable. They nevertheless suggest some patterns and commonalities in the local currency movement, and provide some basic insight into the different reasons people have created and used local currencies.

The term “economic” is typically used to denote goals for local currency systems focused on: 1) increasing the ease with which material wants or needs can be fulfilled; 2) re-localizing economic production and consumption, therefore reducing reliance on the global trade (Williams, 1996d, p. 261); 3) increasing the velocity of exchange within the local economy; and 4) creating jobs. Surveys demonstrate that in most cases local currency users’ primary motivations for participation are economic (Collom, 2007, 2011). Williams found this to be true for 86.9% of rural LETS users in the United Kingdom (1996d, p. 234), and 81.5% of members of a LETS in Manchester (1996c, p. 1404). This is perhaps unsurprising given that many studies have demonstrated that, as a group, local currency users tend to be disproportionately low-income, unemployed, or underemployed (Collom, 2007, 2011, Fare, 2009, p. 6, Liesch & Birch, 2000, Williams 1996c, p. 1396). User demographics vary from system to system, however, and not all local currency systems are dominated by people lacking financial means (see, for example, Seyfang, 1997). User motivations can influence the way they use local currency, influencing the system as a whole. For example, studies of Time Banks found that lower income users participating due to economic necessity were more active participants, with more transactions and more commitment to the Time Bank (Collom 2007, 2011, Lasker, Collom, Bealer, Niclaus, Young Keefe, Kratzer, & Suchow, 2010).

Overall, the literature indicates most local currency users have primarily economic motivations, but a smaller majority of users also say they participate for moral or ideological reasons (Collom, 2007, 2011, Williams, 1996d). These reasons can include wanting to help other people, improve society, or concretely enact values the local currency user does not feel are adequately represented in the conventional economy. Because such values are typically countercultural and outside the mainstream, participation in a local currency system is often seen as a form of protest or political resistance (Williams et al., 2001b, p. 358). The same rough breakdown applies to currency organizers. Surveying administrators of rural LETS systems in the United Kingdom, Williams found that while 86.9% cited economic reasons for founding their local currency, “community-building”

was a motivation for 56.5% of respondents, and increasing “social equity” was a motivation for 26.1% of administrators (1996d, p. 234).

Research generally shows social motivations for local currency participation to be relatively uncommon (Collom, 2011). This includes goals of meeting new people, making friends, or deepening existing friendships and relationships through trading. Such motivations are particularly relevant because they can impact the nature of a local currency users’ participation. Studying Time Banks, for instance, Collom (2011) observed that the few people who joined for primarily social reasons were more likely to provide services to others, despite the fact that their primary motivations were not altruistic. In a study paying closer attention to social motivations for local currency use than is generally the case in the academic literature, Williams et al. (2001b) found that 23% of local currency users surveyed in the UK participated for primarily social reasons, 25% for primarily ideological reasons and 49% for primarily economic reasons (p. 358). It is worth noting that in Williams’ independent and team research of LETS systems the earlier studies (Williams, 1996a, 1996b, 1996c, 1996d) show far higher levels of economically-focused motivations, while slightly later studies (Williams, 1997, Williams et al., 2001a, 2001b) reflect increased levels of socially-focused motivations among organizers and users. One possible reason for this change is increased focus on social factors by researchers, and different conceptualizations of what the word “social” refers to. Another potential explanation is that the administrators’ and users’ motivations can change over time. Williams et al. (2001a) noted that once 29% of systems became operational, organizers began to focus more on community-building goals, while economic goals became less prominent (p. 122).

The distinction between economic, social, and moral motivations for local currency development and use can be difficult to sustain. This is particularly true for social motivations, which can often be described in more instrumental “economic” terms as expanding social capital or augmenting social support networks, or in more “moral” or “ideological” terms as encouraging friendliness or reducing social exclusion. After remarking that 25% of local currency users

joined for primarily ideological reasons, 23% for primarily social reasons, and 49% for primarily economic reasons, Williams et al. characterized the latter 72% as participating to “bolster their social support networks” (2001b, p. 358). They also noted that, in addition to having lower incomes and higher levels of unemployment, the LETS users they studied were generally people whose existing support networks were “relatively thin and narrow” (2001b, p. 358). The local currency participants were therefore in material need, and lacked contacts they could call upon for help (2001b, p. 357-358). In that case, LETS provided a context where material and other needs could be addressed through new social networks, and it would be quite difficult to draw a hard and fast line between the two. In other cases, local currency users cited economic reasons for participating, but upon further questioning, researchers found their underlying motivations could be equally characterized as social or moral. For example, Thorne (1996) argued that a major motivation for LETS use was to “re-embed” the economic into social life by making exchange more social. Williams similarly argued that a significant minority of LETS users who participated for primarily economic reasons framed those reasons in ideological terms by critiquing capitalism and international trade (1996c, p. 1404-1405).

3.5.1. Quantitative and Qualitative Motivations

When faced with the often overwhelming degree of diversity in the local currency movement, I found it helpful to loosely group motivations for founding and using local currency into two categories based on whether goals were primarily quantitative or qualitative. These categories describe how local currency advocates and users identify the problems or limitations with conventional money that local currency seeks to remedy or diminish. A quantitative perspective is primarily concerned with issues of the relative scarcity or abundance of money or wealth in a local community. The focus of currency organizers operating from such a perspective is on increasing the material wealth in their community by increasing the quantity of money available in that community at a given time. The focus of currency users operating from a

quantitative perspective is generally improving their own material condition. They seek to do this by increasing their access to money, and thus to goods and services that can be purchased with it. Conversely, currency developers operating from a qualitative perspective seek to address social and political issues not readily reducible to quantitative calculations. Their focus is on creating new and special local money to transform society, or at least reshape social relations within society to some degree. These qualitative critiques and concerns have a tendency to be countercultural. They represent attempts to provide an alternative to what proponents see as a deeply flawed mainstream way of thinking about and doing things. At an individual level, local currency users with qualitative concerns may opt to use a local currency because they find the experience of using national currency emotionally unfulfilling, feel that it limits their ability to be true to their core values, or because they want to make new friends or try something new. These are not motivations that are easily reduced to simple calculations or more or less things. Instead, they describe the nature of social, emotional, and political life, and the qualities of economic production and exchange.

The distinction between quantitative and qualitative motivations for local currencies helps clarify some contradictions and ambiguities in the local currency movement. It is not entirely novel. For example, in one of his earlier pieces on local currencies, Williams argued that “to examine purely the quantitative economic impacts is to do an injustice to their more qualitative social and community building effects” (Williams, 1995, p. 214). The quantitative perspective aligns reasonably closely with what is usually described as “economic” motivations for local currency development and use. As already described, there are a broader range of terms used in the literature that align with what I call a qualitative perspective, including “ideological,” “social,” “moral,” and “political” motivations.

The quantitative/qualitative distinction better represents distinctive perspectives on local currency development that I observed not only in the literature, but in the course of my research. When I actually observed local currency systems in operation, the tensions and debates I witnessed often broke

down along quantitative and qualitative lines. This categorization further avoids reinforcing a false dichotomy between the “economic” and the “social,” that reinforces the idea that the economy and money are somehow separate from social life. For that reason, the quantitative and qualitative categories do not collapse into one another quite so easily when discussing more complex theoretical concepts like social and cultural capital. Despite the diversity of perspectives contained within each category, particularly the “qualitative” descriptor, I found these analytical labels corresponded surprisingly closely with individual behaviour and judgments about how local currencies should be structured and administered. As a result, the differentiation between quantitative and qualitative motivations helped me better understand the conflicts and rancour I observed between local currency advocates.

Other researchers have described polarized approaches to local currencies that are sources of conflict in the local currency movement. Lee et al. (2004) identified a fundamental divide in approaches to LETS administration that corresponded with different goals held by system administrators. As LETS proliferated worldwide in the 1980s and 1990s, there grew to be increasing variation in the way LETS organizers’ administered and justified their currency networks. United Kingdom based LETS organizers aiming to provide a parallel currency option to help promote local production and increase the wealth in their community tended to describe their currencies as “systems,” which they argued should be designed to be self-sustaining (Lee et al., 2004, p. 603-604). That is, those systems ideally would be set up to mostly administer and regulate themselves, requiring little human input. Conversely other organizers, who generally referred to their currencies as Local Exchange Trading “Schemes,” aimed to create an alternative to the formal economy based on moralistic principles of trust, justice, and sociability. Because those organizers sought to actively redefine value, they argued that LETS schemes require continuous planning and active intervention in order to ensure they continue to support those goals (Lee et al., 2004, p. 606-609). The LETS system approach, with its concerns about increasing local wealth and production, is representative of the

quantitative perspective, while the LETS scheme approach, with concerns about morality and fairness, is more representative of the qualitative perspective. These differences in perspective can cause conflict not only in the local currency movement in general, but also within individual systems if individual administrators and users disagree about the basic function of the currency and the best way to manage it.

Dittmer (2013) describes another relevant dichotomy in the local currency movement when he analyzes local currencies as utopian projects aimed at social transformation. The two approaches to social transformation he posits are trying to operate “behind-society’s-back,” or “appealing-to-elites.” Going behind society’s back, which he argues is characteristic of LETS and HOURS currencies, means attempting largely private utopian projects that renounce and retreat from the mainstream, and therefore do not look to engage the general population. Dittmer notes that revelling in their countercultural and fringe nature can prove an organizational stumbling block for such local currencies, because rejecting society at large equally means rejecting access to large pools of resources, and risking eventual burnout (2013, p. 10). He argues that Time Banks and convertible local currencies are more representative of the appeal-to-elites approach, where local currency advocates seek to appeal to the largest audience possible, and particularly to elites who can lend support to local currency project due to their unequal access to resources. Projects that seek to appeal to elites tend to exclude or downplay any explicitly political, countercultural, and especially revolutionary intentions in order to expand their potential audience, and gain and maintain access to funding opportunities like government grants (Dittmer, 2013, p. 10). Mirroring North’s observations regarding funding of local currency systems, Dittmer notes that while appealing to elites can initially yield greater access to resources, there are also risks to such dependence, like losing control of the project, or making the project vulnerable to failure if external elite groups change their priorities or policies. The quantitative approach to local currencies shares many similarities with the appeal-to-elites approach, in that it stresses goals like economic growth and the quest for money that are unquestioned goods

in the hegemonic value systems of capitalist societies. The qualitative approach does not imply the same level of “covert” or underground activity that Dittmer describes. The effects of primarily appealing to countercultural values is largely the same, however, as the majority of the population tends to be alienated by the rejection of typically unquestioned mainstream values and practices.

Dittmer’s categorization is helpful in that it reveals relevant risks to different approaches to local currency organization, particularly in terms of funding. One limitation of Dittmer’s categorization is it mostly describes an approach to marketing and financing that can gloss over underlying motivations that guide other decision-making. Assuming that all people trying to appeal to elites and the mainstream have the same underlying motivations is somewhat problematic. The wish to appeal to elites could be genuine, based on the belief that the more rich and successful members of society are in their position due to merit, and if they like the local currency, it speaks to the merit of the idea. For other local currency advocates, the desire to appeal to elites is more cynical and instrumental—often elites are merely a means to an end, the resources that those elites control. In such cases, advocates may feel that they need to hide deeper held countercultural beliefs to get access to those resources. In a way, in such cases appealing-to-elites is, in fact, attempting to pursue political ends “behind society’s back.”

Lee et al. and Dittmer’s categorizations speak more to local currencies at an organizational level, in terms of how systems are administered, funded and promoted. Bloch and Parry’s (1989) notion of cycles of exchange provides another relevant theoretical distinction. They argued that all systems of exchange must find a balance that allows for acquisitive, competitive behaviour serving individual, self-interested needs, and co-operative, altruistic behaviour serving collective needs for social and cultural reproduction. The first approach, with its focus on immediate gratification, is described in terms of short-term cycles of exchange while the latter, with its more abiding and thoughtful approach, is described in terms of long-term cycles of exchange. With the emphasis on increasing amounts of available money, largely untethered from moral

imperatives or broader social needs, quantitative justifications for local currencies are fairly similar to Bloch and Parry's short term cycles of exchange. Conversely qualitative justifications that focus on issues like social equity and relationships align more with long term cycles of exchange. The notion of striking a balance between these competing types of economic rationality helps understand motivations for creating and using complementary local currencies. The desire to create or seek out a new and alternative type of currency implies that local currency users and creators do not believe existing systems of exchange are striking the necessary balance.

In its purest form, a quantitative perspective—focused on abundance versus scarcity—rests on the assumption that more money in a community helps everyone, with no distinction made when it comes to class or wealth distribution. Organizers operating from this perspective do not believe there to be anything intrinsically wrong with money as it currently exists, beyond what they see to be unnecessarily limited access to it. The economic critique in such a case is therefore technical rather than moral or political: the intention is not to transform the social and economic structure as a whole, but to make slight modifications so that the existing system better serves a specific community. As such, there is no obvious issue with more-or-less reproducing existing structures, including hierarchical power relations. As seen in the example of LETS Systems, this can also mean acceptance of free-market ideas that a properly arranged economic system should require very limited, mostly hands-off management, and instead be guided by the invisible hand of the market.

Conversely, with a purely qualitative perspective that advocates for alternatives to mainstream values and social organization, the focus is on creating new and special local money to qualitatively transform society, or at least alter some social relations within society. Because organizers with this perspective are seeking to create novel economic and social forms, and reject “the establishment” to some degree, they tend to be hesitant to reproduce existing structures very closely. On some level, such organizers believe that for the currency to be truly different and transformative, the experience of using it is

likely to be noticeably different, and that people participating in the currency system will need to be sufficiently committed to social change to be willing to make an effort to learn to use money differently. These organizers are much more likely to feel the need to establish and defend clear and unambiguous boundaries between the local and national currency form, because their resistance to conventional money is based more on ethical beliefs than economic rationality. As in the case of LETS Schemes, because such organizers have particular moral goals they wish to achieve with the currency, they are more likely to recognize that human effort will be continuously needed to actively steer the currency in the direction they choose: they are far less likely to leave the currency to the vagaries of the at-best amoral free market.

Like any binary opposition, these two categorizations are necessarily exaggerated. Quantitative and qualitative motives can coexist in the same local currency system to some extent. For instance, a local currency organizer seeking to increase the amount of money in their community is not necessarily blind to the plight of the poor, or the existence of socioeconomic inequality, while those wishing to reduce inequality or increase generosity do not necessarily want to radically transform society. Despite these limitations, while studying Community Dollars, I realized that conflicts and tensions in the system generally boiled down to two opposing perspectives on purpose and importance of local currencies, focused either on increased access to money, or fostering other things that could not be easily counted. These differences were frequently masked by the use of ambiguous terms like “community” to describe the local currency’s benefits. Upon returning from the field, I found this distinction equally helpful as I continued to analyze the local currency literature, which is why I use it as a conceptual frame in this dissertation.

3.6. IMPACTS OF LOCAL CURRENCY SYSTEMS

Having discussed the variety of motivations for developing and using local currencies, we can return to the extent to which local currencies achieve those goals. We will begin by considering the extent to which local currencies increase

the amount of money or wealth in a community, or individual users' access to money and therefore to material goods and services. The earliest literature about LETS local currencies focused on their economic potential, and was almost universally positive and optimistic. Seyfang, however, argued in 1997 that "[t]he hyperbole surrounding LETS and sustainable development cannot be accepted at face value," (p. 19) so systematic analysis of the actual economic impacts of such local currencies was urgently needed. When the economic impact of LETS and other types of local currencies began to be quantitatively measured, the findings were generally not promising (Aldridge & Patterson, 2002, Seyfang, 1997).

Especially at the height of the LETS phenomenon in the 1990s, one of the primary grounds on which local currencies were promoted was their capacity to aid lower income people and disadvantaged communities by encouraging local production and increasing access to employment. Local currencies have generally not fulfilled this promise. Williams (1996b) and Bowring (1998) both concluded that social hierarchies are often reproduced in such systems, so people who are excluded or marginalized in formal employment tend to have the similar experiences in the informal economy. When surveying users from over one hundred LETS systems in the United Kingdom Williams et al. (2001a) found that only 4.9% thought their participation had helped them gain formal employment. All of the people who believed that LETS participation had directly helped them gain employment had volunteered to administer the system, allowing them to acquire transferrable skills. Such direct volunteering opportunities are limited, however (p. 123). The authors concluded that while LETS can have some success at encouraging self-employment and informal exchange between individuals, it generally does little to create formal job opportunities.

Local currencies have been similarly disappointing when it comes to encouraging local production. This is particularly relevant for contemporary local currencies seeking to re-localize economies, like those growing out of the Transition movement. Reviewing the literature on four different types of local currencies (LETS, Time Banks, HOURS, and Convertible Local Currencies) Dittmer argues that while local currencies are one of the preferred strategies of

the economic de-growth movement, they show limited potential in re-localizing production and providing opportunities for “alternative livelihoods” (2013, p. 4). Studying Transition-inspired currencies Cato & Suárez (2012) and Simon (2015) found that while participation encouraged business owners to rethink their supply chains and seek local suppliers to some extent, that encouragement had little practical effect. The reason is that business owners who participated in the local currency systems had generally already tried, and in most cases failed, to find locally sourced products that met their needs. The local currencies did not spur local production in either case. Research on older local currencies suggests that they generally do not localize supply chains, but simply change the currency in which some local trade is denominated (Dittmer, 2013, p. 8).

One major reason that local currencies have little economic impact is their small number of traders, and correspondingly small volume of trading. For most local currency users, trades are infrequent, and within systems the bulk of trades tend to be limited to a small, disproportionately active portion of the membership (Aldridge & Patterson, 2002, p. 379). Even among the most active local currency users, economic activity using national currency dwarfs local currency use (Seyfang, 1997, p. 11, Williams, 1997). Studies have found average local currency spending at around \$300 to \$350 annually (Jacob et al. 2004, Williams, 1997) or less than one percent of users’ total annual income (Dittmer 2013, Wheatley, 2006, p. 85). Aldridge and Patterson (2002) characterized the actual economic effects of LETS systems as “tiny” (p. 379). Callison (2003) similarly concluded that Time Dollars do not function particularly well as a financial or economic resource. Generally speaking, since local currency users only spend modestly, the economic impacts of the currencies are likely to be at best modest (Wheatley 2006, p. 94), and at worst completely insignificant.

A significant factor contributing to small trading volumes is the inconvenience of using local currencies. Since local currencies are accepted by far fewer vendors than conventional currency, users must spend much more time locating goods and traders to make exchanges. The time it takes to locate and trade goods can make LETS currencies inefficient and frustrating for users. They

sometimes also oblige direct financial costs in national currency in terms of travel and fees for internet and phone use (Aldridge & Patterson, 2002, p. 376-377). Even when this is not the case, the extra time and frustration mean that while products might cost the same thing using local versus national currency, increased opportunity cost makes the actual cost higher. These problems are exacerbated by the fact that the goods available to purchase with local currencies are generally not necessities (Aldridge & Patterson, 2002, p. 376). The few participating businesses that do supply basic goods like food, rather than luxuries like massage therapy or music lessons, often find themselves inundated with more local currency than they are able to spend (Papavasiliou, 2008). This can sometimes drive such desirable participants to leave the system. Even when they support the underlying values of a local currency system, in practice most customers prefer the greater product choice that larger and more globally focused businesses provide. But these types of businesses are less likely to participate in a local currency scheme (Cato & Suárez, 2012, p. 115). For currencies like Time Banks, where a person is actually spending their time, many participants struggle to find enough extra time to commit (Collom, 2007, p. 58). Finally, systems like CLCs compound the difficulties of inefficiency and lack of choice by requiring that users additionally directly surrender more economically useful national currency in exchange for the less usable local currency. With the exception of situations of economic crisis (Dittmer, 2013, p. 10) there is little to no economic incentive for customers to use local currencies (Ryan-Collins, 2011). All of the above difficulties can make it difficult to retain local currency users past an initial phase where some people are sufficiently motivated by the novelty of using a new kind of money (Collom, 2005, p. 1580).

For all of the above reasons, although they have been frequently created to do so, local currencies have been found to have limited ability to help marginalized and low-income individuals (Collom 2005, p. 1580). That is not to say they have no impact at all for these populations. The fact that lower income levels have been found to be correlated to more active participation in Time Banks (Collom, 2007, 2011, Lasker et al., 2010) suggests that they are likely

producing some sort of economic benefit for those individuals. Particularly for people in dire economic straits, even small contributions from local currency systems can have a noticeable impact on quality of life. Wheatley, for example, quoted a single mother who used Calgary Dollars as saying that the extra \$50 per month she earned by using local currency “represented the difference between just surviving and ‘having a bit of a life’” (2006, p. 86).

Williams likewise cautions that while the amounts being traded are small, for very low income individuals they can represent a larger proportion of household incomes, and make a larger difference to quality of life than one might assume. He points out that “48.1% of respondents in low-income households and 44.4% of the unemployed respondents stated that their activity on Manchester LETS had helped them to improve their material standard of living” (1996c, p. 1405). The Manchester LETS is an extreme case, however, since it was uncharacteristically large, varied and successful. The products unemployed participants purchased in the system were predominantly basic necessities like food, clothing, and maintenance work like carpentry and plumbing, with very little spent on the “luxury” goods and services that dominate the offerings of most local currency systems (Williams, 1996c, p. 1408). More typical systems generally provide very little access to such basic necessities. And even in the Manchester LETS system, only 56.9% of participants were satisfied with the variety of products and service available (Williams, 1996c, p. 1411).

So while local currencies have been dismissed as “middle class amusements,” some researchers have found them to perform a practical role in people’s lives (Collom, 2007). These benefits are nevertheless often so small that they are likely outweighed by the costs of administering the local currency, leaving little to no net benefits overall (Dittmer, 2013, p. 9, Seyfang, 1997, p. 18). Some researchers have also cautioned that the tendency to promote local currencies on quantitative grounds enables policy-makers to gloss over social problems relating to inequity. Elvins notes that scrip currencies were particularly appealing in Depression-era America because they emphasized individualism and self-help over handouts or charity (2012, p. 18-19). These same types of values

have become further entrenched in neo-liberal policy regimes. Aldridge and Patterson speculate that LETS were promoted heavily in the United Kingdom as a poverty-reduction tool not because of their effectiveness in addressing that problem, but because creating LETS systems is cheaper and easier than addressing the actual root causes of economic inequality (2002, p. 379). Observing state-sponsored LETS systems in Australia, Williams expressed concern that they were being used as a tool to download responsibility for social safety nets onto local communities, a problematic strategy made all the more so given the observation that LETS systems are prone to collapse (1997, p. 9-10). Dittmer similarly argued that multiple studies suggest government support for social service oriented Time Banks has been “merely a cover for the neoliberal dismantling of the welfare state” (2013, p. 7).

Outside of crisis situations, local currencies have therefore been found to have very little economic impact. Some researchers have cautioned that focusing exclusively on quantitative measures of economic exchange elides other kinds of value local currencies contribute to communities and users. Seyfang, for example, argues that “traditional assessment tools” like cost-benefit analysis are insufficient for evaluating local currencies. This is because they exclude qualitative factors central to the goals of many systems, like aims to re-shape or transform the economy. Instead, she argues that researchers should adopt a social auditing approach where a local currency organization’s goals and values are identified, defined, measured, and evaluated using appropriate indicators (Seyfang, 1997, p. 5-8). Social auditing is a tool that, in itself, was designed to transform the economy by introducing ethical factors and social and environmental costs into business’ decision making and accounting practices (1997, p. 1-2). The problem, of course, is that these types of qualitative measures can be, by definition, difficult to measure. As a result, it can be challenging to make straightforward conclusions about these more intangible impacts.

Seyfang’s argument that local currency systems should not be evaluated based only on quantifiable dollar and cent impacts is repeatedly reinforced in the literature. Authors regularly qualify assessments of negligible economic impacts

with claims that local currencies produce more intangible benefits that should not be discounted. For example, sizeable surveys in the UK indicated that LETS members felt their quality of life had been enhanced through their local currency use, leading Williams to argue that LETS should be judged more in terms of use value than exchange value (1996a, p. 263). Gregory (2009) similarly argues that while Time Banks may not bring direct and easily measurable economic benefits to users, they nevertheless have indirect economic benefits by freeing up some users' time, or giving them access to training and education that increases employability. For example, the Time Bank he studied gave members the opportunity to engage in paid employment by providing access to childcare (p. 327-328). Moving beyond a narrow focus on formal employment and employability, Williams et al. (2001a) noted that LETS systems often improved the quality of life of people excluded from the workforce by providing them an outlet where they can feel more useful. In their study, they found that 64.5% of unemployed participants said LETS helped them cope with unemployment, and 84.4% said it gave them the opportunity to engage in "meaningful and productive activity" (p. 127). These findings complicate the notion that local currency that local currency systems have no net benefit (Dittmer, 2013, p. 9, Seyfang, 1997, p. 18) once costs are accounted for. They suggest that many of the benefits of local currency systems transcend conventional cost-benefit analysis.

In a similar vein, Callison (2003) argues that Time Dollars' lack of economic exchange value is by design, because their aim is to redefine and value work performed outside of conventional financial frameworks. For that reason, Time Banks tend to focus on work typically performed outside of the market, without an economic price attached to it: the sort of work often characterized as reproductive activities. The use of time as a unit of account in currencies like Time Dollars and HOURS is itself an attempt to promote alternative methods of valuation. Studies of time-based currencies suggest these attempts are generally unsuccessful, however. Users tend to come up with strategies for converting such currencies into standard market values to make them easier to use (Dittmer, 2013, Liesch & Birch, 2000, Maurer, 2005). These sorts of qualitative political

goals are nevertheless significant, whatever the struggles to achieve them. Caldwell (2000) argued that the fixation on LETS' potential to address social problems like unemployment has caused users' "green" political intentions to be viewed as "incidental" (p. 1). The tendency to overlook and often homogenize these diverse political undercurrents is particularly problematic given that studies of LETS and other local currency systems have shown progressive and even radical political intentions to be a fairly defining characteristic of their user bases.

One qualitative domain in which local currencies have shown some promise is in using exchange as a context for developing and expanding social relationships and connections. Williams' surveys of LETS users and organizers show that both groups typically find the local currency systems more successful at establishing social connections than meeting material needs (1996a, 1996b, 1996c, 1996d, 1997). In one of the earlier academic studies of LETS systems, Thorne (1996) argued that they are innovative institutions being used to re-embed economic exchange into social relations. As already noted, local currencies' ability to bring people together is often discussed in terms of social capital, and the capacity for expanded social networks to increase individual access to resources. Social networks and relationships are less frequently discussed in simple terms of friendship and belonging, as the latter factors typically do not fit as well with prevailing policy directives and conceptual frameworks. The literature nevertheless suggests that they are the sort of things local currency users bring up when asked about the areas where local currencies are successful (see, for instance, Seyfang, 1997, p. 18 & Wheatley 2006).

Studying LETS systems in Australia, Liesch and Birch (2000) noted that members frequently claimed to have benefited from their participation in terms of the opportunity to meet and interact with other people. The LETS system was itself described as fostering trusting and warm personal relationships, and a sense of belonging to "an extended family" (p. 5). LETS members in the United Kingdom described their satisfaction with their local currency system in terms of a "warm glow" they experience when trading (Seyfang, 1997, p. 18). While

Wheatley found the quantitative economic impacts of the currencies he studied to be modest at best, he quoted a Calgary dollars user as explaining that they thought the currency was a success “because I might sit beside a 60 year-old or a 16 year-old at the potluck but I know I’ll have something in common with them” (p. 70).

Sometimes local currency systems are created with the intention of fostering this type of social closeness. As already noted, however, organizers most commonly focus on quantitative justifications for their local currency projects, and users typically cite economic motivations for joining. There is evidence that these motivations can change over time with local currency use. Echoing the results of similar studies, Caldwell (2000) found that in the North Herts LETS in the United Kingdom, the majority of users cited “economic” reasons for joining the system. Apparently incongruously, while only 10% of members believed their participation had helped them meet their economic needs, 61% described themselves as being fairly or very satisfied with the LETS system. The majority of these respondents had been a member of the LETS for three or four years, suggesting that their reasons for remaining LETS members were different from their reasons for having joined in the first place (p. 7-8). While many people join local currency systems for quantitative reasons, they may continue to participate for qualitative reasons when the local currency does not live up to their initial (economic) expectations.

Predictably, success at fostering social relationships and networks seems to be improved when administrators incorporate social events into their local currency program. Organizers do not necessarily organize such events for primarily social reasons. As already explained, local currency systems tend to be more successful when they include commitment building mechanisms. Most commitment building mechanisms, like mentorships, potlucks, and flea markets, are inherently social. In many cases, administrators organize such events or programs primarily to recruit and retain users, encourage trading, or to provide a venue where administrative work can be completed. Any social effects, like helping members meet new people or deepen friendships, are generally

incidental to these more pragmatic goals. The evidence of changing motivations among longer term users suggest these unintended effects might also contribute significantly to a system's longevity and success.

Wheatley's (2006) research into the Calgary Dollars, Ithaca HOURS, and Barter Bucks systems is instructive. Ithaca HOURS are frequently referenced in the literature as an example of a very successful local currency system. Although the other two systems are less well-known, given that Canadian local currency systems are rarely referenced in the literature, they are nevertheless uncharacteristically successful systems as well. The Calgary Dollars system, founded in 1995, is still operational at the time of writing. Barter Bucks were founded in 1994 and although now defunct, circulated in Nelson for around a decade and were generally celebrated in the community (currency pictured Appendix 5, Figures 4-8). Anecdotally, when speaking with local currency advocates in Canada, both Barter Bucks and particularly the Calgary Dollars system were characterized as successful currencies worthy of emulation. Despite their reputations, however, Wheatley found that none of these currencies had significant quantitative economic impacts. They were all most successful in fostering social connections and social capital. Social events like potlucks were important in the organization of all three systems, and 75% of their users agreed or strongly agreed they had made friends through local currency use (p. 99-100). All of the above evidence suggests that not only are local currency systems generally more successful at increasing the number of friendships than the amount of money in a community, but that more success in the social domain makes for a currency that is considered more successful in general.

One caveat to these conclusions is that whatever positive impacts local currencies have are necessarily limited by their peripheral and niche nature. Research has repeatedly shown that local currency users are not average or typical community residents. They are generally more highly educated, lower income, and have higher levels of countercultural political values (Collom, 2007, Dittmer, 2013, Fare, 2009, Williams, 1996c, Williams et al. 2001b). Jacob et al. (2004b), for instance, noted that Ithaca HOURS users generally held even more

counter-mainstream values than usual in already progressive Ithaca (p. 47). In one of the only studies to specifically interrogate the nature of local currency users' countercultural beliefs, rather than simply labeling them "progressive" or "green," Caldwell (2000) described unconventional "post-materialistic values and opinions" among members of the LETS system he studied. When asked what constitutes "a good standard of living," the respondents tended to place a lower value on conventional indicators like well-paying jobs, and the means to buy a house and vehicle. Meanwhile all of the respondents agreed that a good standard of living requires "enough time to do what you want," "access to parks [and] open spaces," "a clean and safe environment," and "love and support from family and friends" (p. 9).

Countercultural and atypical values can create problems for researchers when they do not fit well into conventional categories used in statistical research (Williams, 1996d, p. 238). Williams describes idiosyncratic attitudes toward employment status among Totnes LETS members that created such a challenge. Many unemployed LETS members receiving state benefits nevertheless described themselves as "self-employed," because their personal identities were informed by the role they felt they played in the community through unpaid work like volunteering (1996d, p. 237-238).

The niche and countercultural nature of local currencies is also problematic when they are encouraged as public policy, particularly as a replacement for public social programs. So while local currencies do appear to have success in fostering social relationships, these benefits are generally limited to a small segment of the population. In social capital jargon, they are better at encouraging bonding than bridging social capital (Jacob et al., 2004b), meaning that they are better at creating and strengthening relationships in fairly homogeneous and like-minded groups, rather than creating links across diverse groups. Study shows that many people are hesitant to join local currency systems because they feel they are not for "people like them," and fear they will not fit in (Williams et al., 2001b). As the above discussion demonstrates, for much of the population, such worries have some basis in reality. The issue of local currency

systems being dominated by a fairly homogeneous population of “greens” or “alternatives” is particularly acute in systems that rely primarily or entirely on word-of-mouth promotion or recruitment. LETS systems that were promoted more in the media tended to have more diverse memberships (Williams, 1997, p. 6), and other local currencies that have actively pursued goals of social diversity have had some success (Fare, 2009). The tendency for local currencies to be uninviting to most people is nevertheless both a damper on their potential and a troubling factor when local currencies are proposed as a replacement for conventional social programs.

3.7. CONCLUSION

The local currency movement is sufficiently heterogeneous that it is difficult to define local currencies, let alone make any sweeping statements about them. The most generally applicable definition for the type of local currencies discussed in this dissertation is that they are small-scale, grassroots, non-governmental means of exchange. Even this definition seems insufficiently narrow, as Depression-era “emergency” scrip currencies like the one in Wörgl, Austria were created by municipal governments. More recently many social-service based local currencies were created at the behest of government, often with their direct financial support. Local currencies take a number of forms, including digital ledger-based currencies like LETS, and physical, time-denominated currencies like HOURS. They are created and used for a number of reasons. Commonly these involve increasing the quantity of money available in a community. But local currencies are also promoted based on a range of collective political goals like reducing social inequality or fostering environmental sustainability, and more individualized objectives like making friends and having fun.

Across the many kinds of local currencies and goals for creating them, one consistent finding in the local currency research is that local currencies are only likely to be widely and intensively used when the economy is in complete disarray. The literature suggests that because local currencies are less generally

useable than national currency, and have higher transaction costs outside of desperate periods of economic crisis, most people are unwilling to dedicate the additional effort required. Outside of such crisis situations local currencies therefore have a very high failure rate. Those that do succeed share certain characteristics.

Local currencies are more likely to be successful if they are developed in a locality with a politically progressive population with significant “social movement resources,” a history of alternative economic experiments, and other local currencies nearby. Demographically, the population is younger and more highly-educated, with lower rates of marriage and residential stability, and more post-secondary students than the national average. There is weaker evidence suggesting that a smaller population and geographical isolation may also be beneficial, particularly if that population is arranged fairly densely in a village or town.

Local currency organizations are more likely to be successful when they have strong administrative systems where tasks are shared by a group, but where at least one highly committed person acts as a driving force to ensure work is completed. Some limited evidence suggests that having female administrators might contribute to a local currency’s longevity. To find success, local currencies generally must reach the point of recruiting a minimum critical mass of around fifty to one hundred users. There are potentially risks to becoming much larger, although it is not clear at what size those risks may become relevant. Local currencies are more successful in recruiting and keeping users if they use commitment-building mechanisms like social events and effective communication strategies. They are more successful in general if they have some external funding or in-kind support to enable their administrative work.

Local currency systems are most often created or adopted by users for primarily quantitative reasons. Outside of situations of economic crisis and collapse, however, they typically have little success increasing access to money and related goods and services. Generally this is because their higher transaction costs require local currency users have significant motivation to dedicate the

needed time and work. Where local currencies do show some signs of success is in qualitative impacts like fostering social relationships, and allowing users to feel they are concretely enacting alternative and countercultural political values. In some cases, currency users who initially start using a local currency for quantitative reasons continue to use it for qualitative reasons. Indeed, it appears that these more intangible benefits are required to sustain the motivation required to use local currencies when hoped for quantitative benefits do not materialize.

The reality is that it is difficult to draw a line between the quantitative and qualitative, or the economic and social, to describe what it is that local currencies are successful or unsuccessful at doing. When they are judged to function well, it is often as a tool for establishing or re-establishing some degree of balance in people's everyday lives. In times of economic crisis and shortages, they do this by providing an alternative currency to fill material needs. In less calamitous times, they appear to fill a needed role in the lives of people who feel financially, socially or politically alienated.

In a typical scenario, conventional national currencies are much more efficient than local currencies when it comes to purely individualistic acquisition. In crisis situations, local currencies can fill that gap. The high transaction costs are tolerable because they are no less efficient than conventional currency, because they are more accessible. Outside of crisis situations, for people to reliably choose the option with higher transaction costs, it must be serving some higher purpose, or providing them some other sort of value. In some cases this can be individual use value that is not easily quantified. In other cases, it appears to be collective political or social values. In such cases, local currencies appear to fill gaps where national currencies do not fill more intangible reproductive needs for at least some of the population.

This chapter shows that local currency systems are complex and unpredictable, and often tiny and ephemeral. There is a complicated dialectical relationship between quantitative and qualitative motivations for creating local

currencies, and their ultimate impacts. The next chapter proposes the use of ethnographic research methods to help capture and disentangle this complexity.

CHAPTER 4 METHODOLOGY

Ethnographic methods are challenging to describe with any degree of detail. The concept of “participant observation” is broad and vague, and without further contextualization risks making ethnographic field work look like a mysterious black box into which a research question is inserted and a collection of data emerges for analysis. Conversely, there can be concern that too much detail makes the researcher appear foolish or glib. In my own case, I have worried that too much detail might make my field study appear to have been nothing more than a leisurely vacation of recreational shopping, and hanging out at farmers’ markets and coffee shops.

A more significant reason that ethnographic methods are difficult to communicate is that ethnographic field research tends to be recursive, unpredictable, and messy. When the object of study is the capricious realm of everyday life and people, a researcher cannot (or probably should not) enter the field with an inflexible research plan to be stubbornly carried out without adjustment. When research methodologies are responsive to unanticipated field conditions, however, it can be difficult to disentangle method from the resultant findings. Researchers also have a natural impulse to clean up the research process in the retelling, convincing themselves that false starts, dead ends, flailing, and bewilderment are irrelevant to the final project. As John Law (2004, 2007) argues, if we wish to understand a messy world, likely our methods for doing so will need to be a bit messy as well. Similarly, in showing the actual, often non-linear path that our research projects follow, messier methodology chapters are at least part of the answer to the file drawer problem Rosenthal (1979) describes.

I therefore present this somewhat messy methodology chapter with the hope that it provides insight into the actual process that produced my research findings. The chapter begins by establishing my own personal and disciplinary position as a researcher, and the personal choices, interests, and history that informed my choice of research topic and methodologies. The chapter then

proceeds, as I did, with the project itself. Having established the local currency movement as the general research topic for this dissertation, and identified substantive and theoretical gaps in the relevant literature, I was left with a sense of the sorts of questions that new local currency research could address. The next step was to design a research project that might contribute to answering some of those questions.

After the preliminary explanation of my personal position and approach to research design, I will proceed through the different methodological techniques I eventually employed. The methods will be explained in the roughly order in which they were employed or incorporated into the project, starting with participant observation, followed by an informal questionnaire and formal interviews. I will then explain how multiple field sites were eventually incorporated into the project, and finally how additional documentary and online research was conducted as a follow-up after returning from the field. In order to contextualize and justify the methodological decisions I made in the course of my research, these explanations provide a preliminary outline of the field experiences and findings that are to be described in greater detail in the chapters that follow.

4.1. PERSONAL AND DISCIPLINARY POSITIONING

My research interest in money and local currencies developed as the result of my personal experiences. I grew up in working class family in rural Atlantic Canada, with my earliest years spent in an unpleasant trailer park. My childhood coincided with the rapid growth of the personal computer industry, and my father was able to take advantage of the corresponding professionalization of electronics work to translate his aptitude for math and electronics repair into a new career. After securing a position as a technician at a university, he was then able to enrol in their computer science program, becoming the first person in my family to earn a university degree. As a result he was able to move my family out of the trailer park and eventually into a more comfortable middle class lifestyle. My mother, who mainly worked as a homemaker, ensured that I engaged in

stereotypically middle class childhood rituals like piano, ballet, gymnastics, and swimming lessons. My early experiences as my family's financial position gradually improved placed me in diverse social situations, which prompted me to develop a skeptical attitude toward money.

Our neighbours and extended family did not experience the same economic mobility as my family, generally supporting themselves in traditionally working class—and often precarious—employment such as construction or personal care work. Throughout my childhood, I was exposed to a diverse range of people in an equally diverse range of contexts: in the trailer park where we lived, the university my father attended, at gymnastics competitions and Royal Conservatory piano exams, and in the rooming houses where we visited extended family members. I observed people in various financial situations basing important life decisions on the likelihood that they might increase or decrease access to money. I struggled to understand why some people could not make ends meet, while others lived comfortably and enjoyed access to luxuries like vacations and new cars. Based on my first hand observations, meritocratic explanations about hard work and talent did not offer an adequate explanation. My experiences with class and social difference eventually informed a series of questions in my mind about how money works, or does not work, and why some have so much more of it than others. Being somewhat contrarian, I decided to reject money to whatever degree possible. Inevitably, the more I tried to convince myself money was unimportant, the more compelling it became as an object of study.

In high school my questions about money and burgeoning concerns about inequality inspired and were increasingly shaped by my involvement in various activist movements. I began working with an international development organization in 1995, and by the late 1990s and early 2000s was working in the often incoherent anti-globalization movement. My activist experiences refined my questions about money and the economy, as I pondered what it actually meant for a country to be economically “developed” and how society could be organized more equitably and sustainably. I first learned about local currencies

through my activist involvement in the 1990s, during the peak of the LETS phenomenon. Local currencies were occasionally introduced at conferences and workshops as a strategy to achieve a range of goals including sustainable development, economic re-localization, and the revolutionary transformation of society. Despite my interest in them, I never had the chance to experience local currencies firsthand to judge the extent to which they fulfilled their political promises.

I continued my activist involvement and personal exploration of questions regarding economic development, sustainability, and equity during my time in university. I started my post-secondary career studying science. Unable to muster much interest in fields of study that did not focus on people, their beliefs, and how they organize themselves, I quickly found my way to the social sciences and anthropology. My family's changing economic status over the course of my childhood had led me to experience some degree of habitus dislocation (Lehmann, 2009). While I was able to manage in a variety of classed social contexts, I struggled to feel I belonged in any of them. As a result, I often found myself closely analyzing prevailing values, norms, and hierarchies in an effort to behave appropriately in these different social contexts. Having frequently felt like an outsider or observer, puzzling over social features and norms others took for granted, I found myself drawn to ethnographic research methods once introduced to them.

As any anthropologist knows, ethnographic research is the in-depth study of the everyday life and norms of a particular population, through direct and experiential field methods. I came to understand it as more of a research strategy than a methodology itself—as an umbrella under which a variety of specific methods like participant observation, interviewing, focus groups, questionnaires can be deployed. It excels at providing detailed information about social phenomena, and revealing the social meaning of norms, practices and institutions: the complex “thick description” celebrated by Clifford Geertz (1973). Given my own personal experiences figuring social rules out on the fly, this

seemed like an obvious way to develop a nuanced understanding of social life, although an approach that would inevitably be fraught with anxiety.

Ethnographic research originated in the field of anthropology, where the traditional standard for research is long-term, holistic study of a small-scale and relatively self-contained site, like a village, in non-industrialized, non-western societies. The classic example is Malinowski's (1922/1961) research in the Trobriand Islands. Historically, anthropologists aimed to provide a general description of the culture and social life of a particular population based on a field stay of a year or longer, as Malinowski did. Reading classical anthropological literature my overall impression was that anthropological research design consists of finding a far-flung group of people no one has studied yet, figuring out how to reach them, learning their language, and then hanging out *in situ* for a year or two. While I appreciated that anthropology sought to understand people as they actually exist, rather than as abstracted variables or in artificial experimental contexts, I thought it best that I answer the questions I had about my own culture and society before embarking on studying anyone else's. I also struggled to find answers to the questions I had about the North American economy and how it works reflected in the anthropological literature I was reading.

The limitations I identified in anthropological and ethnographic research were, of course, more of a reflection of my own limited exposure than of reality. Early anthropological work did focus on a distant "anthropological other." The range of anthropological research locations and topics has enlarged significantly in response to changes in the contemporary academic landscape, and critiques of anthropology's colonial roots (Gupta & Ferguson, 1997). Anthropologists increasingly study "at home" in their own society, including the western, industrialized, and urban locations represented by my own research interests. They have also eschewed strictly holistic approaches in favour of more topic-focused research designs (Johnson & Johnson, 1990). Finally, greater focus on novel social conditions that cannot be constrained within a bounded geographical

area has meant that multi-sited ethnographic projects have become much more common (Gregory & Altman 1989, p. 45).

The anthropological research approach with which I felt discomfort as an undergraduate had not been the reality for decades. But it took me a bit of time to fully understand that fact, including a detour into another discipline, and a break in the workforce. While completing a Master's degree in political science I returned to my long-simmering interest in local currencies, but was unsatisfied with the results of my exclusively documentary research on the topic. I was equally unsatisfied with my experiences working a series of dead end and mind numbing jobs afterward. This eventually led me back to anthropology, where I hoped studying local currencies ethnographically could help contribute to answering my long-held questions about how to better organize our society and economy, and perhaps help make up for my by that time lapsed activist involvement.

4.2. ORIGINAL RESEARCH PLAN AND INTENDED CONTRIBUTION

My return to school meant a return to surveying the academic literature on local currencies. The results of these efforts are reflected in the previous two chapters. As already mentioned, one major limitation I continued to find in the literature was insufficient attention to the lived experiences and beliefs of local currency users. My initial interest in the individual experiences of local currency users originally stemmed from my personal reaction upon learning about them. The notion of grassroots currencies was so alien that I wondered what it would be like to use one, and I hoped I would someday have the opportunity. Like Hart and Maurer (2007, August), I became particularly interested in local currencies' pedagogical capacity, or what local currency users learn from their experiences. During my activist involvement discussions about social transformation often centered on the need for paradigm shifts. I wondered if people experimenting with novel forms of currency and attempting to transform their local economies might develop a fundamentally different understanding of financial life and economic exchange. Currency innovators' subjective perspectives seemed

particularly pertinent following the economic crises beginning in 2007 and 2008, when there were increased calls for economic and social change. I therefore set out answering the question of what people learn from using local currencies.

A less significant gap I identified in the literature was a paucity of research about Canadian local currency systems. Despite the fact that the first LETS system was developed in Canada, there has also been very little study of Canadian local currencies. Given that there continues to be regular experimentation with local currencies in Canada, Canada seemed a promising venue for local currency research. I therefore looked for a Canadian local currency system to study. Admittedly, there were also practical considerations behind this choice, as choosing a Canadian research site would be logistically easier for me as a Canadian citizen working out of a Canadian university than a system in another country would have been.

Given my interest in local currency users' experiences, and specifically whether those experiences led to changed beliefs or behaviour, I decided that my research should focus on a local currency system that had been introduced relatively recently. The reason was that investigating changing individual perceptions of money and the economy would rely heavily on individual recall likely to diminish over time. Consequently, I sought a recently launched local currency system somewhere in Canada to serve as the site of an ethnographic field study. In February 2011, I discovered the website for Columbia Basin Community Dollars (henceforth "Community Dollars"), a then-proposed currency system in the Kootenays region of British Columbia, Canada. I emailed the currency's organizers to ask if they were open to having me study their currency after its launch. After consulting with one another, the group quickly extended an invitation for me to do so.

During our communication, the Community Dollars organizers explained that their system would be the second ever using the Community Way currency model recently developed by LETS inventor Michael Linton. I was unfamiliar with Community Way and a quick literature search revealed no academic study of the Community Way approach. This was not surprising, given the supposed

novelty of the system. Based on the importance of the LETS model in the local currency movement, I wondered if a new type of local currency created by Michael Linton might be a significant development. I therefore set out to answer the additional research question of what Community Way is, and how it works.

I thus began the research design process in earnest with a proposed research focus, research site, and two major research goals identified. The first research objective was to investigate the subjective experience and practices of local currency users, with a sub-focus on what they learn from using local currencies. The second objective was to describe the Community Dollar system, focusing specifically on what the Community Way model is and how it works. I hoped to contribute to the academic literature by provide insight into four understudied topics: 1) the subjective experiences of local currency users; 2) the pedagogical capacity of local currencies; 3) Canadian local currency systems; and 4) the Community Way local currency model. Given my interest in how a particular local currency system functions on a day to day basis, and how it is experienced by its users, I judged that ethnographic field methods were appropriate for the project.

I decided to use a combination of participant observation and formal interviewing to answer the research questions of what it is like to use a local currency, and what participants learn from doing so. As a participant observer, I would use the currency and participate in the same events and associate with the same social groups as other local currency users. The interviews would provide more detailed subjective perspectives than observation alone ever could. My role as participant observer would also allow me to compare informants' responses to my own experiences, and measure them against my observations. To answer the second question, of how the Community Dollars system and Community Way model work, I decided to primarily use participant observation, paired with documentary research. In this case, I would participate as not only a currency user, but also a volunteer with the currency organization to give me an insider perspective. I would supplement and compare my personal experiences and

observations to Community Dollars promotional materials explaining how the system was intended to function.

4.3 FIELD STAY AND PARTICIPANT OBSERVATION

The Community Dollars local currency system was originally planned to be regional in nature, but it never expanded beyond three small British Columbian cities: Fernie, Kimberley, and Nelson. I initially proposed to embark on a five month field stay in one of those cities, supplemented by visits to the other two, and to surrounding areas as needed. Ideally the main research site was to be whichever city ended up having the most activity after the currency launch (in terms of currency users, organizers, and participating businesses), although I allowed that pragmatic factors like availability of housing could play a role in my choice. I further proposed a shorter follow-up field stay to one of the three cities within a year of my departure. I eventually judged such a follow-up stay to be unnecessary, instead opting to add further documentary research to answer lingering questions and contextualize existing findings.

Five months is obviously shorter than the traditional standard of a year or more in the field. The greater incidence of ethnographic research in cultural and social contexts that are familiar to the researcher has made shorter field stays more common, as less time is needed to adjust to unfamiliar norms and languages. Likewise, focus on narrower research questions—like my own emphasis on the local currency system—typically require shorter field stays than the traditionally holistic and general studies of a local culture. While I still intended to delve into the broader social and historical context of my field site, I did not anticipate needing to spend a year in the field to collect sufficient data to answer my research questions.

I further surmised that my past activist involvement could help me establish rapport and access to the local currency community more quickly than might be the case in many “at home” ethnographic projects. My previous perception of activist organizations had been that, with the exception of more fringe groups engaging in illegal activities, it is generally very easy to gain

entrance and acceptance if you share the group's values. Furthermore, I had already spent years learning the norms, language and rituals of North American activist subcultures in my teens and early twenties. Having managed several activist and service organizations in the past, I was also coming to the currency organization with a variety of useful skills I could contribute if needed, like grant preparation, event planning, and facilitating consensus decision making.

I completed the research proposal process and by early 2012 I was ready to enter the field. Community Dollars had begun circulating in Fernie and Kimberley in mid-2011, but had not yet launched in Nelson. Nevertheless, my main contact with the currency organization explained that Nelson was the main hub for Community Dollars activity at that time, and the currency launch in that city was imminent. Nelson was the largest of the three cities and seemed to have far greater availability of short-term rental housing. This cemented my choice of Nelson as my main research site for a five month field stay, from July to December 2012.

As an ethnographic project, my research methods focused heavily on participant observation. As such, I relied on my own observations and experiences with Community Dollars, paired with information provided by informants concerning their own experiences. During my field stay, I continuously took notes about my experiences and observations in ever-present notebooks. These jottings were written up into daily field reports recording and reflecting on my experiences and interactions, and also noting how my experiences with the currency, and others' reactions to it, stayed the same or changed over time. My notes were therefore transferred from hand-written notes, to expanded reports in a word processor, with each day in the field having its own file. They were eventually transferred to QDA Miner Lite, a qualitative data analysis program, for coding and analysis.

I participated in the Community Dollars project as a currency user and occasional volunteer, while observing and interacting with other participants, and conducting informal and formal individual interviews as required. My first-person observation provided the opportunity to explore economic practices

among individual Community Dollar users, participating businesses, and community groups. This includes observing or inquiring about how local currency bills were obtained, handled, stored, budgeted, accounted for, and how economic decisions involving the currency were made. I used the currency in retail transactions and participated in public events related to the Community Dollar system. During informal conversations, I asked business owners and employees about the local currency and their thoughts and experiences with it, at stores and food service venues that did and did not accept it.

I also volunteered with the currency organizers in an effort to observe the inner workings and institutional structure of the currency system. My perception that my past experiences in activist organizations might ease my entrance into the local currency community turned out to be correct. Most of the group members welcomed me with open arms, and I was sitting in on group meetings less than 24 hours after my arrival in Nelson. Admittedly, my flexible schedule and access to a safe and reliable vehicle proved more useful to the currency group than any political skills I imagined myself to have. Particularly in the lead-up to the currency launch, I got the impression that I was welcomed to take part in a lot of activities mostly based my ability to ferry around a development group member who did not have a car. My volunteer work with the Community Dollars organization was an area of my fieldwork where I was particularly mindful of my potential impacts on the system I was studying. While I can appreciate the value of explicitly activist anthropology, I felt torn between my desire to develop a reasonably objective understanding of the Community Dollars system, and my personal desire to see it succeed. I resolved to make it clear to the group that I would help them in any way they wished, but to leave it to them to decide what that would actually entail. In that way, I felt I could strike a balance of support and access without unduly influencing or directing what ended up happening in the local currency group. Given my previous history taking on leadership positions in activist organizations, I did find myself having to actively resist the temptation to jump in and take initiative when I did not agree with the group's decisions, or felt they were neglecting to address important tasks. I nevertheless

feel I succeeded in only stepping in to help or offer advice when specifically asked to do so.

By acting as a local currency user and volunteer, I was able to gain insight into how Community Dollars were produced, managed, and put into circulation. I also had the opportunity to observe attempts at regulating the system, and to see how those attempts articulated with existing social and political structures. Observing Community Dollars' operations at multiple levels and interacting with different participants and stakeholders in multiple ways provided a holistic understanding of the system, including an awareness of less visible tensions and power struggles. These observations reinforced my understanding that, without the action and intervention of human agents like currency users and administrators, the local currency was nothing more than meaningless piles of paper. By interacting with multiple categories of users and asking about their experiences, I was able to gain insight into the accountancy, sociality, and reflexivity of the Community Dollar system. Observation of the currency's administration provided added insight into the currency's accountancy as well as its regulation.

While my research project was thematically focused on the local currency system, I nevertheless kept in mind the strengths of traditional holistic ethnography, and sought to experience and understand the cultural, geographical, and economic context of the specific field site. Therefore, as a resident of Nelson, I participated in community events, volunteered for non-currency organizations, attended city council meetings, read local news sources, and made efforts to interact with a variety of people outside of the local currency realm as well. In doing so, I was able to get a more general sense of the community's reaction to the currency, and local and historical factors that could have influenced its reception. This immersion in place also provided insight into the currency's spatiality.

The proposed research population for my project were residents of Nelson, Fernie, and Kimberley—the three cities in which Community Dollars circulated—with an emphasis on residents of Nelson who had knowledge of the currency, and

particularly those who actively participated in the project. I therefore supplemented my time in Nelson with trips to Fernie and Kimberley in September 2012. During that time I familiarized myself with each town, and had conversations about the local currency with Community Dollars organizers, representatives from businesses who did and did not accept the currency, and city residents who did and did not support it.

As is standard practice in ethnographic research, during my participant observation and conversations, I was explicit that I was in the Kootenays to do research, and established verbal consent that it was acceptable that interactions and conversations be included in my research notes and reports. I honoured rare requests from informants that information remain “off-the-record” or “private” by omitting it from my analysis and write-ups.

4.4. INFORMAL QUESTIONNAIRE

Community Dollars launched in Nelson two weeks after my arrival in the field. Following the launch, it appeared that uptake of the currency was minimal and slow, as had been the case in both Fernie and Kimberley. It was, however, difficult to confirm the accuracy of this impression using only direct observation. Much of the existing local currency literature I had read described systems where exchanges were comparatively easier to observe than was the case with Community Dollars. Many featured centralized computer systems or market places. For example, since LETS currencies are digital, and account balances are publicly available, there is a concrete and traceable record of all exchanges in the system at any given time. Physical currencies like Community Way leave no such record, so they are much more difficult to track or follow. Trades through the Trueque barter networks in Argentina were fairly straightforward to observe directly, since they occurred in physically centralized locations much like flea markets. Similarly, many local currencies like LETS and HOURS organize special events like seasonal markets and monthly potlucks to encourage trading, which have the effect of centralizing trades and making them more readily observable. Community Dollars were accepted by a variety of geographically scattered

businesses throughout the community, including brick and mortar retail locations and independent and freelance service providers. The Community Dollars administrators made no efforts to organize special trading events and markets. As shall be explained further in Chapter 6, in a conventional Community Way system, currency enters circulation in a fairly centralized and observable way, so it is possible to have a reasonably accurate sense of how much currency is circulating in the community. Unfortunately, changes to how Community Way was administered in Nelson decentralized this process and made it much more difficult to observe.

After realizing that it would be much more difficult than anticipated to directly and unobtrusively observe Community Dollar use, I decided I would need to be more systematic in evaluating the status of the currency system. One month after the currency launch, I set about contacting every business listed as accepting the local currency to ask how much currency they had received, if any, and what their experiences had been thus far. The Community Dollars executive director had similarly planned to follow-up with three or four larger businesses and expressed concern that it would be redundant and an unfair imposition on the business owners if we both contacted them. I therefore agreed that we could combine our efforts to limit the time commitment for businesses, if he was willing to share the responses he received from the three businesses he contacted, and inform them that their responses could be used in a research project. In order to ensure our efforts were focused and consistent, we designed an informal questionnaire (Appendix 1) to guide our conversations with the businesses, and agreed that I would report the results of my efforts contacting the fifty remaining businesses to the local currency organization to provide them with some guidance moving forward. When possible, I visited businesses in person. When this was not possible, I contacted them by phone or email.

The resulting questionnaire was never intended to yield rigorous and quantitatively significant data. Instead it was used as a tool to try to ensure broad and consistent enquiry. It nevertheless provided insight into the local currency system and how much it was being used (or how little, as it turned out only five of

fifty-three businesses had received currency). The questionnaire process required me to put in a lot of effort to contact difficult to locate businesses that I would not have spoken with otherwise. An unanticipated result of the questionnaire was it moved many contacts from businesses who had not received local currency to spontaneously offer their opinion of the currency, and often their suggestions for how it could be improved.

4.5. FORMAL INTERVIEWS

Ethnographic projects in complex, industrialized, and urbanized environments generally require increased reliance on one-on-one interviewing due to the nature of social relations and interaction in such societies (Hannerz, 2003). Formal interviewing was particularly appropriate for this project given the research goal to explore the beliefs and experiences of individual currency users in detail. Specifically, I intended to thoroughly investigate participants' general beliefs about what money is and how it works, their experiences with and opinions surrounding the new local currency, and what meaning respondents attributed to those recent experiences. I therefore supplemented the information gathered through participant observation with formal interviews inspired by phenomenological interview techniques.

Phenomenological interviewing uses a series of three interviews to combine life history narrative with detailed subject-focused interviewing. The approach aids those interviewed in detailing their experiences of a particular phenomenon, and explores the meaning of those experiences by examining them within "the context of their lives and the lives of those around them" (Seidman 1998, p. 11). This technique was aptly suited to this research for three reasons. First, a central focus of this project is the subjective experience of participating in the Community Dollars project. The phenomenological format provides a systematic process for discussing individual experiences. Second, individual beliefs about money and its social meaning can be difficult to articulate, because existing economic and currency systems generally seem inevitable and natural, and some people in Euro-American societies consider talking about money to be

taboo. These factors can make it difficult for individuals to speak freely about money, and explain the meaning they attribute to their monetary experiences. The progressive multi-interview research design gradually guides interview participants through the process of critical reflection, while a semi-structured format gives interview participants the opportunity to guide this process to ensure they remain comfortable. Finally, local currency systems tend to have a fairly small pool of participants. Because I predicted the research sample was likely to be small, multiple formal interviews were incorporated into the research design to attain a higher degree of complex detail, and greater attention to context in the absence of a larger pool of possible interviewees.

Although phenomenological interviewing typically employs three long interviews I used a modified phenomenological format. Usually the first interview is a focused life history, the second explores the details of the individual's current experience of the phenomena in question, and the third asks participants to reflect on the meaning of those experiences. In theory, the focused and progressive nature of these interviews helps participants better communicate their beliefs by giving them time and guidance in reflecting on their experiences. In this project I chose to combine the first two interviews of the phenomenological cycle into one interview intended to be forty-five to ninety minutes long, followed by a shorter follow-up, intended to take thirty to forty-five minutes. The first interview focused on the participants' life history, detailing the individual's personal experiences with money, including a detailed account of their current experience with Community Dollars (see Appendix 2 for Interview Schedule). The follow-up interview allowed an opportunity for critical reflection, and to provide any details missed during the first interview session (see Appendix 3 for Interview Schedule). I planned to conduct these two interviews with fifteen people participating in the local currency system in different ways, giving a total of thirty interviews. I chose the number of interviewees based on Guest, Bunce and Johnson's (2006) finding that it is generally sufficient for theoretical saturation. While the fifteen informants I interviewed offered a diverse range of perspectives, I did reach saturation as anticipated.

The actual length of interviews varied based on the age of the respondent (particularly for life histories), varying degrees of experience with and interest in local currencies, and general talkativeness. As expected, the first interviews ranged from forty-one to ninety-four minutes long, with an average length of sixty-four minutes. The second interviews varied more, ranging from thirty-one to seventy-four minutes, with an average length of fifty minutes. Ideally, the plan was for the interviews to be approximately five to seven days apart, providing interviewees with enough time to allow for critical reflection, but not so much that they would forget what they had said during the first interview. The actual interval between the interviews depended on the interview participants' preferences and availability, and ranged from one to ten days, with an average length of six days.

The interview schedules were used as an outline to guide conversation. I allowed the interview participant to guide the conversation whenever possible to ensure their responses better represented what was most important to them. I also would follow the respondent's lead when it came to terminology. So while I entered the field with interview schedules using the term "community currency," based on Schroeder et al. (2001)'s argument that it is the most appropriate term for grassroots currency projects, I often switched to using the term "local currency" following the cue of the research population.

I made the decision to condense the standard phenomenological design into two interviews because the interviews supplemented participant observation. The research project therefore did not require quite the same level of detail as would be needed if interviewing was the sole source of data. The condensed format also allowed enough flexibility to productively interview individuals not actively involved with Community Dollars to provide further context for data analysis. Finally, the shortened format was intended to avoid unnecessarily large time commitments and reduce attrition of interview participants while still taking advantage of the progressive and guided approach of phenomenological interviewing. It was successful in this regard, in that all respondents who committed to the interviewing process were able to complete both interviews. A

further, unintended benefit of using an adapted phenomenological format was that having two interviews with each participant meant that having an “off” interview that did not go well for some reason was less damaging overall. For example, I had interviews where informants were frazzled and confused, for instance one where someone was coming off of a period of extended fasting, one where an employer had half their staff call in sick that day, and another where a toddler screamed and threw things for the entire length of the interview. Although I always offered informants the opportunity to re-schedule, most people opted not to, so I was grateful they had already agreed to do a second interview, giving me another opportunity to learn from their perspective.

4.5.1. Recruitment and Sampling

Recruitment and sampling for interviews was opportunistic, using purposive, snowball sampling due to the small number of participants in the currency system. I followed leads in any way they could be found, while using Community Dollars, volunteering in the local currency organization, and through group communications and social relationships. I asked individuals I met in the course of field observation and involvement within the Community Dollars organization if they would be interested in participating in two interviews about their experiences with local and national currencies. I also asked participants to suggest other people who might be interested in being interviewed. In following through with these suggestions and seeking out interview participants myself, I attempted to ensure the sample group be as diverse as possible in terms of age, gender, ethnicity and background, while still generally representative of Community Dollars users. The resulting group of interview participants included seven men and eight women ranging in age from their early twenties to mid-sixties. There was very little ethnic diversity in the group, which reflected the population of Nelson overall. None of the interview participants were originally from Nelson or the Kootenay region: four had settled in the area from other regions of British Columbia, six from other Canadian provinces, and five from other countries, four of the five from the United States. About a third of the

interview participants had lived in the Kootenays for at least a decade, with durable ties to the community. These demographic characteristics more or less reflected local currency supporters, as I was unable to locate a single potential interview participant actively involved with or interested in the currency system who was also a native Nelson or Kootenay resident. The interview participants represented a wide variety of life experiences and characteristics that came to bear on their interpretations of money and the economy. These ranged from moving to Canada as a Vietnam War resister, living in communal housing situations, working as a farmer, experiencing everything from unexpected windfalls to personal bankruptcy to national economic collapse, and even struggling with cuprolaminophobia (the fear of coins).

I also wanted to ensure that the participants I interviewed were representative of the variety of ways in which individuals may interact with Community Dollars, based on the assumption that particular roles or positions within the currency system might be associated with specific economic practices or beliefs. Consequently, I planned to draw interview participants from five distinct groups: 1) current or former Community Dollars users; 2) Community Dollars organizers; representatives from both 3) businesses and 4) community organizations who accept or use the local currency and, finally; 5) individuals who were familiar with the local currency, but choose not to use it or accept it at their business. Because my research focus was the experiences and beliefs of local currency users, individuals living in the area who had very little or no knowledge of Community Dollars were excluded from participation in formal interviews.

In reality, this system of categories did not end up existing as neatly as I had anticipated. There was significant overlap between the groups, with most respondents being members of more than one category. Nevertheless, each individual had one easily identifiable role that predominated over the others in their conversation, in how they identified themselves, or how they were identified to me by others. For each role listed above, I had three interview participants for whom that was their primary way of interacting with the local currency. In the non-currency user group, two of the three were individual consumers not

affiliated with any local non-profit group or business, and the third was a local business owner.

I classified interview participants as currency organizers if they were involved with Community Dollars as a member of the board of directors of the currency organization, the original currency development group, or actively represented the currency in Nelson. Four of the fifteen interview participants were currency organizers. A further five had some degree of insider information about the currency organization or additional insight into currency administration compared to other interview participants. I classified interview participants as non-currency users if they had no intention of ever using Community Dollars at the time they were interviewed. Four of the fifteen interview participants identified themselves as being non currency users. Two of those four had planned to use the local currency at one time, while the other two never had any intention to do so. I classified interview participants as business representatives if they owned or managed a commercial enterprise in Nelson. Eight of the fifteen interview participants qualified as business representatives, with seven of the eight owning or operating businesses registered to accept Community Dollars. I had not anticipated the number of business representatives to be so high, but Nelson is a very entrepreneurial city, where many people work for themselves or supplement their income through small home-based businesses. Only three of the participants interacted with the local currency primarily in their role as a business owner. I classified interview participants as community group representatives if they were involved with a local community group who had received a donation of Community Dollars from local businesses. Six of the fifteen interview participants qualified as being community group representatives. Four of them worked with groups in visible leadership positions, in a capacity where they were either handling the currency or making decisions about how it would be used. Two were volunteers with organizations, but were neither actively involved with the group's use of Community Dollars, nor empowered to make decisions in that domain.

Although I had not originally anticipated the possibility, one-third of my

interview participants had previous experiences with other local currencies; three with Barter Bucks—a now-defunct local currency that previously operated in Nelson—and two with LETS systems in other locations in British Columbia. All five of these local currency users decided to use Community Dollars based on their previous experiences with local currency. Of the five with previous experience with local currencies, two had been involved in an administrative capacity, one to a significant degree. This interview participant in particular, who was interviewed as a currency user, in reality functioned more as a local currency expert, which brought a revealing, and previously unanticipated, element to the data, as we shall see.

Another unanticipated factor when categorizing interview participants' roles in the local currency system was the discovery that the respondents demonstrated an unexpectedly flexible approach to defining a Community Dollars user. Eleven of the people I interviewed identified themselves as being Community Dollar users but, upon further investigation, I found that only six had actually used the currency at the time they were interviewed. Of the remaining five people, three had Community Dollars in their possession that they had vague and non-committal plans to eventually spend (specifically “when I have more time” “maybe at Christmas”). The other two self-identified currency users had given away all of the Community Dollars in their possession, and gave no indication that they ever actually planned to spend the currency themselves. This dynamic will be discussed in greater detail in Chapter 8.

4.6. MULTI-SITED RESEARCH

Community Dollars was not as successful as its founders anticipated, or admittedly as I anticipated when I picked them as my research topic. The attentive reader might have inferred this based on the fact that only three businesses received Community Dollars in Nelson within a month of its launch, and around half of the interview participants who identified themselves as being Community Dollars users did not, in fact, use the currency. Uptake was minimal and slow, and I quickly started to worry that I might be left with insufficient data

for analysis. After conducting the informal questionnaire, I continued to follow up with business owners, representatives from non-profits, and currency organizers on an informal basis, and I continued to participate as a local currency user. Nevertheless, I quickly reached data saturation. By October 2012, I had completed my formal interviews and I was not learning anything new from participant observation.

Furthermore, during my time in the field I discovered that the organizers administering the currency in Nelson had increasingly rejected components of the Community Way model. By the time the currency launched in Nelson in July 2012, the currency mechanics had been sufficiently “tweaked” and modified so that Michael Linton declared in a posting to an online local currency forum that Community Dollars could no longer be considered a Community Way currency. This proved troubling to me since one of my major research goals was to describe the Community Way model. But due to leadership changes in the currency organization, lapses in memory among my informants in Nelson, Kimberley, and Fernie, and the limited, often inscrutable information available on the topic, I was unable to figure out how the Community Way model was supposed to work.

I therefore decided that in order to expand my knowledge of local currencies and Community Way, and provide greater context and detail for the Community Dollar case study, I should suspend my research in Nelson at the end of October, and spend the last month of my planned field stay travelling to other cities with different local currency systems. Although the organizers in Fernie and Kimberley had been more faithful to the original Community Way model, the currency was dormant in both cities, and the former currency organizers in each city argued that they had already told me everything they could, so I decided that further visits to those cities were not warranted. Instead, to build upon my findings, I spent the month of November researching local currencies in four areas on the Pacific Coast of British Columbia. For more insight into Community Way, I went to Comox Valley and Powell River. Powell River Dollars, a Community Way system, was in the process of launching during my visit (currency pictured Appendix 5, Figures 17-20). Comox Valley had a Community

Way system that had been active for at least three years (currency pictured Appendix 5, Figure 16), and had been home to the first LETS system and several other currency projects since the early 1980s. I also visited Vancouver six weeks prior to the launch of Seedstock, another Community Way currency. While in Vancouver I was able to meet with Seedstock's organizers and participate in Seed Coin, a temporary weeklong local currency experiment limited to Granville Island (coin pictured Appendix 5, Figure 9). Seed Coin was associated with an alternative economy conference on the island where Linton and the Seedstock organizers presented. I was able to attend the conference and speak with Michael Linton on several occasions. While in the region, I took the opportunity to travel to Salt Spring Island to learn about the convertible local currency there.

I visited all of the above locations as a participant observer, using the local currency in all four places, and informally discussing it with store clerks, city residents, and currency organizers, as described in the ethnographic fieldwork section of this chapter. Although these particular experiences of participant observation were much more limited than my experience in Nelson, they provided added insights into sustained experience with currency pluralism and local currency use, and in terms of the relative similarities and differences between the five local currencies I used over the course of my fieldwork.

4.7. DOCUMENTARY AND ONLINE RESEARCH

After returning from the field, I finished transcribing my interviews and began coding and analysis of my field data. I was struck by two shortcomings in my data, and understanding of that data, which I felt needed to be remedied. The first was that there were clear inconsistencies in the information I had collected. This was not a new discovery. Over the course of my fieldwork, there were certain areas where reports from my field contacts were contradictory, incomplete, or did not align with my observations. This was particularly true when it came to events in the local currency organization prior to my arrival. In many cases, inconsistencies and gaps in my contacts' reports appeared to be the result of memory lapses, unintentional errors, or unconscious bias. Over the course of my

fieldwork, however, it became increasingly clear that some of these inconsistencies were the result of intentionally deceptive or misleading responses. As will be seen in Chapter 7, I was not the only person who was being given biased or misleading accounts of the Community Dollars history. Eventually I realized that misleading information was being relayed both first and second hand, and skewed narratives regarding the Community Dollars history were circulating in the community at large. I struggled to sort out what was true or false, and therefore sought additional information sources that might allow me to evaluate the quality of my existing data.

The second shortcoming was that I felt I still did not fully understand how the Community Way local currency model was supposed to operate. As will be seen in Chapter 7, the Community Dollars organizers active in Nelson during my fieldwork had made significant alterations to the currency model, but they were not always forthcoming about the changes they had made, nor why they had made them. I was helped by visits to Fernie, Kimberley, Comox Valley, Powell River, and Vancouver, where the Community Way model had been put in practice in a more straightforward and less experimental manner. But the Community Way model is complicated, and even organizers directly involved with administering the currencies sometimes seemed puzzled by its structure. Even after speaking with Michael Linton on three occasions, I did not feel confident that I fully understood his answers to my questions, or how Community Way was supposed to operate. My lingering questions and confusion about Community Way similarly led me to seek out additional information sources.

In both cases, the answer to these shortcomings was further documentary research. This was an avenue I was already pursuing, as is generally the case with ethnographic research. To supplement participant observation and interviewing, I had collected print and Internet-based promotional materials published by the local currency organizations, media accounts of the local currencies, and further primary documentation provided by informants online—an important venue for communication in the local currency movement (Maurer, 2000, 2005). My first hand observation and interviewing was therefore complemented by textual

analysis of these documentary materials, and newspaper clippings, brochures, and printed materials that spoke to the general cultural and historical context.

Almost none of the above materials adequately answered my questions about what had happened with the currency prior to my arrival, or how Community Way is supposed to operate. I have previously noted that most local currency organizations leave behind few records. I was fortunate to learn that the Community Dollars organization was an exception. The original currency development group had, from the outset of their work, wanted to be of service to future local currency organizers by sharing their experiences. They planned on eventually compiling a how-to book for local currency organizers, detailing what they had learned, and indicated that they hoped my research would contribute to these efforts as well. While they had meetings in person, by teleconference call and over Skype, the bulk of the group's communications and efforts were conducted over an email list-serv. Most significantly for our purposes, they decided to make all of these group communications publically available online, in the hopes that their transparency would be of benefit to others in the local currency movement. The resulting archive contained 3885 emails in 823 discussion threads, spanning from the first email on May 2010 until the last Community Dollars-related email was sent in September 2012.

I had initially planned to return to Nelson, Fernie, or Kimberley for a follow-up field stay to check on Community Dollars' progress. I followed that progress via the currency group's website and social media accounts, and judged that there was not enough happening with the currency in any of the three communities to warrant a return trip. Instead, I opted to use the email listserv for another round of data collection. The email listserv was not generally used by the organizers who administered Community Dollars in Nelson during my field stay. It nevertheless provided a clear record of what had happened in the currency system prior to my arrival, allowing me to immerse myself in the currency development process from afar. This gave me the opportunity to disentangle the confused and contradictory narratives that had been recounted during my field stay. The archive also unexpectedly gave me a lot more insight into the

Community Way model. As I read the emails in chronological order, I was able to follow along with the development group as they, guided by Michael Linton, learned what Community Way is, decided to adopt the model, and increasingly learned more and more about the model as they went through the process of setting up, promoting, administering and trouble-shooting their currency.

Even after completing my analysis of the email listserv group, I continued tracking the currency system online, occasionally following up with contacts in the field via email. Particularly after the Community Dollars system was discontinued in September 2013, I followed up with contacts via emails and telephone to get their take on the system's end.

4.8. ETHICAL CONSIDERATIONS

In designing this research project, I was mindful that the time commitment and discomfort to participants should not be excessive, and that the rewards of the research should be sufficient to warrant their participation. Throughout my field research I discovered that given the nature of the research topic, most participants strongly believed in the local currency cause, and therefore saw participation in this research as worthy of their time. Even the interview participants who were not local currency supporters nonetheless tended to support the stated goals of the currency. In those cases they felt participation in the research was worthwhile because they wanted to share their belief that the local currency was not suited to promoting those goals, in order to dissuade others from potentially wasting time and effort.

I was also concerned, given taboos against discussing money, that talking about financial decision-making, monetary practices and the social meaning of money might be difficult or uncomfortable for some participants. I mitigated this risk by assuring the participants that I would do everything possible to preserve their anonymity, and that I would not record personal financial information, the specifics of any particular transaction, or quantification of economic exchanges. I did acknowledge in the interview consent form (Appendix 4) and in conversation that "because the research location will be revealed" and because the research

location and sample are both fairly small, there remained “some risk that people you know well might be able to identify you based on things you say.” While I judged the risks to informants to ultimately be fairly low, and know that several of my informants would have been perfectly happy being explicitly identified, some others nevertheless expressed some worry that they might be identified or hesitation to be completely frank with their answers. This was particularly true in cases where business owners believed commercial relationships might be compromised if they were seen to be critical of the local currency. One informant went so far as to insist that certain answers be kept “off the record.” In deference to these concerns, and recognition of the small group of people involved, when sharing anecdotes and direct quotations in this dissertation, I have only identified individual informants’ roles within the currency system or demographic characteristics when they provide needed context. When necessary, I have opted for gender-neutral pronouns like “they” and “their” versus “he” or “hers,” and have made slight alterations to quotations to disguise distinctive and identifiable references or speech patterns.

All participants were assured that participation was voluntary and that they were free to end interviews or discussions at any time, or to not answer particular questions if they were not comfortable doing so. Interviews were semi-structured and open-ended in order to increase the likelihood that they were representative of respondents’ priorities and beliefs. I asked questions and gave prompts when necessary, but allowed the respondent to guide the conversation and decide when the interview was complete. Information from the interviews was bolstered by informal conversations with people I encountered on a day-to-day basis. The ethnographic component of the project reduced pressure on potential interview participants who felt uncomfortable being formally interviewed, usually because they did not feel they knew enough about local currencies to be an interview participant, by giving the opportunity to discuss the matter less formally. This gave them an opportunity to share their often savvy observations about local currency if they found formal interviewing to be too stressful or time-consuming.

4.9. CONCLUSION

This chapter describes my path to and through the research of the Community Dollars system. As described, the task of capturing and evaluating the complex and ephemeral reality of the Nelson-based local currency required a collection of complementary methodological approaches, including participant observation, an informal questionnaire, and formal interviewing. Triangulation and enhancement of the resulting data further required extensive documentary research and brief field visits to an additional five cities and one island with local currency systems.

The resulting research produced ample data, but the phenomenon being studied was historically produced, and linked to a particular cultural, social, and geographical context. None of the findings in this project can be fully understood without understanding the research site's unique history, characteristics, and population. For that reason, the next chapter introduces that history, explaining how Nelson came to be the sort of bohemian enclave where people decide to print their own money, and the material and cultural factors that shaped and constrained their efforts.

CHAPTER 5 RESEARCH CONTEXT: NELSON, BRITISH COLUMBIA'S HISTORY, ECONOMY, AND CHARACTER

This chapter describes the geographical, historical and cultural context of this research project. Although I did field study in Fernie, Kimberley, Powell River, Comox Valley, Salt Spring Island, and Vancouver, the main research context was Nelson, British Columbia (see Figure 1). For that reason, this chapter focuses on Nelson, generally only making reference to the other field sites as needed for comparison.



Figure 1: Map of research locations
(Modified from source: Nordnordwest [CC BY-SA 3.0
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Nelson is a physically small city at only 11.93 km². Its commercial and retail outlets are largely limited to the oldest part of the city, a small flat area along the west arm of Kootenay Lake that contains the city's downtown. This area is dominated by Baker Street, the main commercial drive. Befitting a city whose residents tend to enjoy outdoor activities, the downtown is bordered by parks on three sides. Cottonwood Falls Park, where a weekly farmers' market is held next to a waterfall, is close to the end of Baker Street. Lakeside Park, which, among

other things, contains a beach and a meditation labyrinth, is below the downtown on the Kootenay Lake shoreline. Gyro Park sits on a rocky outcropping overlooking the downtown, and is next to a campground that sits in the middle of the city. Moving away from the lake, the land in Nelson quickly gets very steep. On some blocks sidewalks turn into staircases, and streets become one-way heading downhill, reportedly because cars would not have adequate traction to climb them in the winter. The steep hillside contains a large residential area matter-of-factly called “Uphill.” To either side are two flatter and less densely populated neighbourhoods, Rosewood and Fairview. The latter is nicknamed “Bogustown” in commemoration of swindles by early land developers. A big orange bridge, nicknamed Bob, crosses Kootenay Lake, providing access to another residential area within city limits. This area contains a very popular and very steep hiking trail to Pulpit Rock, which provides a great view of the city.

Despite its relatively small size and population, Nelson has a nationwide reputation for being a countercultural haven. This idiosyncratic reputation is a point of pride celebrated by many Nelson residents, many of whom relocated to the area in order to be part of something different. Both in terms of common sense assumptions, and the available research, Nelson seems the ideal location for a local currency system: the sort of place one would expect such a project to be a success. This chapter sets the stage for the research project by fleshing out Nelson’s countercultural reputation with enough detail to provide a sense of place, including the city’s material conditions, and some background on how it came to be the way it is.

The permanent exhibit at Touchstones, Nelson’s local art and history museum, describes the city as “isolated,” “eclectic,” and “resourceful.” This chapter uses these locally meaningful descriptions as cues for describing Nelson’s history and character. Despite its isolation and idiosyncrasy, Nelson is not an island cut off from the rest of the world. For that reason, the chapter begins by describing the geographical context of the Community Dollars currency. I begin with the currency’s regional nature, which is more complicated than it first appears, and then move on to its context within the province of British Columbia.

Throughout the chapter the reader will see how the province's rugged topography helped shape its economic and historical development, and encouraged its residents to develop highly localized geographical attachments.

The chapter ends by considering the notion that Nelson seems the ideal spot for a local currency. Starting with the development of the first LETS local currency on Vancouver Island in the early 1980s, British Columbia has been a disproportionately rich site for local currency development. As part of this discussion, we will consider why British Columbia has itself been so pivotal in the development of local currencies. Is it the simple coincidence that Michael Linton, a prominent figure in the local currency movement, happened to settle in the province, and then have his ideas spread due to proximity? Or is there something more to it?

5.1. A REGIONAL CURRENCY, BUT WHAT REGION?

Although most local currency systems define their circulation areas based on standard geopolitical boundaries like city limits, Community Dollars' founders defined their project ecologically. In theory, the geographical boundary of the Community Dollars system was the drainage area of the Columbia River (See Figure 2), hence the full name "Columbia Basin Community Dollars." The Columbia River's headwaters are in the Rocky Mountains in British Columbia, north of Fernie and Kimberley. The river flows northward from that source, roughly parallel with the Alberta border, before veering south, bypassing Nelson to the west, and flowing through the nearby city of Castlegar. It crosses the Canada-United States border into Washington State, and then passes through Oregon before emptying into the Pacific Ocean. Along the way, the Columbia is used to create more hydroelectric energy than any other river in North America, due to the significant drop in height from its mountain source.



Figure 2: Map of Columbia River and Columbia River Basin
 (Source: Kmusser [CC BY-SA 3.0 (<https://creativecommons.org/licenses/by-sa/3.0>)], via Wikimedia Commons)

The Columbia River drainage basin covers 264,000 km², and includes large areas of British Columbia, Washington, Oregon, Idaho, and Montana, and smaller sections of several surrounding American states. Only 15 percent of the total area is on the Canadian side of the border (Cohen, Miller, Hamlet & Avis, 2000, p.253-255). Therefore, despite in reality the Community Dollars currency system (defined in terms of its organizers, participants, and project activities) remained limited to a very small portion of the Columbia River Basin. The name of the currency therefore gave a misleading sense of the actual spatiality of the local currency system.

Significantly, Fernie, Kimberley and Nelson are all also located within the geographically smaller Kootenay Rockies region in British Columbia. The Kootenay region borders the United States and Alberta in the far South-Eastern

corner of the province. In popular usage, the area is frequently split into the smaller Columbia-Rockies, and East and West Kootenay regions—collectively referred to as “The Kootenays” (Figure 3). The West Kootenay region is bounded by the Monashee and Purcell Mountain ranges and includes the Arrow and Kootenay lakes, while the Columbia River is the core of the East Kootenay region. The Columbia also forms the heart of the Columbia-Rockies, the area north of the East and West Kootenays.

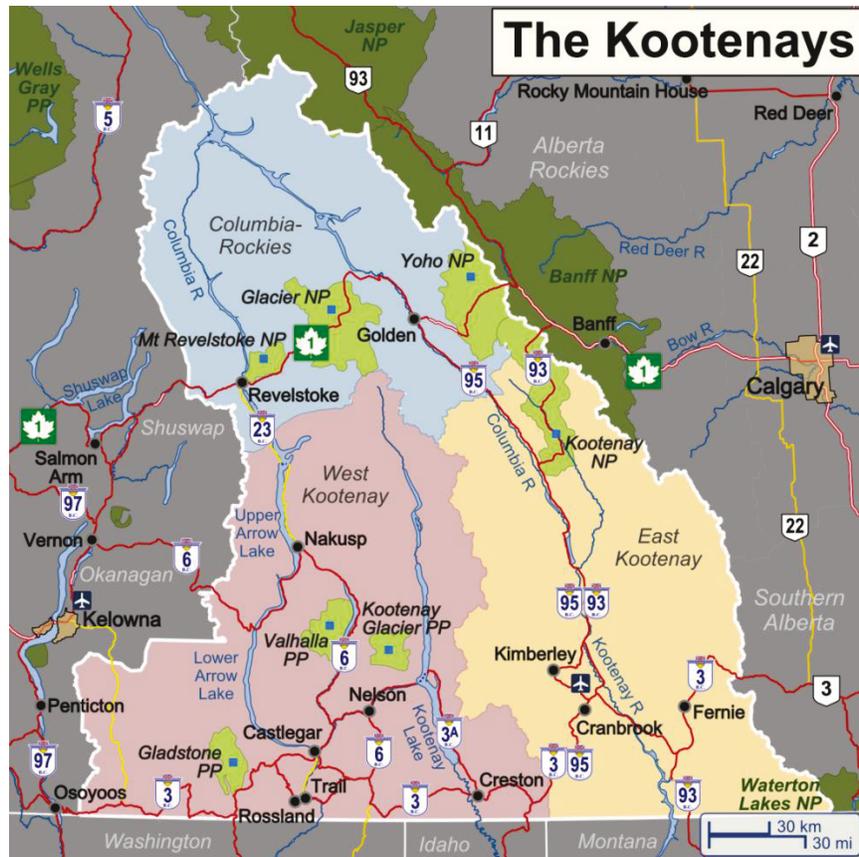


Figure 3: Map of the Kootenays Region of British Columbia and its Sub-Regions (Source: Shaundd [CC BY-SA 3.0 (<https://creativecommons.org/licenses/by-sa/3.0>)], via Wikimedia Commons)

The Kootenay Rockies region borrows its name from the Kootenay River, which was itself named after the Ktunaxa First Nation (anglicized as Kootenay, Kootenai, and Kutenai), whose territory includes the East Kootenay region. The traditional residents of much of the West Kootenay region, including Nelson and the nearby Slocan Valley, are the Sinixt First Nation. The Canadian government declared the Sinixt people extinct in 1956, although living Sinixt people have

continually disputed this characterization, and re-established a permanent presence in the Slocan Valley starting in the 1980s (see Pryce, 1999).

If Fernie, Kimberley, and Nelson are all located in the Kootenays, in British Columbia, Canada, and most of the Columbia River Basin is in the United States, why did the Community Dollars' founders name their currency after the latter region? For the most part the choice was based on potential funding. In 1964, the American and Canadian governments ratified the Columbia River Treaty in an attempt to balance each country's risks and benefits of hydroelectric development of the Columbia River. The treaty was controversial due to lack of public consultation, and the sense that negative impacts continued to unfairly burden basin residents on the Canadian side of the border. As a result, the Columbia Basin Trust Act was passed in British Columbia in 1995.

The Columbia Basin Trust (CBT) is a regional non-governmental organization that attempts to reinvest profits from downstream hydroelectric development of the Columbia River (mainly in the United States) in order to improve the "social, economic, and environmental well-being" (CBT, 2017, para. 3) of negatively impacted communities upstream in Canada. One Community Dollars founder described the CBT as "another level of bureaucracy" in the Kootenay region. The CBT represents a significant source of potential funding for non-profit groups in the region, and it appears that this potential was the most significant factor in the currency development group's decision to adopt the name Columbia Basin Community Dollars. The choice to define the currency based on the Columbia River Basin versus the Kootenay region was nevertheless noteworthy because regional distinctions tend to take on more significance in British Columbia than is typically the case in other provinces (Barman, 2007, p. 8).

British Columbia's major geographical division is between densely populated areas along Pacific Coast and the vast, much more sparsely populated provincial interior. Historically, British Columbia's rugged topography encouraged isolated settlements based around one particular natural resource (Barman, 2007, p. 121). This isolation resulted in populations who have

traditionally identified more strongly with their specific community or region than the province as a whole, discouraging the emergence of a coherent sense of British Columbia as one unified place. This led numerous early commentators to dismiss British Columbia's long-term viability as a political entity (Barman, 2007, p. 13). The tall peaks and narrow valleys of British Columbia's many mountain ranges create natural, parallel corridors running in a North-South direction, similarly discouraging province-wide links. From the colonial period until the current day, governments have attempted to overcome these natural North-South tendencies by developing transportation infrastructure to unite the province in an East-West direction (Barman, 2007, p. 5-6, 81).

Transportation nevertheless continues to cause difficulties in the interior, particularly in the winter months, as breathlessly demonstrated by the Discovery Channel reality television program *Highway Thru Hell* (2011), about a towing company working in the mountainous British Columbia interior. These transportation difficulties increase the sense of isolation in many interior communities, further encouraging a strong and localized identification with place. Such regional identifications are subtly reinforced by the provincial government, which is forced to rely on regional distinctions for practical purposes like weather forecasting and tourist promotion due to the province's large size, and rough, varied terrain (Barman, 2007).

The well-established regional divisions used by the British Columbian government recognize the Kootenays, and sometimes specifically the East and West Kootenays, but not the Columbia River drainage basin. So while the latter distinction is meaningful for those doing hydrological and ecological study of the Kootenay region and—more recently with the establishment of the CBT—for those fundraising in the non-profit sphere, it is not a label typically used by the general population. Instead, my observations in the field reinforced claims in the literature that British Columbians tend to identify strongly with the region in which they live. This tendency was particularly pronounced among West Kootenay residents, who frequently claimed that the West Kootenays are an exceptional and culturally distinctive area, particularly with regard to

countercultural political and social beliefs. In fact, people in Nelson regularly described things they identified with, for instance specific restaurants, events or activities, as “very Kootenays.” The term “Kootenay Time” was commonly used to explain a lack of punctuality among Nelson residents, with the implication that this tendency was a regional cultural characteristic.²

I did not observe the same identification with the Columbia River basin. Almost everyone I spoke with ignored the official name of the currency and simply called it “Community Dollars” or, not infrequently in Nelson, “Kootenay Dollars.” In part this was because the official currency name was a bit of a mouthful. But it was more significant that it was not locally meaningful. Given the fact that Community Dollars’ circulation area represented a tiny portion of the Columbia Basin, and there were no plans to ever expand into the 85 percent of the drainage basin on the American side of the border, I describe my research as being located in the Kootenays versus the Columbia Basin, despite the name of the currency.

5.2. “ISOLATED”

One of Nelson’s most notable characteristics is its geographical isolation, which has significantly impacted its historical development. The fact that the traditional language of the Ktunaxa people has no close linguistic relatives provides one indication of the rugged Kootenays region’s isolation (Barman, 2007, p. 11). European settlement in the Kootenays began when David Thompson, a fur trader who tracked the Columbia River in the early nineteenth century, established a series of trading posts and forts as he explored (Barman, 2007, p. 39). Soon afterward, the discovery of the Kootenay’s rich mineral resources, which include gold, silver, copper, and zinc, attracted miners to the region leading to a mining boom in the late nineteenth and early twentieth century. Mining industry growth was amplified by the building of railways across

² Traveling outside Nelson, I found many Kootenay residents resented this tendency to project Nelson’s values and inclinations on the entire region, as they had their own strong ideas about what “the Kootenays” are like, and believed Nelson to be exceptional.

the region, leading the Kootenays' population to grow rapidly, with a tenfold increase over the last decade of the 1800s (Barman, 2007, p. 132).

Permanent European settlement began in the area that would become Nelson when a number of lucrative mining claims were staked in 1887, most notably for the Silver King mine (British Columbia Heritage Conservation Branch [BC HCB], 1981, p. 17). Transportation in the Kootenay region has always been difficult due to the mountainous terrain. The Nelson town site was established on the Western arm of the very long (104 km) and deep (up to 150 m) Kootenay Lake, which connects the Kootenay and Columbia Rivers. The lake provided access to many other mining areas via its navigable waters. The town site also sits at the intersection of three valleys through which land traffic from the west and south had to travel. These topographical features made for an appealing regional transportation and supply hub, since shallow-hull steamers were the dominant method for transporting goods in the region at that time (BC HCB, 1981, p. 22-23, 36). Nelson's position as a transportation hub was further solidified when the Canadian Pacific Railway built a branch line there, better connecting it to major centers like Spokane, Washington (Barman, 2007, p. 130, BC HCB, 1981, p. 23). Many of the mining camps established during the Kootenay mining boom were quickly abandoned as mineral resources were exploited. The relative ease with which resources flowed through Nelson allowed it to rapidly transform from a remote mining camp into a fully urbanized environment with a diversified economy (BC HCB, 1981, p. 23-34).

By the time Nelson was incorporated as a city in 1897 it had become the administrative centre of the Kootenay region, with a permanent population of around 1,000 people (BC HCB, 1981, p. 26). A year prior, the first hydroelectric plant in British Columbia began producing power for the city, and one of John Houston's first acts as Nelson's first mayor was to arrange for construction of a larger power plant at Bonnington Falls. This provided significant revenues for the municipality for years to come (BC HCB, 1981, p. 28). Access to large amounts of electricity, wealth from the mining boom, and the presence of the railway all attracted commercial enterprises to Nelson, including banks, luxury hotels, and

major retailers like the Hudson Bay Company (BC HCB, 1981, p. 24-25, 52). During this prosperous era, a number of impressive Victorian buildings were constructed, many designed by prominent British Columbian architects (BC HCB, 1981, p. 71). At the turn of the century, the city even built an electric tramway system.

The only comparable levels of development and urbanization in British Columbia at that time were in the two major centers of Victoria and Vancouver (Barman 2007, p. 208, BC HCB, 1981, p. 66). Nelson came to be known as the “Queen City of the Kootenays” based on its importance and grandeur (BC HCB, 1981, p. 58). In 1904, just seven years after its incorporation, Nelson was the largest city between Vancouver and Winnipeg, with around 7,000 people living in the area (BC HCB, 1981, p. 26).

This early period of prosperity did not last. Many of the same factors that contributed to Nelson becoming the “Queen City” subsequently contributed to its economic decline. Despite Nelson’s advantageous topographical location, it was not immune to the boom and bust cycles typical of resource-based economies. Its initial growth flagged when the Silver King mine, and then Hall Mining and Smelting, ceased operations in 1902 and 1910 (BC HCB, 1981, p. 29). By the early twentieth century, other areas of British Columbia boomed while Nelson and the Kootenays stagnated (BC HCB, 1981, p. 30). During the late nineteenth century, almost twenty percent of the population of British Columbia lived in the East and West Kootenays, compared to around three percent today (Barman, 2007, p. 11). By the Second World War, the federal government took advantage of isolated post-boom West Kootenay “ghost towns” like Slocan City, New Denver, and Kaslo when seeking a place to intern thousands of Japanese Canadians (Rodgers & Ingram, 2014, p. 99). So while Nelson was a grand city at the beginning of the twentieth century, economic stagnation in the region caused there to be few significant changes to the city’s size, development and land use patterns for over a century (BC HCB, 1981, p. 122).

Nelson’s decline in importance was reinforced by modernized transportation, which diminished its role as a transportation center and left it

increasingly physically isolated (BC HCB, 1981, p. 190). One major change was declining preference for rail and waterways in favor of motor vehicles and airplanes when it came to transporting goods and people. Nelson does not have enough flat land for a commercial airport. The “Nelson Airport” is actually a tiny airstrip at the edge of Kootenay Lake appropriate only for small, private aircraft. When the West Kootenay Regional Airport was first established in 1950, it was built in Castlegar, an hour-long (44 km) drive from Nelson (BC HCB, 1981, p. 198, West Kootenay Regional Airport, 2012). Even in flatter Castlegar, the surrounding mountains make for a difficult descent and landing which, combined with extreme winter weather, has earned it the nickname “Cancel-gar” Airport. I heard regular complaints from residents about the airport, including numerous reports from people who had flown there only to have the pilot deem it too dangerous to land, and turn the plane around and repeat the 400 km flight back to Vancouver. Those residents reported that the few flights and regular cancellations made business travel to and from the area difficult and unpredictable.

Nelson is similarly isolated when it comes to roadways. The nearest large cities (with populations over 100,000) are Spokane, Washington, which is an approximately 3.25 hour (240 km) drive away, and Kelowna, British Columbia, a 5 hour (350 km) drive. The nearest major cities (with populations over 1 million) are Calgary, a 7 hour (625 km) drive, and Vancouver, an 8 hour (630 km) drive. Many of these drive times are longer than one might expect because the mountain roads can be slow and difficult to navigate. This is particularly true during the winter months when the mountain passes regularly close due to dangerous weather conditions or avalanche risk. One friend casually commented that surrounding cities like Castlegar are “much further away” from Nelson in the winter, due to driving conditions. The major highway through southern British Columbia was re-routed away from Nelson with the completion of the Salmo-Castlegar bypass in 1964, further isolating it from the rest of the province (BC HCB, 1981, p. 30).

Although Fernie and Kimberley also held rich mineral resources, and both had railway connections by 1900, they did not have the same topographical advantages that enabled Nelson to diversify its economy. Fernie is located in a valley completely surrounded by the Rocky Mountains, and Kimberley has the highest elevation of any city in Canada. Neither had the transportation advantages that Nelson did at the turn of the century. Mining therefore remained much more central to the economy of each city than was the case in Nelson. The most famous mine in the East Kootenays, The Sullivan, opened in Kimberley in 1892, and the city was itself named after famous mine in South Africa (Barman, 2007, p. 130). Despite the Sullivan's renown, Kimberley remained fairly small and was not incorporated as a city until 1944.

Fernie, which was incorporated in 1904, was named after William Fernie, one of the founders of the first mine in the city. Its growth was slowed by a series of mining disasters, boom and bust cycles, and devastating fires that reduced the town to ashes in both 1904 and 1908. Many of these problems were attributed to a curse put on William Fernie by the local First Nations people after he reneged on his end of an agreement after being shown the location of rich coal deposits. In 1964, members of the Ktunaxa nation ceremonially lifted the curse at the request of the city (Tourism Fernie, 2017). Fernie and Kimberley therefore developed much more slowly than Nelson, and retained their character as rough, frontier mining towns for much longer. In the same era that Nelson was considered a cosmopolitan "Queen City," Fernie was described as having an "atmosphere laden with coal-dust, the whole place dingy with coal-dust, and the people with countenances smeared with coal-dust" (Fraser, quoted in Barman 2007, p. 220).

The spirit of frontier independence that served Nelson so well in its early mining days also unintentionally served to keep it isolated as government bureaucratization and modernization brought the rest of the province closer together. Vancouver was established as the financial center of the province when its stock exchange opened in 1907, yet the Kootenays remained the one region in the province that "eluded Vancouver's grasp" financially. The region's

topography, and economic relationships established during the mining boom, led it to maintain stronger connections with Calgary, Winnipeg, and Spokane (Barman, 2007, p. 204). Even Nelson's early hydroelectric projects are maintained in a spirit of independence. Instead of being managed by the provincial crown corporation BC Hydro, or the privately owned FortisBC, the city still owns and operates its own public utility, Nelson Hydro, servicing the city site, and a number of smaller communities along the western arm of Kootenay Lake (BC HCB, 1981, p. 28, City of Nelson, 2012).

In some ways, Fernie and Kimberley became less isolated at the same time Nelson become more so. The main highway through Southern British Columbia and Alberta passes through the middle of Fernie. As in Nelson, this highway was rerouted away from Kimberley, but the road to Kimberley from the main highway is much shorter and straighter than the trip to Nelson, passing through a fairly flat area, making it a far more welcoming trip for tourists. Kimberley is also only a 15 minute drive from the Canadian Rockies International Airport in Cranbrook. The East Kootenay region became effectively less remote as surrounding regions developed. Recall that in the early twentieth century, Nelson was the largest Canadian city between Vancouver and Winnipeg. Since that time Calgary, Alberta, which is a 3 hour (296 km) drive from Fernie, and a 4 and a half hour (413 km) trip from Kimberley, has grown into a large and prosperous major city.

Fernie and Kimberley's proximity to Alberta is significant, in that the Kootenays increasingly serve as a vacation and retirement destination (Barman, 2007, p. 412). In Nelson, Kimberley and Fernie, but particularly the latter two cities, I heard numerous complaints about wealthy Albertans driving up property values. The East Kootenays' geographical proximity to Alberta is reinforced by a shared time zone. While the vast majority of British Columbia is in the Pacific Time Zone, two small sections of the eastern part of the province – including the East Kootenays – share the Mountain Time Zone with Alberta. So while Fernie and Kimberley have become less isolated over time, like Nelson they have resisted fully integrating into British Columbia.

5.3. “ECLECTIC”

While physical isolation can pose logistical and economic challenges, it nevertheless has its own appeal for people who do not want close contact with mainstream society. Barman notes that throughout its history, British Columbia has been particularly appealing for “individuals and groups wanting to separate themselves off from the world” (2007, p. 260), and this has been particularly true of the West Kootenay region. Nelson first became established as a city as a result of economically motivated migration, specifically the desire to exploit mineral resources and related opportunities. The collapse of the West Kootenay mining boom meant there was no need for high density development in Nelson, and real estate costs remained reasonably stable as a result (BC HCB, 1981, p. 122). During the twentieth century, despite economic stagnation and a lack of employment opportunities in the area, the West Kootenays’ remoteness and inexpensive land encouraged waves of politically and culturally motivated migration that transformed the region by Doukhobors, Quakers, Vietnam War resisters, and people attracted by those groups’ political values. Rodgers and Ingram (2014) describe this as “values-based” or “ideological migration,” specifically migration in the service of alternative, non-mainstream values. It was through these migrations that Nelson was reshaped from a Victorian mining town into the idiosyncratic, countercultural enclave it is today.

5.3.1. The Doukhobors

The first wave of ideological migration brought the Doukhobors to the West Kootenays. The Doukhobors, or “Spirit Wrestlers,” are a minority Christian sect, about one-third of whom (around 7500 people) migrated to Canada in 1899 to escape persecution in their native Russia (Rodgers & Ingram, 2014, p. 102, Tarasoff, 1995, p. 5, 10). The Doukhobors’ religious and political beliefs are broadly utopian: anti-materialist, egalitarian, and pacifist. Their anti-materialist beliefs led them to reject the rituals and iconography of the Russian Orthodox Church, and pursue a simple agricultural life. Their belief in the equality of all life led them to become vegetarians, live communally, and reject the right of any

external body—including the government—to dictate their behaviour. It similarly inspired their commitment to pacifism and non-violence (Rodgers & Ingram, 2014, p. 101-102, Tarasoff, 1995, p. 6-8, Yerbury, 1984, p. 49-50).

Although the Doukhobors had always been a dissident group opposed to the established state and religious order, they became increasingly targeted after they refused to submit to military conscription, and staged a massive weapon burning in Russia in June 1895. The resulting repression inspired a number of progressive political groups to work to relocate the Doukhobors to Canada. This led to the establishment of three Doukhobor colonies in Saskatchewan, and special dispensations from the Canadian government to allow for communal land ownership and exemption from military service (Gale & Korocil, 1977, p. 58-60, Rodgers & Ingram, 2014, p. 102, Tarasoff, 1995, p. 8-10). Once in Canada it did not take long for the Doukhobors' anti-establishment and non-mainstream values to again clash with authorities, but also cause significant in-group conflict. These conflicts led to splintering within the community, leading a more radical group to move to the more isolated West Kootenays, where it was easier to maintain communal structures and resist assimilation (Gale & Korocil, 1977, p. 64-65).

After moving to British Columbia, this more radical group, called the Sons of Freedom or Freedomites, significantly impacted public opinion of the Doukhobors. While the movement dates back to around 1900, their activities and numbers peaked in the 1940s to 1960s (Yerbury, 1984, p. 52, 57). The Sons of Freedom famously enacted their non-materialist values through nude protests and property destruction, specifically arson and bombings almost exclusively targeting non-communal Doukhobors (Rodgers & Ingram, 2014, p. 102, Yerbury, 1984, p. 54). These protests led to the imprisonment of hundreds of Freedomites in the 1940s and 1950s and, in the 1960s, the formation of a special RCMP counter-terrorism team to deal with “the Doukhobor Problem.” The “Special Depredation Squad” was known locally as the D-Squad, or “Doukhobor Squad” (Rodgers & Ingram, 2014, p. 102).

Since the Sons of Freedom were always a fairly insular, underground

group, it is difficult to know to what extent, if any, the group still exists. There could still be Doukhobor people who consider themselves part of the Freedomite movement, although it is no longer publically active or politically relevant. Although even at the peak of their activity the Sons of Freedom remained a small minority group within the Doukhobor community, sensationalist nationwide media coverage of their dramatic protest techniques negatively impacted public opinion of the Doukhobor people in general (Tarasoff, 1995, p. 17). This, in turn, shaped public opinion of places most associated with Doukhobors.

5.3.2. American Ideological Migrants from the 1950s onward

Fear of the Sons of Freedom lowered already modest property values in the West Kootenays and Slocan Valley (Rodgers & Ingram, 2014, p. 109-110). The availability of large tracts of cheap land and geographical isolation in those areas played a pivotal role in attracting and retaining the next waves of ideological migrants to the region—Quakers and Vietnam War resisters from the United States.

Although a much smaller group than either the Doukhobors or Vietnam War resisters, a group of seven Quaker families who left California to escape McCarthy-era American politics nevertheless wielded significant influence in reshaping Nelson into a countercultural enclave. Wishing to live a simple, meaningful, and spiritually-guided life, the families pooled their resources and purchased 300 acres of land on Kootenay Lake (around 80 kms north of Nelson) in 1954. There, they established the community of Argenta on an old mining site (Rodgers 2014, p. 68-69, Rodgers & Ingram, 2014, p. 101). Fear of nuclear war played a role in Argenta's founding. Its members became heavily involved in agriculture and hoped that the community's isolation might protect it in the event of nuclear destruction. In such an event, they planned to serve as "a repository of skills and knowledge" to aid in rebuilding society (Rodgers, 2014, p. 70).

Like the Doukhobors, the Quaker community in Argenta are pacifists who considered themselves to be "political exiles" (Rodgers, 2014, p. 56). Unlike the Doukhobors, the Quaker community were not insular, despite their geographical

isolation. They published newsletters about agriculture, started an alternative boarding school to provide employment for the trained teachers in the community, and remained connected to global Quaker political and social justice networks. These connections became particularly important during the Vietnam War era, when those networks helped American war resisters cross the border into Canada, actively guiding many toward the West Kootenays, and specifically to Argenta (Rodgers, 2014, p. 64-70).

Between 1965 and 1975 a large number of young, educated, middle-class Americans migrated to Canada, both legally and illegally. While the tendency is to assume these people were mainly avoiding military conscription, in fact many were simply disillusioned with American politics and seeking a place to enact countercultural values. This included many women not subject to conscription (Barman, 2007, p. 336, Rodgers, 2014, p. 4, 70, Rodgers & Ingram, 2014, p. 96-98). One such woman, who eventually ended up in Nelson, told me: “I moved to Canada because I would have been a draft dodger if they would draft women. They were sexist, so they didn’t draft women, but I went anyway.” As had been the case with the Doukhobors and the Quakers, British Columbia proved particularly appealing to the Vietnam War resisters and members of the counterculture based on the availability of remote, inexpensive land (Barman, 2007, p. 337). Another acquaintance in Nelson recounted pooling money with friends to purchase a ghost town during the Vietnam War era, which they then turned into a commune.

When the American government offered amnesty to war resisters in 1976, 50,000 Americans chose to stay in Canada. Forty percent of these war resisters had settled in British Columbia, a disproportionate number in the West Kootenays (Rodgers 2014, p. 6, Rodgers & Ingram, 2014, p. 96). The West Kootenays had been particularly appealing to Vietnam War resisters because the pacifist Quakers and Doukhobors in the region were sympathetic to their cause, and actively helped them settle. Both groups provided the new arrivals with food and shelter, and taught them the agricultural and homesteading skills they needed to go “back to the land” and live communally (Barman, 2007, p. 336,

Rodgers, 2014, Rodgers & Ingram, 2014).

Although many in this newest wave of ideological migrants initially settled in remote areas like Argenta, or rural areas occupied by supportive Doukhobors, this soon began to change. Although the Vietnam War era counterculture shared many Doukhobor and Quaker values, like pacifism, vegetarianism, and environmentalism, countercultural beliefs surrounding sexuality, nudism, feminism, and drug experimentation conflicted with the Quakers' and Doukhobors' more traditional religious life. This clash in values, and economic necessity as countercultural migrants struggled to live off of the land, led many of the young migrants to move from Argenta and Doukhobor communities to nearby areas like Johnson's Landing, Kaslo, and Nelson (Rodgers, 2014, p. 73-74, Rodgers & Ingram, 2014, p. 111). Friends, relatives, and people holding similar countercultural values followed the Vietnam War resisters to the West Kootenays in a process that further transformed the area. Many of these new migrants were attracted by the sense that West Kootenay communities held different values than other regions in the province and nation. As a critical mass of like-minded people arrived from across the nation and world, the new countercultural community were better able to support one another, and needed less help from the Quakers and Doukhobors (Rodgers & Ingram, 2014, p. 111).

5.3.3. A Quirky Countercultural Enclave

The young people who migrated to Nelson and the surrounding areas in the 1960s and 1970s reshaped the region as they worked to support themselves and create a new world that better reflected their values. They established new social networks and institutions to achieve their goals including schools, food co-operatives, businesses, newspapers, and community and women's centres, many of which persist to this day (Rodgers, 2014, p. 5, Rodgers & Ingram, 2014, p. 112). Many also pursued careers in the arts, imparting the region with a reputation for being a haven for artists, musicians, and craftspeople (Rodgers, 2014, p. 74, 193). As a result, Nelson is:

a unique community in which the countercultural identities and ideas of

the 1960s have become institutionalized into the daily life and politics of the town and the surrounding area, where many of the citizens remain committed to alternative lifestyles and leftist politics. (Rodgers, 2014, p. xviii)

Over the course of my fieldwork I met many people who seemed personally invested in the idea that Nelson is a very distinct and special city. In the same way that residents of Austin, Texas campaign to “Keep Austin Weird,” many Nelsonites communicated a sense of a local identity defined by being different. Nelson residents frequently used the term “very Nelson” to describe things they found pleasingly unusual, and to offer encouragement to newer residents who were fitting in by being adequately peculiar. For instance, after I purchased a purple hemp fabric shirt with pointed sleeves from a local shop (which made me look like a sloppy wizard) multiple strangers stopped me on the street to bestow me with the most genuine compliment they could offer: telling me I look “very Nelson.”

In many subtle ways, Nelson is quite different from other Canadian cities and towns I have lived in or visited. For something to be described as “very Nelson” it is preferably not only outside of the mainstream, but also quite literally *from* Nelson. I observed a strong preference for locally produced products, and a corresponding resistance to corporate chains among many community members. Several people I spoke with argued this anti-corporate stance extended into the local bureaucracy, leading to municipal zoning decisions that actively prevented large chains from opening locations in the city. For instance, although it is almost unheard of for a Canadian city or town of its size, Nelson has neither a Canadian Tire location, nor a Tim Horton’s. In the latter case several people told me there had been repeated attempts to open a Tim Horton’s over several decades, which had all been blocked by resistance at the municipal government level. I have no idea to what extent that was true, but nevertheless found it notable that so many people believed it to be, with some proud of the anti-corporate integrity, and others disgusted by the apparently anti-development stance.

Whatever the cause of the scarcity of corporate franchises, it contributes to

Nelson's quirky character. When visiting Fernie, I felt that the greater visibility of large corporate businesses made it feel like a bigger place than Nelson, despite having around half the population. Some corporate franchises with locations in Nelson tried to adjust to local sensibilities by going "off-brand." For example, one fast food sandwich franchise served coffee from a local fair trade and organic roaster, and offered several unofficial, locally-created items advertised on paper signs. They also gave customers the option of having their coffee served in mismatched thrift store mugs, claiming their status as "World's Greatest Grandpa" or celebrating events from years past.

My favourite example of something I considered to be "very Nelson" was a set-up I noticed at the Kootenay Co-op, one of the most popular grocery store options in Nelson, located on the main commercial street downtown. In an attempt to balance health codes with local lifestyles, the store offered a bin of shoes at the door that they asked their barefoot customers to don while shopping. The Kootenay Co-op was founded in 1975 and is one of many local organizations and businesses that show how left-leaning and countercultural values have become institutionalized into everyday life in Nelson. There are numerous other cooperative organizations (for example a radio station, a car-sharing group, and a bakery) and an array of community service and activist groups, particularly focused on environmental issues. One example is a now 25 year long fight by local activists opposing the development of a resort on the Jumbo Glacier in the Purcell Mountains, celebrated in the documentary *Jumbo Wild* (2015). Protestors against the Jumbo Glacier development even used nudity as a protest tactic in 2007 to "bare themselves for the bears" (Rodgers & Ingram, 2014, p. 113), making reference to the Doukhobors by describing nude protest as a "Kootenay tradition" (Rodgers 2014, p. 86). The Kootenay Tradition of pacifism and war resistance continues as well. Between 2007 and 2009 the organization War Resisters International placed a number of American military deserters with families in Nelson (Rodgers, 2014, p. 67).

Countercultural elements were not absorbed into the existing community without conflict. As previously described, the Doukhobors' unfamiliar and

sometimes extreme behaviour inspired considerable concern and suspicion among their new neighbours in Canada. American ideological migrants in the 1950s and 1970s arrived in the West Kootenays to discover considerable anti-American sentiment, particularly in areas negatively impacted by American hydroelectric developments along the Columbia River. Both groups, and subsequent ideological migrants, discovered that while there is a sizeable countercultural community in Nelson and surrounding areas, it remains a largely rural region with a legacy of natural resource extraction, and a sizeable working-class population still dubious about progressive politics and “alternative values.” As recently as 2004, there was significant controversy when a group in Nelson introduced plans to erect a statue commemorating the contributions of Vietnam War resisters to the community. The decision to provide refuge to American military deserters refusing to return for service in the Iraq War proved similarly controversial (Rodgers, 2014, p. xv-xvii). A more amusing example of the culture clash still simmering beneath the surface in the Kootenays was relayed by an acquaintance working in industrial construction, with working-class, rural roots in the region. He explained that a favourite playground insult among the children he grew up with, labeling the target a weirdo, was “yeah, well.... you're from Nelson!!”

Fernie and Kimberley historically had more in common with that working class community than they did with Nelson. Both maintained a natural resource, specifically mining-focused, economic base for much longer: while Nelson’s most productive mine closed in the 1920s, the Sullivan mine in Kimberley was worked until 2001, and there are still several working mines in the Fernie area. They also did not experience the same waves of ideological migration that Nelson did with the Quakers and Doukhobors. Without that foundation of pacifist migration, they were not as appealing to the larger wave of ideological migrants in the Vietnam War era. The continued prominence of natural resource extraction in those towns could also have deterred migrants valuing environmental sustainability. Fernie and Kimberley have therefore remained working class dominated communities, and have not been as readily accepting of countercultural values as Nelson,

although each has demonstrated varying degrees of tolerance.

When I visited Kimberley, the woman working at the local history museum explained that Nelson and Kimberley were very different in terms of their acceptance of “hippy culture” in the 1970s. She argued that Kimberley residents were willing to tolerate local kids growing out their hair or dressing in hippy-style clothing, but if members of the counterculture came in from elsewhere – particularly to the local pub when miners were coming off their shift – they would have been physically assaulted and essentially driven out of the town. A friend claimed a local pub still has a “no hippies” sign on the wall dating back to the Vietnam War era. Nevertheless, by the time I visited Kimberley in 2012, the town had been actively working to shed its rough, working class reputation and become more appealing to tourists. They had some success in that regard, with one local resident commenting to me that some newer businesses, like a new pub he described as having a “hipster vibe” were making the town feel “a bit more cultured.”

Fernie seemed less openly anti-counterculture than Kimberley, and much more cosmopolitan than one might expect for a very small mining town in the British Columbia interior. When I visited in 2012, Fernie had several very visible environmental and arts organizations, a store selling hemp products, two health food stores, a tapas bar, and a chocolatier who strove to add local ingredients to their chocolate bars. To a large extent these organizations and businesses reflect Fernie’s higher income levels, and the greater disposable income of its population, as well as its success in attracting tourists. The natural resource dominated economic base in the city means that many of its residents, notwithstanding tastes for middle-class amusements like tapas and handmade chocolates, remain somewhat hostile to countercultural values and environmentalism. For instance, a representative at the local tourist information centre informed me that they took down a display about the local currency due to complaints about environmentalists from local residents. Some residents nevertheless felt that on the whole Fernie is more open to alternative values than most other places, if not to the same extent as Nelson. As an indication of this,

when I attended a presentation by a Fernie-based musicologist in Nelson, she argued that the iconoclastic mystic, herbalist, and composer Hildegard von Bingen “would fit right in here [in Nelson],” adding “we're good in Fernie, but you're ahead of us here” (Kneier, 2012, September 30).

5.4. “RESOURCEFUL”

As previously explained, the city of Nelson rapidly developed from a temporary mining camp into a major urban centre during the Kootenay mining boom and then, almost as suddenly, that growth stopped and the formerly “Queen City” retreated into isolation and obscurity. As a local planner put it, Nelson “slipped into sort of a coma for many years” (Inwood, 2012, July 19). Although it had brief periods where the area re-emerged as a minor fruit farming and then educational centre, these were ultimately short-lived (BC HCB, 1981, p. 30). Nevertheless, the waves of ideological migration to the region, particularly of resourceful and entrepreneurial young Americans in the 1960s and 1970s, transformed Nelson from an economically depressed natural resource-based backwater to the bohemian enclave it is today.

By the 1980s, British Columbia’s economy was simultaneously one of the most prosperous and vulnerable of any province or region in Canada. This was because the economy was built around natural resources whose prices fluctuated with global demand. Minor fluctuations in commodity prices therefore could have major effects, and incomes tended to fluctuate on a seasonal basis (Barman, 2007, p. 348-349). In the early 1980s British Columbia was the province hardest hit by a worldwide recession, causing residents to increasingly recognize the limits of natural resource extraction as a primary economic base (Barman, 2007, p. 350). This caused British Columbians to consider alternative ways of organizing their economy. After the 1986 World Exposition on Transportation and Communication (or Expo 86) was held in Vancouver, bringing visitors from all over the globe, tourism held an increasingly important role in the province, which offered significant natural beauty and opportunities for outdoor recreation (Barman, 2007, p. 359). The economic reorientation toward tourism was already

well underway in Nelson by that time.

Transportation difficulties notwithstanding, the Kootenay region has a lot to offer tourists in terms of natural and outdoor activities: four of British Columbia's seven national parks are located in the Kootenay region, two of them quite close to Nelson. Starting in the 1950s, in a largely grassroots effort by Nelson residents, the site of the old Silver King Mine just outside of the city was converted into a ski hill that would eventually become the Whitewater Ski Resort (Whitewater Ski Resort, n.d., para 2). Nelson is not singular in this regard. The Kimberley Alpine Resort was also originally developed by a local ski club starting in the 1930s, and the Fernie Alpine Resort was slowly developed over time from a weekend-only local skiing area. Beyond skiing, the area around Nelson also has opportunities for watersports, fishing, hunting, mountain climbing, and biking (BC HCB, 1981, p. 194-195). As Nelson, Fernie and Kimberley's initially grassroots ski resorts indicate, these outdoor recreation activities are also valued pastimes for British Columbians, and attract not only tourists but also new permanent residents seeking active, outdoor lifestyles.

Beyond its natural assets, Nelson also has significant historical and human resources to offer. Many of the American ideological migrants who moved to the area were highly educated and brought professional skills and qualifications with them. This led to a local joke (often taken to be fact) that the city of Nelson has, per capita, the most people with PhDs in the country. The Canadian census³ does not provide data specifically on doctoral degrees, but it does show that 24% of Nelson residents over 15 years of age hold a post-secondary degree, higher than the provincial (18%) and national (17%) levels. Fernie has an even higher level of post-secondary education than Nelson however, with 26% of the population over 15 holding a University certificate, diploma or degree at bachelor level or above. Kimberley is slightly below the national and provincial level at 16%.

Educated new arrivals to Nelson during the Vietnam War era nevertheless had difficulties finding employment, and often found themselves working

³ All government statistical data about Nelson, Fernie and Kimberley in this dissertation are drawn from the 2011 Canadian Census National Household Survey (Statistics Canada, 2011)

multiple jobs far below their qualification levels. Rodgers recounts one ideological migrant with a PhD in biology who supported himself by driving a coal truck (2014, p. 91-93). One option for such migrants was to take the money they earned from available employment opportunities—mostly in natural resource extraction—and re-invest it in starting businesses to meet the needs of new countercultural residents. Another option for creating their own employment opportunities was to apply for government grants to begin community initiatives through programs like Opportunities for Youth (OFY) and the Local Initiatives Program (LIP). Well-educated countercultural residents in the West Kootenays proved particularly adept at securing such funding. The infrastructural projects and community programs they initiated reshaped the region, with many still existing to this day (Rodgers, 2014, p. 95-101).

One of the most notable examples of grant-funded community programs transforming West Kootenay communities is the Proposal for Urban Heritage Transformation in Nelson. The program, launched in 1977 as a pilot project for urban heritage conservation planning in British Columbia, sought to use heritage resources as a generator of economic growth in the province (BC HCB, 1981, p. 5-6). Nelson was a particularly strong choice for the program. Optimistic assumptions that the city's booming late 19th century growth would continue indefinitely led to the construction of much larger and grander buildings than were necessary: buildings that largely survived (BC HCB, 1981, p. 56). Nelson has the largest number of heritage structures in British Columbia outside of Victoria and Vancouver, and a proportionally higher number since Nelson did not continue to grow like those larger cities (BC HCB, 1981, p. 5-6). In a way, the sudden and profound collapse of Nelson's previously booming economy inadvertently set it up for a future of heritage-based tourism.

By the 1940s, Victorian architecture was widely considered an outmoded and old-fashioned obstacle to progress, leading many Victorian buildings across Western Canada to be heavily renovated or demolished to make way for more modern construction. While there were attempts to modernize Victorian Buildings on Nelson's main commercial street, the economic stagnation that

prevented major redevelopment in the downtown area similarly prevented major renovation. Instead, by the 1960s and 1970s, most of the Victorian buildings in downtown Nelson had been “modernized” by simply covering the older details with metal sheeting and plywood, often only at eye-level. At worst, the historical details were partially removed. As a result, it was an uncommonly straightforward process to restore Nelson’s downtown area to reveal a fairly intact example of High Victorian and Late Victorian Commercial and Institutional architecture (BC HCB, 1981, p. 80-81, Inwood, 2012). After restoration was complete, Nelson’s architectural heritage and quaint downtown proved a draw for tourists, particularly after makers of the film *Roxanne* (1987) took advantage of newly restored buildings, including the firehouse, to set their film in Nelson.

Nelson’s downtown renewal went beyond heritage restoration to include architectural restructuring aimed at encouraging small business growth and bolstering the downtown, which had struggled after the Chahko Mika shopping mall opened in 1973. In 1980, the Main Street Canada program was launched to revitalize downtown shopping areas failing to compete with such newly constructed shopping malls. One way they attempted to do this was by reshaping underutilized spaces. As one of the earliest cities involved with the Main Street Program, Nelson split large downtown retail properties, like a vacant department store space, into smaller storefronts (Inwood, 2012). The legacy of such changes can be seen today in a number of long and narrow stores that resulted when standard sized downtown retail storefronts were split in two. The availability of these smaller spaces, with correspondingly lower rent, lowers the cost of establishing small businesses, and seems to have been one factor encouraging a culture of entrepreneurialism I observed in Nelson.

The tendency for American ideological migrants to start businesses in order to create economic opportunities for themselves appears to have continued apace since then. Seventeen percent of Nelson’s labour force is self-employed, compared to 11% in Canada as a whole, and 13% in British Columbia. Fernie also has an above average rate of self-employment with 14% of labour force

participants. Kimberley has even an even higher rate than Nelson at 19%. Upon my arrival, I was surprised by the large number of locally-owned businesses in Nelson, in particular very small, informal businesses using systems that would be considered completely subpar or out of date in many Canadian cities. In several of the small retail stores downtown, for instance, I noticed that cash registers, when present at all, were mainly decorative, with many businesses opting for cash purchases recorded manually in notebooks, with hand-written receipts. Venturing from downtown into residential areas in the city, one continues to see signs for numerous small, home-based businesses – sometimes more than one in a home – advertising services like massage therapy and shoe or electronics repair.

Beyond the full-time self-employment reflected in census data, I noted that most of the people I met in Nelson attempted to barter or sell products and services in addition to formal employment. After one dance class I attended, two of seven students approached the teacher to try to work out arrangements to trade handmade goods for further instruction. The teacher was happy to oblige, but only if she could trade for necessities like food or sewing costumes for her dance company. She explained that she gets so many offers for barter of non-essential items like jewelry that it can be difficult to cover her basic expenses. The many micro-businesses in town showed similarly informal practices, most without websites, or even reliable contact information, with one near my home listing their operating hours on their sign as “flexible.” All of this made me wonder if self-employment in Nelson might be even more common than government statistics represent.

Some new arrivals to town expressed frustration with Nelson’s informal business practices, particularly the surprisingly common practice of operating on a cash-only basis. Most seemed to quickly acclimate to the new conditions, and even begin appreciating them as being “very Nelson.” Informal practices even bled over into unexpected areas, with more than one person telling me that it is common for tenants in Nelson to pay their rent by handing over wads of cash. One small business owner argued that local tolerance for minimalist business

infrastructure allowed many more local businesses to operate than would be possible otherwise, by significantly streamlining business costs.

Another potentially relevant factor when it comes to informal business practices in Nelson, particularly the tendency to operate in cash, is the ill-defined impact of marijuana growing and trafficking on the local economy. In 2010, economist George Penfold argued that British Columbia's illegal marijuana industry contributes between six and eight billion dollars to the provincial economy annually (p. 1). In 2012, Nelson-based journalist Bob Keating speculated that marijuana legalization in the United States is negatively impacting the Kootenay economy in ways that are difficult to quantify. At that time, Penfold estimated that between seven to twenty percent of British Columbia marijuana is grown in the Kootenays, with one in five jobs in the region tied to marijuana-growing (Keating, 2012, p. 62).

While living in Nelson I noticed that the regional connection to the illegal drug trade, and large number of small, informal local businesses operating on a cash-basis resulted in a light-hearted game of guessing which small businesses were sincere, and which were fronts for money laundering. Beyond this diversion, I found that most people considered marijuana cultivation to be such a given that it bordered on mundane. For example, a friend's neighbour in a nearby rural community invited us to visit a series of large barns on his property, where he housed an impressive collection of classic cars and antiques. My friend was amazed to discover he had been unknowingly living next to such a collection, noting that he had never paid much attention to the barns having "always assumed they were just a grow op."

Links to the marijuana industry make it next to impossible to fully account for the health and make-up of Nelson's economy. A friend who had lived in Nelson since childhood confessed he found the local economy bewildering, and was not even certain what the city's main industries are. In particular, he could not fathom how Nelson is able to support so many luxuries like art galleries, restaurants, and coffee shops, with so little obvious employment available. In the end, he assumed it was "drug money" circulating in the economy that supports

such things. Similarly, the friend felt the economy was contracting the year I did my fieldwork, due to recent problems finding and keeping tenants, but struggled to see an obvious cause for the downturn. This led him to speculate that something must have happened to negatively impact marijuana growing, leaving less money floating around town.

Nelson's thinly-veiled links to the drug industry made doing economically-focused fieldwork somewhat more fraught than I had expected. Often seemingly innocent questions were met with awkward side eyes and pauses, and winks and nods – if not outright finger pointing – toward the marijuana industry subsidizing the city. In one of the more direct examples, in my first week in Nelson I was engaging in small talk with a woman at a party when she warned me: “It’s not really the best idea to ask people around here what they do for a living... Oh, they’ll have some answer for you, but it’ll be bullshit.”

5.5. VALUE VERSUS VALUES

Nelson, then, is a small, idiosyncratic city with a reputation for being a countercultural enclave. Its physical isolation and terrain, and its diminished capacity for natural resource extraction means that it has had a difficult time establishing a reliable economic base in the twentieth century, despite its citizens' resourcefulness. This appears to have been mitigated somewhat by marijuana cultivation, but it is difficult to assess to what degree this is true. People nevertheless continue to migrate to and settle in Nelson, attracted by its natural beauty and quirky reputation. One friend claimed “people don't move here for economic reasons.” Instead, I observed that the process of ideological, versus economic, migration continues: most people appear to move to Nelson based on their values and desired lifestyle, instead of pursuit of strictly utilitarian, financial motives. One interview participant claimed that while passing through Nelson on vacation, he fell so in love that he went straight to a real estate agent and bought a house within a day of arriving, figuring he would figure out the rest of the details later. Another, when asked why she had moved to the Kootenays from Vancouver, laughed and answered: “My oldest was going into high school and

they had metal detectors at the door checking for knives and guns at the school she was going to aaaand..... that was pretty much time to go.”

A long-time Nelson resident who had initially migrated from the United States described the dynamic of ideological migration by explaining:

I think Nelson is unique... because we had the draft dodgers and the Quakers and the Doukhobors and we've got this strong peace ethic, work ethic here... That gathers momentum and attracts more people of like minds. Like [the man running a local non-profit]. He saw Nelson and said, “I'm moving here. I wanna move to a town that values these things...” Wow – that's great... for us. He's a great guy. But he's taking a lot less, I'm pretty sure that he's taking a bigger hit in his pay... He's very good. He could be [working for much larger organizations that pay far more]... Where I came from, it was a beautiful town but we used to joke, “you've got to eat the scenery.” And that's pretty much what you've gotta do here. Part of the reason you live here is because you can ski and swim and sail and breathe fresh air.

Many Nelson residents therefore have a genuine affection for their city and the lifestyle it offers. John de Graaf, a PBS producer and co-author of the book *Affluenza* (2005), gave a talk about happiness in Nelson during my field stay. He commented to the audience: “Coming to Nelson to talk about happiness is like going to Newcastle to talk about coal: you guys kind of seem to have it figured out” (2012, July 16).

It was just such a sense that people in Nelson are happier, or have things figured out, that originally led many people I met to settle in the city. Several explained that the population includes a lot of “rolling stones” and “travelers” who enjoyed a fairly nomadic existence before feeling compelled to finally settle down in Nelson. In one fairly typical example, a friend explained that, while she had never lived in one place for longer than eight months over a ten year period (from 18 to 28 years old), she had been in Nelson for two years and planned to settle in the area permanently. She said that part of what she liked about Nelson is that there are plenty of other people who are, or have been, “transient” like her,

and it made her feel less alone in the world.

The impression that Nelson's population is fairly fluid, with a lot of people coming and going, is confirmed by government statistics showing higher rates of migration and residential instability than is the national or provincial norm. The 2011 Canadian Census shows that 18% of Nelson's population changed addresses over the preceding year (compared to 12% of Canadians and 14% of British Columbians), with 8% having moved to the city from elsewhere (compared to 5% of Canadians who moved to different cities, and 6% of British Columbians). Over a five year period these numbers were 49% and 26% (compared to 39% and 18% nationwide, and 43% and 21% provincially). By comparison, Fernie had slightly higher levels of residential instability than Nelson, while Kimberley had the most residential stability of the three cities, with levels more in line with the national average.

The fact that Nelson's population has remained fairly stable suggests that the noteworthy number of people moving into the city is matched by a similarly sized group who leave. The majority of the friends and acquaintances I made while living in Nelson have since moved. Those who have stayed are generally retired, semi-retired, or work remotely for companies outside of the area. In the case of the Community Dollars currency specifically, of the six people who were most heavily involved with the currency development and launch as organizers, all of whom initially intended to stay in Nelson permanently, three have since moved elsewhere.

Many people relocate to Nelson without having employment arranged in advance. Unless they have a trade or professional skill in very high demand—and even in some cases when they do—people are commonly forced to piece together two or three jobs to make a living. Often these jobs have very little relation to one another, or to the person's professional qualifications. In one fairly typical example, an acquaintance who had a biology degree worked part time as a sales clerk at a sporting goods store, a hostess at a restaurant, and a yoga and fitness instructor. The resulting lifestyle can be difficult to sustain over time. One middle-aged Nelson resident argued that the norm of working multiple jobs is

particularly difficult for older people, explaining “that's just too much when you're not in your early twenties.”

In spite of their efforts, many people find they are unable to financially support themselves and settle in Nelson over the long-term. Multiple people I met in Nelson reported struggling to make ends meet for the first time in their lives. Several specifically told me that they were depending on credit cards to buy the things they need, and were unable to pay those credit cards off at the end of each month. These were typically frugal people with reasonably simple needs and, while this was the reportedly the first time any had been in such a difficult financial situation, they nevertheless expressed a strong desire to remain in Nelson, and faith that something would work out to allow them to do so. Unfortunately, several of these people have since had to leave Nelson, and financial realities seem to have played a role in their leaving.

One local entrepreneur who had managed to develop a successful local business over a decade speculated that one of Nelson's major sources of wealth is, in fact, the depleted savings of such people. While arguing that outside money is needed to support Nelson's economy, she explained:

The only thing that supports all these businesses that you see on Baker Street is because they change hands every three to five years. And why do they change hands? Because people – new people – come from Calgary and Vancouver, they buy out the people who are broke. They re-mortgage their houses to put money into those businesses, they lose all their savings to maintain those businesses, they don't make ANY money. They keep those businesses at losses for five years, and after they run out of all their savings, they sell them. Then new people come from Calgary or Vancouver, bring a new bunch of cash with them, and the circle repeats. That's the truth. That's the truth. I'm doing bookkeeping for the same businesses but for new families every five years. And initially I didn't understand that, but I've been [here] long enough to see that... None of them—NONE!—make any money. None. Zero. Zippo.

Government statistics support the notion that Nelson is struggling economically. In 2011, the median total income for economic families⁴ in Nelson was \$67,222 compared to \$76,511 nationally, with an unemployment rate of 8.6% compared to the national rate of 7.8%. The prevalence of low income⁵ status was 20.1%, versus 14.9% nationally.⁶ Of course, government statistics generally only reflect income from legal and formal employment. Given the ill-defined impact of marijuana cultivation on Nelson's economy, and how commonplace barter, trading, and informal microbusinesses are, there is reason to believe Nelson's may not be quite as marginal as statistics portray. Nevertheless, entrance into the underground drug economy, or even into informal trading relationships, generally requires access to resources and social networks not readily available to newer arrivals.

Despite the financial difficulties involved, the decision to leave Nelson can be very difficult when strongly-held ethical values brought a person there in the first place. One interview participant, who had returned to Nelson after living in a large U.S. city for many years, explained: "you live in the Kootenays and there are people working three jobs, three different projects, and... you know, just trying to survive because they like living here. And they... could go to the city, some of them, and get a real job but, to them, it would be selling out." The intensity with which many Nelson residents love their city can also make one feel sheepish about wanting to leave, or complaining about underemployment, or an unfulfilling and exhausting work life. Although my field stay in Nelson was always intended to be temporary, and my employment prospects there would have been dire, many people expressed surprise that I had not become so enchanted with Nelson that I decided to relocate there permanently. Over the course of my field stay, I felt increasing social pressure to fall in love with Nelson and want to stay. Eventually, I did not feel comfortable telling anyone that I was

⁴ Two or more residents of the same dwelling with familial relationships (versus roommates)

⁵ Prevalence of low income based on after-tax low-income measure (%)

⁶ Kimberley had similar levels of economically marginality to Nelson with a median total income of \$67,411, 14.2 % prevalence of low income status, and a 9.2% unemployment rate. Fernie was quite a bit wealthier than Nelson, Kimberley, or the national norm, with a median family income of \$92,177, 11.8% prevalence of low income status, and unemployment rate of just 3.7%.

looking forward to returning home, feeling they would be personally insulted, or think there was something wrong with me.

Despite the social pressure to become besotted with Nelson, even in the short time I lived there I noticed that many of the “rolling stones” who try to settle in the city permanently are often not able to follow through with their decision. Many have difficulties finding work, getting visas, or otherwise making a go of it, while others simply get bored or find better opportunities elsewhere. The decision to live in Nelson was so value-laden for so many people that I noticed a reticence to admit the decision to leave. On several occasions I learned that people who had told me they were planning to stay in Nelson permanently in fact already had concrete plans to move elsewhere. Even in cases where people were open about their choice to move somewhere else, they seemed to feel compelled to volunteer an explanation for why they were leaving beyond personal preference.

Outside of pressing factors like being able to earn enough money to pay for food and shelter, the mundane realities of living in a small and isolated a place like Nelson can be tiresome, and make it difficult to live up to the “very Nelson” ideal. Pervasive anti-corporate and pro-local business social pressures and already limited consumer choices can exacerbate already strained finances. I observed a clearly delineated social hierarchy when it came to grocery store options. It was repeatedly explained to me that the Kootenay Co-op was the “best” place to buy groceries, although people conceded that the high prices meant it was not always practical for everyone. I was therefore told that the next best options were a provincially-owned supermarket, followed by an American-owned chain, because the former was “more local.” The worst options were also the cheapest: the Walmart, and a semi-wholesale bulk outlet referred to colloquially as “the warehouse store.” In a telling incident showing how seriously these judgments were held by many people, one acquaintance said of another, who was trying to save money to buy a farm, “did you know he shops at the warehouse store?” with a whispered tone of disgust one typically reserves for taboo topics.

The reality is that on numerous occasions I felt that shopping at distasteful corporate outlets—including the dreaded warehouse store—was the only reasonable option. For example, as my time in Nelson stretched into the fall, and the nights in my attic room grew colder, I found myself in the market for a new blanket. After shopping all over town, I found I had only four options: one local import shop sold thin batik bedspreads for \$200, a small business selling environmentally-friendly clothes had organic cotton comforters starting at \$300, the local Salvation Army thrift store had a range of exceptionally filthy and damaged blankets for \$20 each, while the local Walmart was selling new comforters at the same price as those available from the Salvation Army. An acquaintance, faced with the same dilemma, opted to forego conventional linens and instead slept on a bare mattress in a sleeping bag purchased from one of the many local sporting goods stores. Operating on a student budget, I sheepishly opted to buy a comforter at Walmart and hoped none of my roommates would ask where it had come from, given the strong social judgments against shopping there. At the same time, I assumed many people in this situation would have done the same thing.

One further option available to Nelson residents with the means to travel is to go elsewhere to shop: particularly cross-border shopping in Spokane, Washington. Although no one I met in Nelson ever talked about cross-border shopping, I realized just how common it must be for residents when I went to a local federal government office to have my passport renewed. I was surprised when, after approving my photo and application, the agent gave me temporary documentation to use to cross the border until my new passport arrived, exclaiming: “now you can go to Spokane!” I had never heard of such temporary documentation before, and said so. She explained “I think we might be the only place that does it,” speculating that the closest border crossing made special arrangements for the temporary documents because “they know we're their business,” further cautioning that she did not think they would be deemed acceptable at other crossings.

5.6. BRITISH COLUMBIA AND THE KOOTENAYS AS SITES FOR LOCAL CURRENCY DEVELOPMENT

Nelson provides an exaggerated example of many of the British Columbia's most distinctive characteristics. The history of both the city and province were deeply shaped by their harsh and rugged topography. Their resource-based economies have been buffeted by unpredictable commodity prices. Their individual characters were shaped by isolation and independence. As a political entity, British Columbia struggled to transform itself from a collection of loosely-aligned, idiosyncratic places into a coherent whole. It is not always clear to what extent it has succeeded. But looking beyond political efforts to unify the province, the British Columbian people's profound identification with their cities and towns provided fertile ground for the growth of local currencies.

As previously noted, a global recession in the early 1980s hit British Columbia particularly hard due its natural resource focused economic base, spurring efforts to diversify the provincial economy. The first LETS local currency system in Comox Valley on Vancouver Island was created as a reaction to this recession and its effects. This fact alone makes British Columbia a significant site for local currency development. But British Columbia has provided a home to many local currencies beyond LETS. It is beyond the scope of this research project to provide a complete accounting of all local currency systems that have existed or continue to circulate in British Columbia. Such a task would prove incredibly difficult given how short-lived many local currencies turn out to be. Instead, in this section I will briefly describe the fifteen British Columbian local currencies I learned about in the course of researching Community Dollars, and in some cases observed directly. To the best of my knowledge seven of these currency systems were active at the time of my field research, one launched afterward, and only three are extant at the time of writing. This description gives an admittedly partial snapshot of the British Columbian local currency movement yet it provides some insight into the diversity, linkages, and ebb and flow of that movement, and some evidence of its productivity. I will end by discussing how British Columbia and Nelson's characteristics compare to those previously found to encourage successful local currencies. Based on the existing literature Nelson

appears to have provided a particularly promising site for a local currency development.

The first LETS system on Vancouver Island inspired a wave of development of similar local currencies worldwide, including systems in British Columbia. The Victoria LETS, on the southern part of Vancouver Island, provides one notable example. Based on anecdotal evidence from informants familiar with the system, it was one of the earliest LETS developed in the 1980s, and it was described as still being active on its website during my field research in 2012. In reality, Victoria LETS appears to have lapsed in and out of operation several times over the past few decades and while the front page of its website is still online at the time of writing, the rest of the site appears to be inoperative.

Despite its dormant periods, Victoria LETS appears to have been uncharacteristically successful, persistent, and visible compared to most LETS systems. An interview participant while I was in Nelson indicated that her daughter had been a member of a different LETS system in Kelowna, British Columbia, having paid many expenses for a wedding using LETS. While I do not doubt her account, I have never been able to locate any evidence of such a system ever existing. Another interview participant reported trading in a now-defunct, but apparently at one time very active LETS system in the Slocan Valley in the 1980s or 1990s. While I have been able to find vague references to the existence of such a system online, details are scarce: I have not been able to confirm its name, or when it operated. I did not learn about the Slocan Valley LETS until the last month of my fieldwork and in subsequent conversations I was unable to find anyone else in Nelson who was familiar with it.

One currency for which I have been able to find, and confirm, quite a lot of information is Kootenay HOURS—or “Barter Bucks”—which circulated in Nelson from around 1994 until sometime in the early to mid-2000s. The currency was still in use when Wheatley (2006) interviewed Barter Bucks users in the summer of 2002, but had been defunct for quite a while when I did my fieldwork in 2012. Kootenay HOURS adopted the Ithaca HOURS currency model, and were therefore denominated in time. While local community members appear to have

taken up the local currency with gusto, they reportedly found the time-based HOUR format confusing, and generally operated on a standard conversion to Canadian dollars, as is often the case with HOURS currencies. The implicit rejection of the time-based format went a bit further in Nelson, where the community also discarded the name of the currency, which came to be universally known as “Barter Bucks.” Based on my conversations with someone who was involved with Barter Bucks’ administration, the currency was intended to embrace Nelson’s countercultural elements. The bills were printed on hemp paper (pictured Appendix 5, Figures 4-8), and an alternative newspaper (with around 35 issues in total) was published as part of the project. Barter Bucks administrators also tried to use the currency to promote progressive political goals like environmental sustainability, and to provide opportunities for people who were economically marginalized.

At its peak, around forty businesses along Baker Street accepted Barter Bucks, and the equivalent of around \$40,000 CDN entered circulation over the course of three print runs. Although most of the businesses involved offered nonessential services—apparently a local astrologer did quite well with Barter Bucks—the currency organization was also able to recruit businesses providing basic necessities like groceries and dental care. At the time of my fieldwork in Nelson popular opinion was that Barter Bucks had gradually run out of steam because its administrators moved on to other projects and were no longer able to commit time to keeping it going. In the end, most of the participating businesses ceased accepting Barter Bucks. This left a small number of bigger vendors as the “last ones standing,” holding significant amounts of local currency with nowhere to spend it. By some accounts there were businesses left with around ten thousand dollars in Barter Bucks when the system shuttered, but these amounts could be apocryphal.

An extant British Columbian local currency that, at least temporarily, seems to have been fairly successful is the convertible local currency Salt Spring Dollars (previously discussed in Chapter 3). Salt Spring Dollars were created on Salt Spring Island in 2001 “with the goal of raising funds for worthwhile

community projects while promoting local commerce and goodwill” (Salt Spring Island Monetary Fund, 2007, p. 57). Like Nelson, Salt Spring Island has a reputation for being a haven for artists and members of the counterculture, although when I visited in 2012 several people argued that rising property values were forcing out the countercultural population in favour of wealthy retirees and commuters from Victoria and Vancouver. Salt Spring Dollars can be purchased and exchanged for Canadian dollars, and the bills include artwork from island residents like Robert Bateman. The Salt Spring Monetary Foundation has also minted silver coins. As a result, Salt Spring Dollars are a popular souvenir for tourists, and a collector’s item sold over the currency foundation’s website. At one point every business on the island reportedly accepted the local currency, but after changes in the currency’s administration meant it could no longer be turned in for Canadian Dollars at par, this ceased to be the case.

Salt Spring Dollars’ early successes, reputation, and online presence led them to inspire the founding of other local currencies. Chemainus Dollars are a convertible local currency that sought to reproduce the Salt Spring Dollars approach. They were created in the community of Chemainus on Vancouver Island in the year 2010, and seem to now be defunct. Although there is still reference to the currency on the Chemainus Visitor Centre website, the website for the Chemainus Monetary Foundation is no longer active. Archived versions from the Internet Archive “wayback machine” suggest the website was last updated in 2011, and went offline sometime in late 2016.

The Tetla currency on Vancouver Island also appears to have been partially inspired by Salt Spring Dollars. They are another physical currency pegged to Canadian Dollars, but they cannot be exchanged for national currency. They can, however, be traded with the currency organization for other parallel currencies like Salt Spring Dollars or Canadian Tire money. The Tetla organization’s website explains that they chose to not make their currency convertible to national currency to prevent it from quickly exiting circulation, as was the case with Salt Spring Dollars before an administration fee was introduced (Tetla Tsetsuwatil, n.d.). Tetlas were founded in 2011 in the territory of the

S'amuna' Nation, and members of several Cowichan tribes serve on the currency's advisory council. The currency was created based on traditional concepts of "mutually beneficial" economic activity, or "tsetsuwatil," which means "working together" (Tetla Tsetsuwatil, n.d.). At the time of writing, Tetlas appear to still be in circulation, with local media coverage of the local currency as recently as 2015 (Smith, 2015).

Salt Spring Dollars also served as the preliminary inspiration for Community Dollars, whose founders initially planned to copy the Salt Spring approach before adopting the Community Way model. As will be explained in further detail in Chapter 6, like LETS, Community Way was created in Comox Valley, Vancouver Island by Michael Linton. There have been several iterations of Community Way in Comox Valley, and the most recent reboot, "Community Way Dollars," launched in 2009. Inspired by this system, and aided by Michael Linton, three other Community Way systems were founded in British Columbia: the Community Dollars system in Nelson, Fernie and Kimberley, in 2011, Powell River Dollars in Powell River, in late 2012, and Seedstock, in Vancouver, in early 2013. At the time of writing, of the four only the Powell River system seems to be operational.

Prior to Community Dollars' launch, the Fernie and Kimberley-based organizers had already developed different local currencies in their cities. Advocates for Local Living (ALL), a Fernie-based organization aiming to encourage local shopping, created a pilot Time Bank system, which they then tried to rework into a LETS system called FERNS. As will be explained in Chapter 7, the FERN system was on the verge of launching when its organizers were introduced to the Community Dollar group in Nelson by Michael Linton. They then opted to join that project, making it regional. Similarly, in Kimberley, two community members were trying to resolve technical issues with their newly launched LETS system trading in "Kimbos" when introduced to the Community Dollar group. They also abandoned their struggling local currency in favour of making Community Dollars a regional effort.

As previously noted, local currencies are more likely to be successful in places with a younger, more highly educated population, with lower rates of marriage and less residential stability compared to the national average. Geographical isolation, small and dense populations, prior alternative economic experimentation, political progressiveness, and proximity to other local currencies also appear to foster local currency success. Indicators of economic marginality like lower incomes and higher unemployment rates increase the likelihood that a local currency will be developed in a particular place, but do not appear to contribute to a local currency's longevity or success. The exception is when poor economic conditions constitute a crisis where local currencies' higher transaction costs are outweighed by critical need.

In 2011, the median age in British Columbia (41.9) was slightly higher than nationwide (40.6). Of the three cities where Community Dollars circulated Nelson and Fernie were fairly close to the national median, with Nelson's residents being slightly older (40.9) and Fernie's slightly younger (39.9). Kimberley's population was considerably older than the national and provincial population (46.3). Canada-wide, 46% of the population over 15 are legally married. The rate in British Columbia is higher, at 49%. Fernie's marriage rate was slightly higher than the national average at 47%, and Kimberley's was higher than the provincial rate, at 52%. The rate in Nelson was notably lower than national or provincially, at only 38%.

In terms of education, 17% of the Canadian population over 15 years old had completed some sort of post-secondary degree or certificate program. The figure was slightly higher in British Columbia, at 18%. As already noted, Nelson (24%) and Fernie's (25%) adult population was more highly educated than the national average in 2011, and Kimberley's was slightly less so (16%). The census National Household Survey data does not indicate the number of post-secondary students in each city. There are no university campuses in Nelson, Fernie, or Kimberley, but all three contain community colleges. There are three Selkirk College campuses in Nelson, two offering technical and trades programs, and one teaching arts, crafts and design. Both Fernie and Kimberley have College of the

Rockies locations, but they only offer short-term programs (less than one month) or part-time continuing education programs in the evening and weekends. As a result, of the three cities, Nelson likely has a greater number of post-secondary students than Fernie or Kimberley, but it is difficult to say how this compares to provincial or national levels. Certainly none of the three cities could compare to university dominated towns like Ithaca, New York.

British Columbia has higher rates of residential instability than the national average. Nelson and Fernie's populations are even more mobile, especially over the short term, with 18% of Nelson residents and 20% of Fernie residents having changed addresses over a one year period, compared to 12% of Canadians. The rates in Kimberley were fairly close to the national norm. Mobility is a distinctive characteristic of British Columbia. Barman notes that British Columbia is the only province where newcomers continually outnumber locally-born residents, with the province's population having grown faster than the country in every census it has participated in, dating back to 1881. These newcomers also show a lot of attachment to British Columbia, with three quarters describing the province as their home, rather than the province where they were born (Barman, 2007, p. 381, 417). The demographic characteristics covered thus far suggest that of the three cities where Community Dollars circulated, Nelson, with its younger, educated and mobile population, greater number of post-secondary students, and lower rates of marriage, was the most promising site for a successful local currency. Fernie, with its young, mobile population, suggested a more promising site than Kimberley. These factors do not appear to offer much explanation for why British Columbia seems to have been such a productive site for local currencies. Instead it suggests the characteristics that led to the creation of so many local currencies were perhaps more geographically constrained.

Moving beyond demographics, one relevant factor that likely contributes to these localized conditions is the attachment to place characteristic of British Columbian municipalities. The province's rugged topography led to geographically isolated natural resource driven local economies, and a population that identifies keenly with the cities and towns where they live. Many of the

British Columbian local currencies projects I identified correspond with Kim et al.'s (2016) and Williams' (1996d) claims that rural, geographically isolated localities with small and dense populations and an attachment to place provide a more supportive context for local currencies. Of the fifteen British Columbian local currencies I have identified, six were located on an island, five in mountainous interior areas, two in agriculturally productive valleys between mountain ranges, and one in an area most easily accessed by ferry. Only the Seedstock currency in Vancouver was developed in an area where transportation issues do not impose some degree of isolation. The population of the areas in question vary widely, from tiny Chemainus, with a population of around 3,000, to Vancouver, whose urban center has a population of around 600,000. The same geographical constraints that isolate many of these communities—being hemmed in by mountains and water—mean that most have fairly dense populations, even if rural and remote. In the case of Community Dollars currency, all three cities have such small populations that they would typically be considered towns. Using the subdivisions employed in the census, the Nelson area has the largest and densest population, with 10,230 people living in 11.93 square kilometers. Fernie has the smallest population with 4,448 people living within 14.83 square kilometers. This makes for significantly less population density than Nelson, but also significantly more than Kimberley, whose larger population of 6,652 is spread out over 60.62 square kilometers. All of this suggests that the tendency toward small, isolated, densely populated communities with devoted populations likely contributes to British Columbia's propensity to create local currencies. In the case of Community Dollars, the small, dense populations in Nelson and Fernie suggest that the currency was more likely to succeed in either of the towns that in Kimberley.

The British Columbian local currencies I have described are similarly densely packed, with most of them contained to a reasonably small Pacific coastal area. The remaining currencies span a much larger area of the interior region. While British Columbia seems to provide an example of local currencies begetting other local currencies, it is unclear whether this proximity contributes to success.

Collum (2005) speculated that this could happen due to collaboration and aid between local currency organizers, but his research focused only on systems using the same currency model and approach. But the fifteen currencies I have identified employed five distinctive local currency models (LETS, CLCs, Time Banking, HOURS, and Community Way), with at least two of the currencies adopting customized variants of those models. In such a case, nearby local currency administrators might not be as helpful, since their currencies are so different. Moreover, this diversity has the potential to lead to counterproductive competition and territoriality that might prevent communication.⁷ For these reasons, it remains unclear to what extent this proximity is helpful, or even potentially harmful.

Factors like political progressiveness are also difficult to assess. As a whole, British Columbia has a reputation for being a bit more politically progressive than the rest of Canada, possibly in part due to the greater association with war resisters and marijuana cultivation. As already noted, the province is by no means politically homogeneous, with certain places having a reputation for being far more countercultural than others. The British Columbian local currencies I have identified were generally located in places associated with progressive politics, but they appear to cover a spectrum of political beliefs. More notably two of the most widely used and longest lasting of these currencies—Salt Spring Dollars and Barter Bucks—were located in two places with nationwide reputations as countercultural havens, where alternative values have been institutionalized into community organizations and businesses. They therefore have the history of alternative economic experimentation Kim et al. (2016) claim is associated with more successful local currencies. As already noted, of the three cities participating in the Community Dollars project, Nelson is by far the most politically progressive, with significant history of alternative economic experiments. Kimberley is the least so, with no obvious history of such experimentation. Fernie appears to sit somewhere in the middle, with some more

⁷ One example of this is Tupper (2009)'s interview with Michael Linton, which promotes the Community Way model by disparaging other British Columbian and Canadian local currency systems adopting different approaches.

recent evidence of countercultural political activity, but not to the same extent as Nelson. As with several of the factors already discussed, this suggests that Nelson was the most promising site for Community Dollars, and Kimberley was the least promising.

5.7. CONCLUSION

The most relevant factors for British Columbia's prolific creation of local currency systems appear to be its history of isolated and independent communities, and its population's tendency to identify strongly with the cities and towns where they live. Certainly Michael Linton's innovation has played a factor, as my observations in British Columbia suggest that exposure to local currencies inspires the creation of more local currencies. Nearly all of the factors discussed above, and Nelson's unique countercultural and entrepreneurial history, suggest that it was a fairly ideal location for a successful local currency. Fernie showed some promise, and Kimberley considerably less so, but Nelson was specifically the sort of place one might expect a local currency to thrive.

As Chapter 3 shows, however, the context for a local currency system is not the only relevant factor. The specific characteristics of the currency organization also play a role in how a local currency is experienced, and whether it is successful. The next chapter describes Michael Linton's newest currency model, Community Way, which was adopted in the Community Dollar system. The structure and practices of the Community Way approach powerfully shaped the Community Dollars system and appear to have limited its chances of success in spite of a promising environment.

CHAPTER 6 THE COMMUNITY WAY MODEL

This chapter describes the Community Way local currency model in its ideal, theoretical form. One of the principal goals of this research project is to provide a detailed explanation of what the Community Way model is, and how it works. Initially I pursued this goal because I believed Community Way to be a cutting-edge local currency model newly invented by Michael Linton. I wondered if Community Way might prove to be as ground-breaking and influential as the LETS model Linton developed in the early 1980s. I no longer believe this will be the case. The reports from local currency organizers in 2011 and 2012 that Community Way was a brand new currency model turned out to be inaccurate. I eventually discovered that Community Way dates back to the 1990s, but has failed to attain the success or inspire the enthusiasm that LETS did.

Community Way is a complicated hybrid local currency model and there are no detailed accounts of how it works in academic or grey-literature publications. I seek to fill that gap with this chapter. Perhaps more importantly, this chapter traces Community Way's development from the first LETS systems through to the most recent Community Way currencies. The lack of such an account in the literature previously enabled the misapprehension by local currency organizers, in the Community Dollar system and beyond, that Community Way is a much newer currency model than it really is.

Explanation of how Community Way currencies are intended to function provides necessary context for the three chapters that follow this one. The Community Dollar story recounted in the next chapter shows what happened when a specific group of people tried to put the Community Way model into practice in a specific time and place. Making sense of that story requires understanding the different parts of the currency model, and how they were intended to function.

It is impossible to fully understand Community Way without first having a basic grasp of its predecessor—LETS—and its ideological underpinning—the Open Money philosophy. This chapter begins by providing this background, and

explaining how Community Way grew from these origins. After providing this context, I will detail Community Way's history and structure, while acknowledging potential problems with the model.

6.1. THE EVOLUTION OF LETS LOCAL CURRENCIES

The Comox Valley LETS system started in 1983 and lasted until 1988. Throughout the 1980s and 1990s Michael Linton promoted the LETS approach worldwide, sharing related software and instructional materials in person and as an early adopter of internet-based telecommunications (Douthwaite, 2002, p. 143). LETS systems peaked in their popularity in the 1990s, proving particularly popular in the United Kingdom. They were promoted there as a potential solution to economic recession, widespread unemployment, and lowered quality of life resulting from the breakdown of community life and social safety nets. There are various accounts of how many LETS systems existed worldwide at various times. Estimates from the United Kingdom range from 300 to over 450 systems at the peak of the phenomenon in the 1990s, with 186 systems still registered with the national LETSlink UK network in 2005 (Douthwaite, 2002, p. 143-144, North 2007, p. 79).

As LETS grew in popularity, conflicts arose about what types of goals LETS can accomplish and how systems should be administered. In the United Kingdom, this resulted in a distinction being made between "LETS schemes" and "LETS systems" (Lee et al., 2004). Michael Linton branded his approach "LETSystem." Along with his colleagues, he refined definitions and instructional materials over time, eventually distilling five basic principles required for a local currency to qualify as being a "LETSystem." These are: 1) Professional staffing: LETSystems are not meant to rely on volunteer labour to operate. Administrators should be paid in some way, preferably using in-system cost recovery versus reliance on external grants. 2) Consent: individual freedom is of fundamental importance in the LETSystem approach, so no one should ever be obligated to join a LETS organization, or to participate in any given trade. 3) Disclosure: the system should be transparent, with all participants' balances publically accessible

at all times to provide in-system regulation through social pressure. 4) Equivalence: the local currency should use the same unit of measurement as the national currency, and therefore be denominated in roughly the same manner. Finally, a LETS system must be 5) Interest-free: system administrators must not levy interest charges of any sort on account balances (Douthwaite, 2002, p. 142, Linton & Soutar, 1994, section 1.3)

Linton's motivations for creating LETS were primarily quantitative, and potentially inspired by Hayek. He wished to create currencies that worked better than national currency by making better use of contemporary technology, thus increasing the money available to local communities. While Linton argues that participation in a LETS system can help to improve the quality of social relations in a community, he contends that LETS are apolitical and value-free. He therefore does not advocate for qualitative transformation as a principal function of a local currency system (North, 2007, p. 85-87). This was not true for many of the people who took up the LETS model and established their own systems. For the LetsLink UK Network, which is generally credited with the popularity and growth of LETS in the United Kingdom, qualitative goals like community-building, reducing social exclusion, and protecting the environment were primary (Douthwaite, 2002, p. 147). These different approaches caused conflict in the LETS movement as a whole, and within specific LETS systems (Douthwaite, 2002, p. 147, North, 2007, p. 79-84).

At the height of LETS' popularity, and throughout its decline, there were three major problems LETS proponents struggled to solve. While many LETS systems were established worldwide, they tended to remain fairly small, and unknown to most people. Many LETS participants were happy with this, believing local currencies to be tools for advancing alternative and countercultural social and political values. This status quo tended to deter members of the population holding more mainstream values from joining LETS systems, and prevented growth in the local currency movement by relegating systems to the social periphery. Another problem that made LETS peripheral is their difficulty in recruiting formal commercial interests. Instead, LETS tend to

be dominated by individuals trading informally. Finally, as time went on many LETS systems failed because they proved unable to secure the funding required to ensure they were administered effectively over the long-term. Thus LETS proponents struggled to find ways to gain mainstream acceptance, increase participation by formal businesses, and cover administrative costs so they did not have to rely on volunteer labour.

Powell and Salverda's (1998) report on local currencies in Europe and North America focuses heavily on LETS administrators' efforts to encourage greater participation by formal businesses. According to their report, many local currency organizers in the late 1990s believed that material, paper currencies are strongly preferred by businesses compared to abstract, ledger-based accounting systems like LETS. They assumed this mainly because paper currency is more familiar and therefore easier to incorporate into existing sales and accounting practices. Powell and Salverda similarly noted that at the height of LETS' popularity, in an attempt to cover costs, administrators experimented with various transaction fees, administrative charges, and selling advertising space in directories. They also recounted debates about the appropriateness of using external grant funding or even printing or creating more local currency to cover costs.

Douthwaite (2002) speculated that the quest for financial reimbursement for administrative labour costs caused the eventual collapse of the original LETS system in Comox Valley, which was created without any mechanisms for funding its administration. When the system suspended trading in 1988, Michael Linton's account was reportedly around \$17,000 in debt, out of a total system debt of \$60,000. Linton justified running up more commitment to the system than he was likely able to repay on the basis that he had been working full time administering the system without compensation. Receiving products and services from LETS system participants was the only way he could ever be repaid for this work (Douthwaite, 2002, p. 144-145). Large debts of this kind can nevertheless lead to a disastrous loss of trust in LETS systems, which is why

many LETS administrators instituted caps on the amount of debt any one account can carry (Powell and Salverda, 1998).

The Manchester LETSgo currency in Manchester, England provides a key example of attempts to resolve the above issues. It also represents an intermediary step between the LETS and Community Way currency models. Prior to establishing the first LETS system in 1983, Linton founded a company called Landsman Community Services Ltd., with the express goal of promoting and propagating LETS systems globally (Douthwaite, 2002, p. 142). Beginning in 1984, he and his colleagues repeatedly attempted to launch a large, highly successful “showcase” LETS in a major city, with the goal of gaining mainstream acceptance of the currency model (Douthwaite, 2002, p. 152). Manchester LETSgo, launched in 1994, was one such attempt. It made significant changes to the original LETS approach designed to appeal to the commercial sector and “mainstream” participants, and to yield revenue to pay currency developers. Manchester seemed a promising site for local currency experimentation since the city had already proved quite amenable to LETS. There were multiple LETS systems in operation, including the uncommonly successful LETS Manchester group, which traded in “bobbins” and, at its height, had 550 members and a turnover of 183,842 bobbins over three years (North, 2007, p. 80).

For the most part LETSgo appears to have employed a fairly standard LETS mutual credit format. One difference was that it was designed to link with other LETS systems through a mechanism Linton called multiLETS, which would allow participants to access goods and services available for trade in those systems (Powell & Salverda, 1998). The hope was that by increasing the diversity of product offerings, multiLETS would make LETS more appealing to formal businesses. To join LETSgo, businesses were required to pay administrative fees of £50, plus 50 LETSgo currency units for each account they registered (Douthwaite, 2002, p. 153). Linton believed that if a large number of dedicated volunteers promoted LETSgo and recruited businesses, the currency would quickly reach critical mass and gain sufficient momentum to break through to the mainstream. As previously explained, basic LETSsystem principles prohibit

reliance on volunteer labour. To get around this, early work on the LETSgo system by these boosters was advertised to be a form of “sweat equity” that would yield substantial “speculative profit” when the currency began to yield income from business administration fees (Douthwaite, 2002, p. 152-153). Linton named this arrangement, where people work for little or no money, but track the work they do for payment in the future, “LETShare” (Douthwaite, 2002, p. 144).

Douthwaite notes that “budget projections for LETSgo Manchester were wholly unrealistic” (2002, p. 153). They were based on the assumption that 200,000 businesses would participate, with each inexplicably opening an average of ten accounts, producing an estimated income of £100 million, £500,000 of which would be earmarked for Landsman Community Services (Douthwaite, 2002, p. 153). The LETSgo project caused conflict in the local currency community, with some local currency advocates in the United Kingdom warning others to “beware” the project, which they likened to a “get rich quick” scheme (Douthwaite, 2002, p. 143). Indeed, as LETSgo struggled and eventually folded, skepticism and confusion about the project caused a significant drop in registration in the unrelated Manchester LETS system (Powell & Salverda, 1998). Linton subsequently moved on to advocating the Community Way approach, which will be explained in detail later in the chapter, and the foundations of which are clearly discernible in LETSgo.

6.2. THE OPEN MONEY PHILOSOPHY

Beginning around the year 2000, Linton and his associates began using the term “Open Money” to describe their approach to local currency development, specifically elaborated in a document called the Open Money Manifesto (Linton & Yacub, 2000). The description “Open Money” appears to allude to the Open Source movement. Open Source is a collaborative, non-hierarchical, and non-commercial approach to software development with roots in the Free Software Movement in the early 1980s. It reached a critical mass of popularity in the 1990s, particularly with the formation of the Open Source Initiative in 1998 (Douthwaite, 2002, p. 108-114).

The Open Money Manifesto and related materials are somewhat inscrutable. Although the manifesto contains an explicit statement that it is not “a political proposal,” it primarily communicates a political philosophy. The rest of the Open Money website references technical tools and approaches for putting the philosophy communicated in the manifesto in action. The Open Money political philosophy is broadly libertarian or anarchist, emphasizing personal autonomy and individual freedom as the sine qua non of any local currency system.⁸ The Open Money technical goals are the development of a core set of open-ended tools for administering local currencies, mostly generic online databases where trades can be tracked. The intention is that these tools enable autonomy and freedom by offering some degree of structural variation between systems, while still allowing systems to be linked as envisioned in the multiLETS approach. In reality, to be an Open Money system a local currency must conform fairly closely to the LETSsystem approach and accounting structures. The room for variation is therefore more limited than the emphasis on “openness” and individual freedom imply.

In the Open Money manifesto, Linton and Yacub argue that the flawed design of conventional money systems causes a host of social and environmental problems. Specifically, they argue that conventional money’s scarce and centralized nature leaves most people disempowered and dependent upon the small portion of the population who monopolize wealth and power. The authors instead promote non-hierarchical social relations based on reciprocal networks of obligation, underpinned by trust and individual integrity. They emphasize the importance of free, individual consent and choice in economic exchange, specifically the notion that the more options people have, the less easily they can be coerced or exploited. At a public lecture on local currencies, Linton argued that because local currencies are not scarce, no one in a local currency system is poor. As a result, no one can compel anyone to do anything they do not want to

⁸ I still characterize Linton and Yacub’s primary motivations as quantitative because although their political philosophy refers to notions of friendliness and autonomy, it ultimately boils down to an individual’s freedom to have and create as much money as they want, and the claim that people would be much more pleasant if they had this freedom.

within the confines of such a system. Linton similarly argued that in situations lacking scarcity, there is more conviviality, while scarce conventional money encourages alienation and separation (Linton et al., 2012). The overall implication is that economic scarcity is artificially, and unethically, maintained in order to consolidate unequal power relations. In the Open Money Manifesto, Linton and Yacub (2000) explain:

There is no good reason for a community to be without money. To be short of money when there's work to get done is like not having enough inches to build a house. We have the materials, the tools, the space, the time, the skills and the intent to build ... but we have no inches today? Why be short of inches? Why be short of money?

The primary goal of the Open Money movement is establishing a network of interlinked complementary currencies. The degree of currency pluralism envisioned by Open Money proponents like Linton and Yacub is fairly extreme. Linton argues that with an Open Money software platform in place, anyone is free to create a monetary system and begin using it with their social networks. Linton describes these networks as “tribes” defined by various characteristics like geographical location, gender, age, culture, scholastic affiliation, or other affinities like shared hobbies (Linton et al., 2012). The resulting currencies could then be used to maintain social connections at the same time that they enable economic exchange. At a public presentation promoting local currencies, Linton explained that “we are expecting something in the range of one thousand currencies in Vancouver before too long” (Linton et al., 2012). When I discussed this vision of currency pluralism with the administrator of a local currency intended to fit under the Open Money umbrella, he expressed skepticism, arguing that having so many currencies in one place would be “absolute chaos.”

In practice, in the Open Money approach local currencies are started using a generic online accounting system that allows for positive and negative balances, as used in LETS and Time Bank systems. Linton recommends that currency developers do not fixate on finding the perfect structure right away, arguing that many local currency initiatives get stuck trying to find the perfect compromise or

combination of features, and never move forward. Instead, he suggests that Open Money currency projects begin with a very loose structure, and evolve organically over time. In an email on the Community Dollars listserv, he explained that the open money philosophy is to “choose everything” at first, and then “let... the garden grow as it does” (personal communication, July 29, 2010).

In reality, the Open Money approach is not as flexible and open-ended as these descriptions suggest. The Open Money manifesto specifically argues that: “a system won't work as a money unless it's well designed. A scoring system that nobody wants to use isn't a working money. So while there's no limit to the moneys that can be conceived, not all moneys will work” (Linton and Yacub, 2000). This argument demonstrates that, while Linton and Open Money proponents argue for personal choice and openness, they also have very strong personal preferences as to where that choice should lead (M. Linton, personal communication, July 30, 2010).

Funding availability and the need to cover administrative costs are major factors that shaped Linton's preferences. In email communications, he repeatedly told the Community Dollar organizers that short-term grant funding is incompatible with the Open Money approach. Skepticism about grant funding is symptomatic of the broader skepticism with the conventional cash economy at the core of the Open Money philosophy. Whenever possible, Linton prefers funding be self-created within the context of a local currency system. With grant funding, that system is connected with, and therefore vulnerable to, “the dysfunction of the normal economy” (personal communication, September, 16, 2010). When appealing to elites for funding, as Dittmer (2013) describes, a local currency group generally needs to conform themselves to the sorts of hierarchical power structures the Open Money philosophy derides. Perhaps more importantly, it dials them into a system of scarcity where they are beholden to another group or institution.

Grants are scarce, and leave beneficiaries in a situation where someone else dictates whether they have continued access to resources. Linton's suspicion with grant funding is undoubtedly the result of his long-term experience in the

local currency movement. As both North (2010b) and Dittmer (2013) argue, grant funding can improve a local currency's short-term prospects, but also prove catastrophic if it creates a relationship of dependency, followed by the withdrawal of funding. As will be explained later in this chapter, the Community Way currency model was designed with built-in, in-system administrative fees that provide funding for the local currency organization. The Open Money approach therefore recommends that all projects begin by using the Community Way model as a "financially viable start-up program" for local currency development, and then allow the currency system to naturally evolve from that original structure into whatever is the best fit for the community (M. Linton, personal communication, July 30, 2010).

6.3. COMMUNITY WAY LITERATURE AND HISTORY

While local currency approaches like LETS, Ithaca Hours, and Time Dollars are relatively well-known, Community Way remains fairly peripheral. With three notable exceptions, published references to Community Way have generally been offhand acknowledgements that the model exists in the context of broader discussion of local currencies (see Boyle & Simms, 2009, p. 58, Kennedy, Lietaer, & Rogers, 2012, p. 186). In 2001, Greco briefly mentioned Community Way as a potential area for future local currency development (Greco, 2001, p. 192-193). While there have been detailed manuals and publications explaining how to organize and manage currencies like LETS (Linton & Soutar, 1994), HOURS (Glover, 1996), and Time Dollars (Cahn & Rowe, 1992) there has been no comparable publication when it comes to Community Way.

The first of three publications describing the Community Way model in more detail is a report published by CUSO Thailand in the late 1990s (Powell & Salverda, 1998). It was designed to educate local currency developers in that country about the latest developments in the local currency movement, particularly in Europe and North America. Community Way featured prominently. The second detailed account analyzed early Community Way efforts in terms of best practices for technological innovation, and mostly used the

currency model as a cautionary tale of poorly managed innovation, dismissing it as an experiment that has already failed (Douthwaite, 2002, p. 155-156). The third, and most recent, exception is a thesis written about the Seedstock Community Way system in Vancouver. It focuses on the currency founders' attempts to use Seedstock as an educational tool for social change (Simon, 2015). Although all three of these sources describe how a Community Way system works in broad strokes, Simon to a greater degree than the others, none describe Community Way with the level of detail found in this chapter. Specifically, they all omit more complicated and potentially confusing features like the underlying system of digital accounts.

Powell and Salverda's (1998) report on North American and European local currencies indicates that by the late 1990s Community Way systems had already been established in Manchester, Hawaii, and both Vancouver and Victoria in British Columbia, and that all of these systems had failed. Douthwaite reported that in 1999 subsequent Community Way systems were in the process of being established in Santa Cruz, California, and Comox Valley, British Columbia (2002, p. 156). I have not been able to establish whether the Santa Cruz system, or another proposed for Tofino/Ucluelet, British Columbia (advertised on archived versions of the Community Way website) ever got past the planning stage. If they did, they left little trace behind. Similarly, a Community Way-inspired system, Roma, named after its home in the counties of Roscommon and Mayo, Ireland, launched sometime in 1999, but only lasted two months before it lost external funding and was discontinued (Douthwaite, 2007, p. 66-67). The current Open Money website further references a Comox Valley-based Community Way "trial project" using smart cards having been "successfully completed" in 2001.

The next wave of references to Community Way I located begins in the mid-2000s. In 2006, Linton embarked on an ambitious project to try to establish a Community Way currency operating using a mobile phone app, linked in some way to the 2012 Olympics in London (Boxall, 2006, Kennedy et al., 2012, p. 186). It is not clear what came of these efforts. In 2009, however, another Comox

Valley-based Community Way system was launched.⁹ This new system inspired the creation of three more British Columbia-based Community Way currencies, all growing out of the Transition Town movement: Community Dollars in Fernie, Kimberley, and Nelson, in 2011; Powell River Dollars in Powell River, in 2012; and Seedstock in Vancouver, in 2013. Searching online, I also came across a number of references to Vancouver Island Dollars, a regional Community Way currency using smart cards and mobile phones, described as being “in the process of being launched” (Katalyst, 2014) in 2013 (Shore, 2013) and 2014 (Trasaxiom, 2014), but I could not find evidence that the system ever actually materialized.

Media reports after the most recent Comox Valley Community Way system launched in 2009, including coverage in the national publication Maclean’s magazine, made reference to the original LETS system in Comox, but not to earlier Community Way experimentation, giving the impression that Community Way was a new local currency model (Findlay, 2009, Tetrault, 2009, Tupper, 2009). My conversations with organizers in the subsequent three Community Way systems in British Columbia indicate that they shared this impression, despite working directly with Michael Linton. One organizer described Community Way as a “brand new local currency model.” Prior to their currency launch, the Community Dollars organizers in the Kootenays claimed that theirs would be the second Community Way system in existence. As far as I observed, none of the organizers from the second wave of Community Way systems had any knowledge of the earlier Community Way currencies, or that the model was at least 15 years old by that point. I was similarly unaware of this historical context while in the field. I had no reason to doubt the claims until I accidentally stumbled across an offhand reference to earlier Community Way systems, and realized I would need to dig further to piece together the full story.

For the most part, the newest wave of Community Way systems met the same fate as earlier examples. The Community Dollars currency was officially

⁹ Based on Powell and Salverda’s report of a Comox Valley-based Community Way system having failed by 1998, and the Community Way website’s reports of a smart card Community Way system ending by 2001, this appears to have been at least the third iteration of Community Way in the area.

discontinued by its organizers in September 2013. In September 2014, Seedstock organizers announced that they were preparing for a “new iteration” of the local currency, but there were no subsequent updates regarding the changes, and their website went offline sometime in late 2016 or early 2017. In 2012, when I visited Comox Valley, the organizers of the Community Way currency there indicated to me that “nothing is currently happening” with the currency. I was therefore surprised to discover that there was a small amount of trading still happening—businesses still had floats of local currency, and two businesses in particular reported regularly trading back and forth with one another—apparently without the knowledge of the currency’s administrators. Nevertheless, there have been no posts to the Comox Valley Community Way system’s Facebook page since 2014, and their website appears to have gone offline sometime in 2017. This suggests that while some community members could still be using the currency independently, it has ceased operation as a centralized organization. At the time of writing, the Powell River Dollars currency is still operating, although its organizers describe use as “slow.”

As previously explained, Michael Linton’s development of the first LETS system in the Comox Valley on Vancouver Island in 1983 is a benchmark moment for the local currency movement. The Community Way model resulted from Linton’s attempts to increase the likelihood of mainstream success for LETS systems in the subsequent decades. Although he has been joined by a variety of partners over the years, Linton has been the most consistent, common thread in LETS and Community Way development, and has generally served as their public face. Given the scarcity of information available about Community Way and its history, and the fact that communications on the matter from the currency model’s creators veer toward the polemic and abstruse, trying to understand and explain the Community Way model is a bit like trying to hit a moving target. The precise details of the structure and procedures appear subject to constant tweaking and adjustment by Linton and his partners. The name Community Way has been applied to a series of similar local currency experiments now stretching out over several decades, but the historical record is too patchy to know just how

similar or different they have been.

The explanation of Community Way in this chapter is therefore delivered with the caveat that it represents my best understanding of the system as it existed in 2012: it is entirely possible that elements of the currency model were somewhat different in the past, and have changed since my study was conducted. My understanding of the model was developed based on reading published explanations of Community Way and Open Money, personally attending and watching videos of public presentations on the subject, and conversing with Community Way organizers in six communities, including brief conversations with Michael Linton.

The publically available internal email communications of the Community Dollars development group proved the most helpful resource. In reading the voluminous cache of emails in chronological order, I was able to follow along through the Kootenay-based organizers' learning process, which was facilitated step-by-step by Linton. This process began with becoming enamored with and choosing the Community Way model, to promoting and explaining it to various groups of skeptical people, to actually setting up, and eventually administering, a Community Way system. While reading and hearing about the learning experiences of Community Way organizers was helpful, I will offer the further caveat that individual organizers involved with Community Way currencies often administered, explained, and seemingly understood the system differently than Linton did. They often opted to use different vocabulary to refer to different components and practices in their currency systems. Linton tolerated modifications and differences of opinion to varying degrees, ranging from a literal raised eyebrow to online declarations that the Community Dollar system no longer qualified as being Community Way. In this chapter, to stick to the original source, I am prioritizing Linton's vocabulary and explanation of Community Way, with the understanding that regardless of his preferences, as with LETS, Community Way has inevitably existed in forms outside of this ideal.

6.4. WHAT ARE COMMUNITY WAY CURRENCIES?

In the Community Way local currency model material exchange tokens (paper or polymer bills in the systems I observed) circulate in tandem with conventional national currency. As previously noted, digital systems like smart cards have been experimented with in the past, and have been proposed for the future. A limited number of self-selected businesses located within the geographical boundaries of the Community Way system accept Community Way currency alongside national tender for a pre-determined percentage of the total purchase price. In my experience, rates range from 10% to 100%, with 20% being typical.

In Community Way promotional materials, the currency model is depicted as being made up of three different groups of participants between whom currency circulates: local businesses, community organizations, and individual consumers. The vocabulary used to refer to each group varies somewhat from system to system. The Comox Valley Community Way website¹⁰ described each role as follows: “Businesses issue [Community Way dollars] through contributions to local community organisations, then accept them in exchange for goods or service[s].” The beneficiary organizations can then “spend the [Community Way dollars] or exchange it with their networks.” Finally, in describing the individual consumer’s role, they explained that Community Way currency users “support [the] local economy while helping community service organisations” (Communityway.ca). I will explain precisely how this all works in more detail below, by describing each group’s overall role, obligations, and potential benefits, and then describing two “invisible” roles not generally acknowledged in explanations of the Community Way model: exchange points and currency administrators.

¹⁰ I privileged materials from this particular system, because it was administered by a team including Michael Linton.

Characteristics	LETS	Community Way
1. Created	1983	Mid to late 1990s
2. Form of currency	Digital ledger entries	Physical tender like bills
3. Main goal of system design	Enabling exchange without conventional money	Enabling subsequent local currency development
4. Principal advertised purpose	Encouraging and enabling exchange	Increasing profits for local businesses while supporting local non-profits
5. How money is created	As mutual credit created when members trade	As obligations to local businesses after they donate to non-profits
6. How individuals become local currency users	Signing up to become a system member by offering products/services for trade	Primarily through buying local currency from non-profit groups
7. Types of local currency users	Members all participate as both producers and consumers	Businesses, non-profits, and individual consumers use currency differently
8. Long term intention for the system	That it continue to enable exchanges	That it changes structure over time, preferably becoming a LETS system
9. Strengths	Few financial barriers to participation, success at encouraging informal trading	Familiar cash format, success at recruiting formal businesses
10. Challenges	Difficulty recruiting formal businesses, requires confident and motivated users	Complicated structure, sluggish circulation without persistent management
11. Impact	Systems founded worldwide with popularity peaking in the mid to late 1990s	Has had little impact to date

Table 1: Comparison between LETS and Community Way

Community Way currency is similar to national tender in several ways. Its value is pegged to the national currency, and it is therefore denominated in the same manner.¹¹ Currency users are generally gently reminded by currency

¹¹ There are no denominations smaller than one dollar, so smaller portions of a transaction must be paid using conventional currency. Comox Valley Community Way, Powell River Dollars and Seedstock Community Currency were/are available in denominations of \$1, \$2, \$5, \$10, and \$20, while Columbia Basin Community Dollars also printed bills in denominations of \$50, and \$100, although none of those bills ever circulated.

administrators that they must report all income earned in the local currency on their tax returns, as with national currency. Community Way advocates argue that these practical similarities with conventional currency mean that Community Way currencies can be easily incorporated into existing retail and commercial exchange practices. This is in implicit comparison to systems like LETS which require people to process exchanges in an unfamiliar manner and have had difficulties recruiting formal commercial enterprises (see Table 1 for comparison). Michael Linton and the other currency administrators I spoke with repeatedly urged that Community Way currency is “just like money” and should be handled and entered into account ledgers in the same manner as national currency. When businesses in the Comox Valley inquired about accounting procedures for handling Community Way dollars, the organizers sent out an email message explaining: “It’s money. The Canadian Revenue Agency says so and so should your books....In the till, it’s cash of a different size and colour, but it’s cash” (personal communication, December 30, 2010).

In reality, Community Way currencies have more limitations and are therefore more difficult to use than national tender. A limited number of businesses accept them, and most at only a limited percentage of the total purchase price. More significantly, local currency cannot be deposited in a bank. So despite the protests of the currency organizers, it must be handled in a substantially different manner than national currency. Despite these important differences, many of the local currency users I spoke with emphasized that the main difference between national currency and Community Way is the way each enters circulation.

6.4.1 How is Community Way Money Created, and How Does It Circulate?

Money is created in a Community Way system when participating businesses agree to make a donation to at least one local community organization or non-profit group they wish to support. The recommended amount for this donation is generally \$1,000 per full-time staff member employed at the business in question. The businesses provide a further donation to the currency

development group to cover administrative costs, typically ten percent of the donation to community groups, or \$100 per full-time employee. The description “donation” causes some confusion because the businesses are not directly giving the group national currency, or directly offering an equivalent in-kind donation of goods or services, as they typically would. In this case, what the business is donating is a certain amount of Community Way dollars—Community Way dollars that only come into existence through the act of donation.

One way to look at this is that the businesses are, in fact, giving an in-kind donation, but in a roundabout manner. The community groups are given their donations in the form of local currency, and the donating businesses commit to accepting the local currency from customers to honour the terms of the donation. Linton describes businesses that create local money through these donations as “underwriting” the currency (personal communication, November 23, 2012). The businesses’ willingness to accept the currency for payment is what ultimately gives it economic exchange value.

Once the local money has been created by a business through their (at this point largely theoretical) donation to a community group, it is that community group who actually put the money into circulation. They can do this in a number of ways. The most direct way is to spend the local currency at any of the local businesses who have agreed to accept it: they are not limited to purchases from the business who donated to them. The group can also provide local currency to their volunteers or employees as a bonus or token of appreciation, or to supporters as a reward or incentive, for example by reimbursing a portion of membership fees in local currency. Finally, community groups can use the local currency as a direct fundraising opportunity, by having supporters buy the local currency with an equivalent amount of national currency. Community Way currencies are similar to convertible local currencies in this way. In Comox Valley, community members were encouraged to publicly pledge their commitment to buy a certain amount of local currency from community groups each month. The hope was that these pledges would ensure that Community Way dollars steadily entered circulation.

Once individual consumers acquire local currency from a community group, they can spend it at any of the participating businesses. As already noted, each participating business commits to accept Community Way currency at a particular percentage of the total price of customer purchases. In some cases businesses have further limited their acceptance of local currency to slower business days (Powell and Salverda, 1998), or specific product categories where they have higher profit margins. Community Way currencies are therefore complementary rather than alternative, since they are used in tandem with national currency during the same transaction.

Some businesses have accepted Community Way currency without limit, for one hundred percent of the total purchase price. Michael Linton discourages this because all businesses have non-negotiable costs that must be paid using national currency, like taxes, rent, utilities, and wholesale purchases. Businesses are encouraged to choose a percentage rate of acceptance based on their profit margins, so that they can freely accept local currency without risk that they will be unable to cover these fixed overhead costs. Powell and Salverda (1998) also note that firms accepting local currency at a higher rate than other businesses are likely to amass more local currency than they are able to spend, encouraging blockages in the currency's circulation.

Linton explains that Community Way organizers are not against international trade, which is precisely why this sort of percentage-based approach exists. The percentage at which businesses accept the local currency represents the "local value-added" in the business' products (Linton et al., 2012). In other words, the profit margin represents the value that is being created through the businesses' activities.

What motivation would any of these businesses, individuals, or non-profit groups have for participation? Like many local currencies, Community Way programs are mostly promoted based on their potential economic benefits, specifically their ability to add wealth to a community that will then stay there. The fact that there are so many specific ways to participate in the local currency system is somewhat unique to the Community Way model, so its advocates have

identified specific benefits unique for each type of participant to aid in recruitment and promotion. The intended benefits for non-profits and community groups are the most obvious, since the local currency they receive from participating businesses represents a new resource they can use to support their work. The benefits of participation for businesses and individual consumers are less immediately apparent.

Community Way proponents explain that, by using a Community Way currency, individuals are able to provide financial support to local organizations without losing spending power, since they can donate national currency to a local group and receive local currency in exchange that they can still spend at participating local businesses. This is different from a standard LETS system, where individuals must participate as producers as well as consumers (that is, directly providing a good or service of some kind), and can therefore earn income through their participation.

Community Way advocates describe their local currency model as a “loyalty program” for participating businesses based on the assumption that individuals regularly acquiring local currency from non-profits and community groups will become new, loyal customers to those businesses. Likewise, proponents argue that the decision to participate in the local currency system acts as effective advertising and public relations for businesses, since they will be perceived as supporting their community. Based on those assumptions, Community Way advocates argue that businesses will see increased income through their participation. Further, they say that when businesses accept the local value added portion of the purchase price in local currency, they theoretically ensure that wealth stays in the local community. In that way, local businesses should benefit from the presence of the local currency as wealth repeatedly circulates rather than leaking out of the community to larger or more prosperous financial centres.

The ultimate intention is that businesses’ donations to local community groups create new networks, or spheres, of exchange based on the circulation of the local currency. Businesses’ ongoing commitment to accept Community Way

currency for payment is what confers it with economic exchange value. The money enters circulation through community organizations which give it to their volunteers, or sell¹² it to their supporters. Once the businesses receive local currency as payment from these individual consumers, other methods for acquiring local currency open up. Businesses can then give local currency to customers as change during cash purchases, or to employees as bonuses. They can also spend the local currency at other participating local businesses. In these ways, the currency is intended to continue circulating and creating value in the local economy.

6.4.2. Exchange Points

One of the most immediate sources of confusion when people try to picture how a Community Way system will work is the question of how individual consumers get their hands on local currency to spend. As noted above, they can buy local currency directly from a participating community organization, or receive it as a reward for volunteering. But there are obvious practical limits to these types of transactions. Many people who might want to use the local currency do not have the time or inclination to volunteer with local organizations, or do not feel they can afford to “buy” local currency with their limited national currency. Equally significant, directly providing local currency to currency supporters is impractical for many community groups who lack public office space or who do not need volunteers. Even organizations with office space may lack the institutional capacity to incorporate local currency sales into their daily workflow, because practical or ethical considerations prevent them from having

¹² I was personally resistant to the use of the terms “selling” and “buying” to describe the interaction between individual consumers and community groups when local currency was provided in exchange for Canadian dollars. I felt this terminology somewhat undercut the local currency’s currency status by reinforcing the impression that Community Dollars were single-use coupons or gift certificates. I much preferred the term “exchange,” because I felt it put the two currencies on par with one another. An employee at the exchange point in Comox Valley indicated that he would be hesitant to use the term “exchange” because he worried it might give the false impression that the interchangeability of the currencies went both ways. But while an individual could get local currency in exchange for national currency, it was not possible for them to get Canadian dollars back in exchange for Community dollars. Nevertheless, I seemed to be the only one who was concerned about this vocabulary issue, and therefore use the terms “buy” and “sell” in this dissertation to appropriately reflect the research participants’ language.

members of the public visiting unexpectedly.¹³ One solution to these issues is the establishment at least one “exchange point” in a Community Way system.

Exchange points are third party sites open to the public, which act like informal banks where local currency can be obtained. In Powell River and Comox Valley the exchange points were local copy shops that also accepted local currency for payment. In Kimberley the exchange point was the tourist information centre. In Fernie, it was the office of a participating non-profit group. An individual can go to an exchange point, and choose which participating community group or non-profit they want to support. They then offer a donation in national currency to that group, and receive an equivalent amount of local currency in exchange. Community groups can likewise go to the exchange point to collect local currency that has been donated to them by local businesses, or national currency donated by individuals. The exchange point takes responsibility for facilitating and carefully tracking these exchanges, and keeping the local and national currency secure.

6.5. HOW IS A COMMUNITY WAY CURRENCY ADMINISTERED?

The precise nature of Community Way administrative work has also caused some confusion. In Community Way promotional literature, currency administrators or organizers are almost never mentioned.¹⁴ For that reason, my understanding of Community Way administration relies heavily on direct conversations with currency administrators and, most importantly, emails between the Community Dollars development group in the Kootenays, and Michael Linton and other Community Way administrators in Comox Valley.

In email communications, Linton advised Community Dollars organizers that there is a general, chronological plan for developing a Community Way “start-up.” First “a group of interested parties form agreements as to [their] structure, purpose, [and] revenue plans, [and] create an LLP (limited liability

¹³ For example organizations working primarily with vulnerable populations, or whose work requires confidentiality for clients.

¹⁴ The only exception I found was one pamphlet from the Community Dollars system, which included administrators as a central spoke in their diagram, included due to a desire for greater transparency.

partnership)” (personal communication, December 20, 2010). Next, they recruit other like-minded community members to join in the project. After that, they solidify those proposals into a “business plan,” and begin moving ahead to make the plans a reality. One of the first steps in moving forward is recruiting businesses and community groups to participate. Once the currency development group decides that there have been sufficient expressions of interest, they move forward by officially registering businesses and community groups, having money printed, and continuing with promotional efforts started in earlier phases. As part of this process, a system of online accounts are set up which tracks the donations made to participating community groups from participating businesses.

During this initial set-up phase Linton refers to currency organizers as the “currency development group.” Once the currency enters circulation, he describes them as “stewards,” but provides little guidance as to what stewardship entails. This is mostly because Linton tends to downplay administrative work based on the assumption that a properly established local currency will more-or-less steer and administer itself, with limited input required, as described in earlier distinctions between LETS systems and LETS schemes.

The one task Linton emphasizes as essential for administrators or stewards moving forward with the Community Way currency is the proper management of publically available electronic accounts set up during the currency development stage. These accounts became a point of contention in the Community Dollars system, as several of the system administrators struggled to understand their importance to Linton. As will be explained shortly, their significance can only be understood within the context of Linton’s longer term plans that Community Way currencies fit under the “Open Money” umbrella of currency pluralism, and specifically based on Linton’s claim that Community Way is a form of LETSsystem.

Many of Linton’s preferences and priorities when it comes to the administration of a Community Way currency stem directly from the assertion that Community Way systems are a type of LETS. In my experience, both

currency administrators and researchers have been puzzled by this claim (see, for instance, Douthwaite, 2002, p. 155). Recall that, for Linton, the five essential features of a LETS system are emphasis on individual freedom and consent, a transparent accounting system where individual balances are publically disclosed, use of paid versus volunteer labour to administer the system, and pegging to the national currency, with no interest charges on debts. Recall also that the major goal of the Open Money philosophy is to establish open-ended local currencies trusted to evolve over time, which co-exist in a system of currency pluralism with links between individual currencies. Understanding these features and goals and how they are intended to apply to a Community Way system, is a fundamental prerequisite for understanding Linton's vision of a Community Way steward's role and responsibilities.

The fact that Community Way currencies are pegged to national currency and have no interest charges is fairly straightforward, but how the other characteristics apply is far less so. They are best understood in the context of the long term plans envisioned for Community Way currencies. More correctly, they are best understood with the knowledge that Community Way currencies are not designed to be lasting systems themselves. As already noted, the Open Money ideal is of open-ended local currency systems that evolve over time. While the process of evolution is described in vague terms that imply local autonomy, Linton and Yacub, the authors of the Open Money philosophy, admit that they prefer a very specific trajectory. Their preference is that Open Money currencies begin by using the Community Way model, and then evolve into LETS systems. The reason is that they believe that LETS is ultimately a superior currency model, but Community Way has preliminary benefits in terms of mainstream appeal and built-in, in-system funding for administrative work (personal communication, November 23, 2012). The latter point is particularly important, since funding limitations have proved problematic for local currency systems in general.

6.5.1. The Funding Model

The prohibition against relying on volunteer work in LETSsystems has proven difficult to put into practice. As already described, the LETSgo system in Manchester employed a workaround called LETShare, where volunteers worked “on spec” with the expectation of future payment. This payment was to be funded by administrative fees paid by participating businesses. Given their inherently higher transaction costs, there is a limit to the amount of fees local currency organizers can successfully impose, which is why the projections of large cash earnings to pay for labour in the LETSgo system were so unrealistic (Douthwaite, 2002, p. 153). Community Way systems employ a similar, but somewhat more realistic, approach to LETShare called submit-for-acknowledgement, or SFA.

SFA is very similar to reports of LETShare. Volunteers during the development stage track their labour with the expectation that they will eventually be paid for their work after administrative fees have been generated. The description submit-for-acknowledgment refers to a proposed process where the volunteers eventually submit a report of their work to other currency group members who, if they accept the report as valid, acknowledge the work through payment. This process was described to me as a type of “peer review” to ensure funds are managed fairly. As already indicated, in the case of Community Way, administrative fees are generated during the donation process in the currency development stage. When businesses make donations of local currency to community groups, they are asked to donate a further ten percent to the currency group to cover administrative costs. Based on reports from administrators, businesses seem far less hesitant to make these intangible donations of local currency than they would be to pay fees in national currency. The currency group can then use the administrative fees to pay for costs like printing promotional materials and the currency itself, or reimbursing work through the SFA process. This type of administrative funding obviously works best when costs are directly payable using local currency, for example if volunteers or printing companies are willing to accept all payment in local currency. If not, the currency organization

must sacrifice further labour time attempting to sell local currency to supporters to convert business donations into more usable national currency.

Despite its limitations, this funding model was one of the main features Comox Valley Community Way administrators used to promote their currency model to the Community Dollars group in the Kootenays. In emails they described the Community Way model as a “kick starter,” “ignition system,” “catalyst,” “bunny hill,” and “financially viable start-up system” for developing local currencies. These descriptions are all revealing of the fact that Community Way is not designed to be a permanent end-point—the intention is that it provides fuel on the path to becoming a different kind of local currency. The intended process of this evolutionary journey remains unclear because, that I can determine, up to this point no Community Way system has successfully made the transition. Based on my conversations with Michael Linton and Ernie Yacub, however, it is clear that the goal is for Community Way currencies to eventually become LETS systems (personal communication, November 23, 2010). I believe Linton’s emphasis on the underlying system of digital accounts is the best indication of how this is intended to happen.

6.5.2. The Digital Ledger System

After a Community Way system launches and currency begins circulating, its administrators are meant to play a more passive role than during the development process. For the most part, responsibilities include promotion, encouragement, and education. Currency users are meant to have a lot of autonomy in how they decide to use the local currency, with those decisions theoretically steering and defining the system. Based on Linton’s advice to the Community Dollars development group, the most important part of the ongoing work of administering a Community Way currency is managing the electronic accounts that partially track this use.

When a Community Way system is set up, before the money is printed it exists as a computer-based ledger basically identical to a standard LETS system. Each participating business and community group has an account which starts

with a balance of zero. When businesses create money through a donation to a local community group, that donation is registered in the online system as a debit to the business, giving them a negative balance, and a corresponding credit to the community group, giving them a positive balance. When the community group draws on its account, for instance if a representative goes to an exchange point and withdraws two hundred Community Way dollars to give to volunteers at an event, that amount is deducted from their balance, moving it closer to zero again.

It is at this point, when Community Way currency physically enters circulation that the system begins to diverge from the underlying digital mutual credit system. Once the paper currency starts to be spent at local businesses it becomes essentially untraceable. At that point it is no longer subject to tracking via digital accounts, which individual consumers using the local currency do not have.

The reason for carefully tracking community groups' accounts is fairly obvious, since it would prevent groups from intentionally or accidentally using more local currency than they were donated. The ultimate purpose of the business accounts, and why the accounts must be publically available, is somewhat less obvious. A series of questions posed by administrators on the listserv, based on questions from business representatives and community members in the Kootenays, revolved around this confusion. The most important of these questions was what, precisely, is the nature of a business' obligation when they "underwrite" the currency by donating to a local community group, and how can they discharge this obligation. The nature of businesses' commitment to the local currency system was generally not well understood and, I would argue, often intentionally downplayed.

In the Kootenays, Community Dollars administrators took to using the word "pledge" in lieu of "donate" to describe businesses' actions when they sign up to accept local currency. This implied that the donation represented an obligation, or pledge, to accept the same amount of money donated from customers. This idea was neither unreasonable, nor strictly incorrect, but it posed several logistical issues. These became obvious when administrators and business

representatives in the Kootenays asked how businesses could go about satisfying their obligation if they decided to stop accepting Community Dollars. This question was not unreasonable, but Michael Linton proved unwilling to provide an answer, instead suggesting that any businesses inquiring about an “exit route” were not serious about participating, and should not be registered to do so. The slightly different approach to business signups taken in the Powell River Dollars system reveals the actual answer to the Community Dollars administrators’ question.

Power River Dollars organizers diverged from the standard Community Way approach because they did not recommend businesses donate \$1000 per full time employee, without limit. Instead, they recommended a donation of between \$500 and \$900 per full-time employee, to a maximum of \$5000, and that some smaller businesses might opt to participate without making a donation. The reason was that, in donating during the development stage of a Community Way system a business is, indeed, accepting an obligation to accept at least that much local currency from customers. This is not meant to be an easy-going, informal intention, where the business just does their best, on their honour: it is intended to be a concrete, quantitative obligation to the system. There are only two ways that a business can properly discharge this obligation to leave the local currency system with integrity. The first is to take the same amount of local currency they initially donated to community group(s), and submit it to the local currency organization as proof that they accepted as much currency as pledged. In a case where the business has not yet received as much local currency as they donated, they can instead discharge their obligation by providing an equivalent amount of national currency. In Powell River, the currency organizers recommended smaller donations than typical to prevent obligations so large a business had no reasonable chance of ever discharging them. For the same reason, the organizers recommended that very small businesses with small profit margins, like farmers market vendors, accept local currency without underwriting it through donations (personal communication, November 4, 2012).

Linton did not agree with the approach taken in Powell River, because he

disagreed with the emphasis on eventually leaving the system. There are several reasons for this. The most important is that if businesses begin using local currency with the mindset that they have to collect up a certain amount to be able to cease participation, it eliminates much of the economic promise of the system. If they start participating with a focus on discharging their original obligation, businesses are unlikely to spend any of the local currency they receive. In that way, the local currency will travel a predetermined loop from the currency organization, to a community group, to an individual consumer, to the business, and eventually back to the currency organization again. By only traveling this loop, and only being spent once, the local currency fails to circulate to any meaningful degree. In so doing, it barely qualifies as being currency, and fails to produce the multiplying effect in the local economy generally promised by local currency organizers. Equally important, this perspective on the local currency is inherently temporary. While Community Way is intended to be a temporary stepping stone in the Open Money process, the intention is that the resulting local currency is much more permanent. The focus on discharging obligations threatens this permanency.

Another pressing issue is that emphasizing concrete and ongoing financial obligations as in Powell River can discourage business participation. This is particularly true when the level of obligation is quite large. For instance, several of the businesses accepting Community Dollars in Nelson had between ten and twenty full-time employees. These businesses happily agreed to donate intangible local currency in the service of amiable ideals of community support and generosity. Based on my conversations with currency organizers in the Kootenays, however, if they had explicitly discussed currency participation in terms of actually surrendering between ten and twenty thousand Canadian dollars in goods, services, or money, far fewer businesses would have signed up to participate.

One major problem with de-emphasizing this obligation is that the regulation of local currency systems relies overwhelmingly on reputation and social pressure. Linton described businesses in the Comox Valley who

discontinued participation without reimbursing their donations as having “dropped out, quite improperly” (personal communication, November 23, 2012). He argued that while the Community Way Dollars organization had no intentions of pursuing legal claims against the businesses, they would lose business due to reputational damage. I am not convinced this is true. My reasoning is that, in my experience, Community Way proponents downplayed the nature of businesses’ obligations to the point that few businesses fully realized what they were actually agreeing to when they signed up to accept Community Way currency. The result was that so few people in the community understood the nature of the agreements being made that there was almost no reputational risk to shirking the resulting obligation. Powell River, where the currency organizers were completely transparent about the expectation that business clear their accounts before discontinuing participation, might present an exception.

A more cynical interpretation for the de-emphasis of large financial obligations by local businesses is that they are, in fact, a design feature of the Community Way model. As already explained, for decades LETS advocates have sought ways to make their systems more attractive to mainstream audiences and commercial businesses. The use of the familiar paper currency form in Community Way systems is a rather effective way to appeal to these groups. Linton and Yacub further argue that their hope is that using a familiar means of exchange like paper currency can act as a gateway of sorts, exposing people to the idea of local currencies in an accessible way, and specifically opening them up to the idea that people have the right to create money (personal communication, November 23, 2012). This is why they describe Community Way as a “bunny hill”¹⁵ for subsequent local currency development. Ultimately, however, the only obvious path for a Community Way currency to evolve into LETS system, as Linton and Yacub want, is that the paper currency component is abandoned, leaving behind the public system of electronic accounts created during the currency development phase. These accounts are essentially a LETS system,

¹⁵ A very geographically appropriate allusion, a “bunny hill” is a small and gradual hill where children learn to ski.

operating on a mutual credit basis, upon which a paper currency system was awkwardly, and temporarily, built. Abandoning the paper currency component would specifically result in a LETS system where a number of formal commercial businesses, of the sort that are generally resistant to joining LETS, start from day one already heavily indebted, with those debts readily visible on publically accessible accounts.

6.6. POTENTIAL PROBLEMS

The Community Way currency model was designed to try to overcome some of the problems faced by earlier local currencies, LETS systems in particular. These problems include difficulties recruiting formal commercial businesses, gaining mainstream acceptance, and generating funds to cover administrative costs. These specific issues speak to more general problems local currencies face regarding their size and continuity, as systems tend to be small, sporadically used, and short-lived. Some Community Way features appear to have helped lessen these problems. For example, the Community Way systems I observed had far higher levels of participation from formal businesses than is characteristic of LETS systems. The Community Way structure and approach risks exacerbating other established issues with local currencies. Three general areas of potential risk are increased inertia and blockages in the system, difficulty addressing irresponsible behaviour and fostering trust, and confusion about the local currency among potential and actual users.

6.6.1. Inertia

As already described, local currencies are less generally useable than national currency, meaning they demand greater time and effort from their users. These higher transaction costs are a pressing issue limiting systems' momentum and growth since most people prove unwilling to dedicate the additional effort needed to use local currency on a regular basis. The result is that local currencies are generally characterized by inertia, as they struggle to get and keep local money circulating. One major feature of this inertia is blockages to currency

circulation, where businesses and individuals with local currency in their possession let it sit in cash register trays, back office safes, desk drawers, or digital accounts rather than actively trying to spend it. To keep currency circulating, local currency administrators must find some way to clear these blockages. One strategy that has shown some success is hosting periodic festivals and events that bring large numbers of local currency users together and encourage trading.

Certain features of the Community Way structure have the potential to make dealing with blockages and inertia more difficult than is the case with less complex local currencies. LETS and Time Banks are centralized and digital, so administrators can easily identify accounts with large balances, and try to work directly with account holders to help them spend rather than hoard their local currency. In decentralized paper currency systems this sort of work can be more difficult, as indicated by stories of Paul Glover biking around Ithaca to find businesses with accumulations of HOURS, and try to find ways for them to be spent (Grover, 2006).

In a paper currency system like HOURS, administrators also retain more direct control over currency issue than is the case in a Community Way system, where community groups assume the bulk of that responsibility. As already explained, Community Way systems are built on a foundation of mutual credit in the form of donations provided to community groups by local businesses. These donations are tracked in a LETS-like ledger system. The moment a Community Way system launches, around half of the accounts in that system begin with large accumulations, and the other half with sizeable debts. Accumulation of large debts and accumulations have discouraged trading and trust, and led to the collapse of LETS systems in the past, which is why organizers have sought to place limits on such balances (Powell & Salverda, 1998). The result is that a Community Way system starts its life with large amounts of currency already pooled with community groups, and currency administrators have very little authority or power to get that money circulating.

Organizers in the Community Dollar system discussed possible strategies for addressing this pooling with Michael Linton and representatives from a granting agency before their currency launched. These strategies included formal or informal recall policies to enable the administrators to withdraw donations from beneficiary groups that did not actively use their local currency or to encourage them to pass donations on to other groups who would do so. Ultimately, the only workable solution was working closely with community groups to help them use local currency, particularly given the importance of autonomy and freedom in the Open Money philosophy. Working to help numerous community groups get currency circulating nevertheless represents a significant administrative burden.

6.6.2. Irresponsibility

The focus on individual freedom in the Open Money philosophy presents a more general problem when it comes to administering Community Way currencies: if individual users are meant to be able to do more or less whatever they want, what are administrators' role and responsibilities? Given the lack of published guidelines for administering Community Way, organizers must rely primarily on Michael Linton's guidance to determine the nature of their work. In the lead-up to the launch of the Community Dollar system in the Kootenays, the organizers became frustrated when they tried to get specific advice about what, exactly "stewardship" of a Community Way system entails.

Any currency system requires some degree of centralized authority. This is particularly true of paper-based systems that require that someone physically creates and distributes the currency. Grassroots currency systems also face questions about how they can prevent irresponsible and opportunistic behaviour when they lack the sort of legal authority governments wield. The Open Money manifesto expresses a libertarian philosophy promoting economic freedom as the fundamental liberty from which all other social goods arise. The problem is that there is little obvious role for centralization or regulation in such a philosophy. Libertarianism only tolerates bureaucratic hierarchy to the degree that it enables

economic liberty, and prevents one person's economic freedom from intruding upon another's. The challenge is determining the shape and size of such a bureaucracy. How can one know what is too much or too little structure before problems arise?

Discussions between Linton and Community Dollars administrators in the Kootenays suggest the result of emphasizing individual freedom is that rules and regulations are mostly only established and applied reactively in a post hoc response to problematic behaviour, rather than proactively to prevent such behaviour. In email communications Community Dollars organizers in the Kootenays became frustrated with Linton's resistance toward explicit and consistent rules or limits regulating participation in their proposed Community Way system. One example was resistance to establishing a minimum rate of acceptance for the local currency of ten or twenty percent rather than trying to evaluate whether each individual business was accepting currency based on their profit margins.

The administrators in the Kootenays expressed concern that the lack of clear policies would prevent them from performing oversight effectively. They specifically asked what they could do in a hypothetical scenario where a business decided to underwrite the currency by donating a million dollars to a local non-profit, in the absence of a maximum donation limit. Linton acknowledged that stewards have to do something if people are behaving irresponsibly, but in the absence of previously established limits, the administrators felt they would have no authority to prevent what they described as stupid and irresponsible behaviour. The focus on fairly unfettered autonomy in the Open Money philosophy makes it difficult to justify the presence of stewards who are making judgments about Community Way users' behaviour. In the absence of explicit guidelines for that behaviour any such judgments risk seeming subjective, arbitrary, or personally motivated.

This problem is not merely an abstract concern. Any currency system must be trusted to function well. Clear regulatory structures of some sort can help foster the necessary trust. Local currencies have collapsed in the past due to lost

trust, either based on unsubstantiated attacks or actual problems with opportunistic or unethical behaviour (North, 2007, Powell & Salverda, 1998). Problems with unethical behaviour or poor reputation can be exacerbated by insufficient administrative practices and structures (Schraven, 2001, p. 3). Local currencies do not need to be highly hierarchical, but if they are to be effectively regulated, they do require clear policies and some degree of centralization (Schraven, 2001). Otherwise administrators have no capacity or grounds to address unethical or irresponsible behaviour, risking catastrophic loss of trust in the system.

6.6.3. Confusion

Hesitancy to trust in new and unfamiliar grassroots institutions is just one obstacle preventing local currencies from securing mainstream acceptance. Another is that mainstream audiences can find the prevalence of countercultural values in local currency systems to be alienating. On a more basic level, people of all ideological leanings tend to be put-off by things they cannot understand. Over the course of my fieldwork, I encountered numerous people who simultaneously expressed interest in local currencies and reluctance to participate in systems. As will be discussed further in Chapter 9, this was usually because people feared the social risks of appearing foolish or gullible for participating. Often, they expressed these fears in terms of not feeling they had a sufficient understanding of how the local currency worked to risk using it. In one representative example, while in Powell River I met a tourist from France who, upon learning about my research, informed me that there was a local currency system of some kind in his hometown of Nantes. He explained that while he found the idea fascinating, he did not participate because he found the whole thing too difficult to understand. He further argued that in order to understand the local currency enough to confidently participate he felt a person “would have to become... a sociologist.”

When I spoke with former administrators of defunct local currencies, they explained that education was an important component of their work. LETS administrators, for instance, described a recruitment process where they helped

prospective users see themselves as producers, and recognize the skills and talents they had to offer other LETS members. A former HOURS administrator described trying to teach local business owners about untapped resources in the informal labour market that they could access with local currency. North (2010b) noted that local currency systems tend to be more successful when they institute mentorships and buddy systems to aid in such education. The difference is that most local currency systems have a fairly simple structure that can be easily explained to a genuinely interested person. While the mutual credit basis of LETS systems is unfamiliar, it is not terribly complex or difficult to understand. The same cannot be said of the hybrid Community Way approach. While I felt I understood how LETS works after reading a couple of articles on the subject, it took me several years of full-time study to feel confident that I actually understand how Community Way works.

One consequence of the model's complexity is that most of the Community Way administrators I spoke with increasingly abandoned the pedagogical components of their work. Several informed me that people do not need to be able to fully understand how a local currency system works to use that local currency. I did not hear this opinion expressed by people who had administered different types of local currencies. Prospective currency users I spoke with also largely disagreed. As will be discussed in Chapter 8, in addition to fearing social risks, some potential currency users who struggled to understand Community Way's complicated structure eventually decided it must be a form of misdirection designed to cover up financial malfeasance. The confusing and complicated Community Way structure therefore presents a notable obstacle for recruitment and retention of users. Many people express hesitancy to use a local currency they do not understand. Perhaps more significantly, some more cynical people, particularly in the business community, argue that complexity is likely a form of smoke and mirrors distracting from some sort of scam.

6.7. CONCLUSION

Community Way is a hybrid local currency model in which a material, paper-based currency is grafted onto the foundation of a digital mutual credit system. During the development stage of a Community Way currency, the system's founders solicit donations from local businesses to local community groups, paired with smaller administrative fees credited to the local currency organization. These intangible donations of local currency form the basis of the mutual credit system underpinning the currency. As the currency program nears its launch, the donations are made tangible as physical currency is printed and made available to the community organizations. In this way, the currency is "underwritten" or backed by the local businesses who agree to accept it for payment.

Once physical currency enters circulation, individual consumers not party to the underlying mutual credit system can become Community Way users by obtaining and using the printed local currency. The currency can be acquired in a variety of ways, for instance by purchasing it directly from beneficiary groups, or receiving it as a bonus for volunteer work. Exchange points are publically accessible sites where local currency can be obtained from a third party. They act like informal banks to facilitate the transfer of local currency from the local currency organization to community groups and from community groups to individuals. Community Way nevertheless experienced the same, and possibly worsened, issues with inertia and pooling of currency faced by other local currency models. Exchange points appear insufficient for overcoming these issues.

The Community Way model grew out of experimentation designed to address obstacles faced by LETS systems. Specifically, the approach was designed to have greater mainstream appeal, specifically for formal businesses, due to its familiar cash format, and shared emphasis on business profits and support for civil society causes. The administrative fees and SFA process were designed to overcome issues LETS systems faced with insufficient organizational funding, and overreliance on scarce volunteer labour. Without external grant funding or

additional fundraising efforts, the in-system nature of the administrative fees limits currency organizers to service providers, suppliers, and employees willing to accept full payment in local currency.

More generally, the Community Way model was designed to pave the way for the development of large and successful LETS systems. Linton describes Community Way as a “bunny hill” or “kick starter” for further local currency development, and Community Way systems as open-ended, and intended to change and grow over time. They are not envisioned as an end-point or permanent currency system, but as a catalyst for the establishment of simpler and more elegant digital LETS systems. Ultimately, the procedure for such a transformation remains unclear. There is also reason to be concerned that the complicated Community Way structure is sufficiently confusing and alienating that few local currency users would be willing to stick it out through the process.

The Community Way approach is shaped and guided by the libertarian Open Money philosophy. The Open Money manifesto links numerous social problems to a lack of financial liberty, particularly limits preventing individuals from accessing or creating money in the conventional economy. The aim of the Open Money project is to provide tools allowing individuals and groups of individuals to create and use money as they see fit. The vision is of a system of monetary pluralism where individual freedom and autonomy are primary. Community Way currencies are recommended as the first step in Open Money projects due to their assumed ability to generate income through administrative fees. So while Community Way is a self-contained currency model, it must be understood as existing under the umbrella of the Open Money approach.

The libertarian nature of this approach nevertheless poses potential problems when it comes to institutional and regulatory structures and general usability. The emphasis on individualism and individual freedom and autonomy is difficult to reconcile with the collective nature of a currency system. Money is only really useful to the extent that other people are willing to use it. As a result, systems must find a way to balance self-interested individualism and broader collective needs (Bloch & Parry, 1989). Self-interested behaviour and the need for

shared trust in a local currency suggest the need for regulatory structures of some kind. Although Michael Linton acknowledges the need for stewards in a Community Way system, Open Money's emphasis on individual freedom makes it difficult to envision what such stewardship would entail, and how regulation is supposed to function. The result is that Community Way systems rest upon a vaguely appealing, but ultimately nebulous vision of monetary freedom.

Many of these potential problems and sources of confusion became salient in the Community Dollars system. The next chapter recounts the Community Dollars story, from the currency's inception through its demise. In it, we see how the currency organizers struggled to understand and work with the Community Way approach, or modify it in a way that resolved their problems.

CHAPTER 7 THE COMMUNITY DOLLARS STORY

This chapter details the history of the Community Dollars local currency system from its earliest planning stages in May 2010, through to its official conclusion in September 2013. There are three goals for this chapter. The more mundane of these is to simply share the story of what happened in the Community Dollars system, from its inception to its dissolution. This provides context for the chapters to come, and was also an important goal for several members of the original Community Dollars currency development group. At various points those group members talked about compiling their experiences into a handbook to benefit other local currency organizers. One organizer explained that they similarly had made the archive of their group emails publically available “so that other people can learn from our mistakes.” I hope that they will find my efforts here satisfactory in that regard. My second goal is that telling this story gives insight into the messy reality of what happens when a group of people try to transform a utopian idea like creating their own local, non-hierarchical money into reality. Specifically, what happens when a novel idealized model is made real in the world, and must interact with existing cultural values, power structures, and the unpredictable actions and decisions of real people? The third, related goal is to demonstrate the tensions that arise when people try to find a balance between quantitative and qualitative motivations for local currency development. The two chapters that follow this one provide insight into tensions between the material and ethical demands Community Dollars users place on their local currency system. This chapter provides a foundation for those chapters by showing how those same tensions existed at the institutional and administrative level as well.

Community Dollars circulated in Fernie, Kimberley, and Nelson, three small cities in the Kootenay region of British Columbia, Canada. I will describe the local currency’s history and development in terms of six distinct phases (for an overview, see Appendix 6). The first phase, “Planning and Preparation,” includes the early period of brainstorming and decision-making that formed the

foundation for the future Community Dollars system. This phase began in Nelson in May 2010 and lasted until the end of March 2011, with organizers from Fernie and Kimberley becoming involved around September 2010. Michael Linton describes the group of people involved in a Community Way currency's preparatory stages as the currency development group. I adopt that terminology to refer to the eight individuals consistently involved with the Community Dollars project during its first year, alternately referring to those group members as organizers and founders based on their actual roles during the currency's first two phases.

The second phase, "Implementation and Conflict," covers the period just prior to Community Dollars' official launch, when preparatory work was nearly complete. This short but eventful phase lasted from early April until late June 2011. During this time, the currency development group experienced major conflicts which reshaped the group moving forward. One change was the decision to delay launching the currency in Nelson, which resulted in phase three, "East Kootenay Launch and Circulation," which lasted from June 2011 until around September 2011. This was the phase when Community Dollars currency first circulated, but during that time period local currency activity was limited to Fernie and Kimberley in the East Kootenay region, with almost nothing currency-related happening in Nelson.

In the autumn of 2011, the currency development group's attempts to address limitations in their organization led to the fourth phase, "Leadership Change and Restructuring," which lasted from September 2011 to early July 2012. This phase resulted in significant changes in the Community Dollars organization, including relocating the locus of local currency activity away from Fernie and Kimberley and back to Nelson. The Community Dollars organization was so altered, and ties between the communities sufficiently severed over the course of this ten-month period that the original currency development group ceased to function as a unit. They were initially replaced by two new currency organizers, who eventually launched the currency in Nelson in mid-July 2012. This was the beginning of Community Dollars' fifth phase, the "West Kootenay

Launch and Circulation,” which lasted from the currency launch until September 2013. In the first three months of this phase significant alterations were made in the Community Dollars organization’s structure and operations. Following these changes, however, the system increasingly lost momentum and slipped toward dormancy. Phase six, “Dissolution and Reflection,” began in September 2013 when the Community Dollars currency was officially discontinued.

I was present in Nelson doing fieldwork for the last two weeks of phase four, and the first three and a half months of phase five. For that reason, the history of the first three phases and most of phase four is reconstructed based on the recollections of people and contemporaneous accounts and reports. This data was collected during interviews and conversations, and gathered from blog, website, and social media reports and—most importantly—the currency development group’s email listserv communications. Due to the source material, the history of the currency during these phases is almost entirely from the perspective of the currency development group. That is where most activity took place, but I was limited in my ability to gauge community reception or reaction to the local currency project during its early phases. Monitoring such reactions was much more straightforward during my field stay, but by that time Community Dollars activity was almost entirely limited to Nelson. I was also able to enhance my understanding of the currency’s history in Fernie and Kimberley based on conversations with a variety of individuals during a visit to the East Kootenays. After leaving British Columbia in December 2012, I followed Community Dollars’ progress online, but there was very little activity to monitor, and the internal email listserv was no longer used at that time. My account of phase six and the latter stages of phase five is therefore mostly anecdotal and lacking in detail, being based mainly on email and telephone communications with group representatives after the currency had ceased to operate.

7.1. PHASE ONE: PLANNING AND PREPARATION (MAY 2010-MARCH 2011)

Community Dollars initially spawned from the Transition movement, a fertile contemporary source for local currencies. Transition organizations seek to

prepare their communities to face social and economic challenges anticipated after “Peak Oil” is reached, and locales with a transition organization are referred to as “transition towns.” A transition organization was formed in Nelson in March 2009, and Nelson was declared the fifth official transition town in Canada the following year. One of the first steps in a transition town program is to organize a public brainstorming session where local individuals and groups can propose projects to make their local community more sustainable, self-sufficient, and resilient (Hopkins, 2008). Consequently, in May 2010 the Transition Nelson organization hosted a two day long community “expo” to discuss potential strategies for sustainably transforming Nelson’s economy.

Transition Towns have promoted local currencies like the Totnes Pound as a potential tool for re-localizing economies (Cato & Suárez, 2012, Hopkins, 2008, p. 197-200, North 2010a, Ryan-Collins, 2011), and Nelson had previously had a fairly successful local currency called Barter Bucks in the 1990s and early 2000s. Predictably, the idea to develop a new local currency was suggested during the brainstorming session at the Transition Nelson event. During my fieldwork, two years after the community expo had taken place, many of the local currency supporters I spoke with in Nelson reported having attended the event. Several of these supporters fondly discussed their earlier experiences with the Barter Bucks currency, while others had been members of LETS systems before moving to Nelson. By design, most of the attendees at the expo were not yet involved with the transition movement, so the idea to develop a local currency in Nelson seems to have mainly resulted from attendees’ prior first hand experiences with local currencies.

After the community brainstorming session, Transition Nelson “stepped back” and left it to independent, loosely affiliated working groups to autonomously coordinate the projects proposed at the expo. Transition Nelson note on their website that “most of the groups floundered without a core group to ensure accountability,” with the only exception being the local currency group (n.d., para. 5). Although many people attending the brainstorming session reportedly expressed interest in developing a local currency, only four Nelson

residents followed through and were consistently involved as members of the currency development group. Immediately following the Transition Nelson event, these four residents formed an email listserv to serve as a base for research and planning the launch of a new local currency.

The members of the original currency development group in Nelson were three men and one woman, all middle-aged. All four were self-employed to some degree, with one working full-time in their own professional practice, and the remaining three earning a living through a combination of entrepreneurial enterprises and passive income streams from multi-level marketing, investments, and property rentals. Two of the four openly discussed struggling to make a go of things financially in Nelson in my conversations with them. The group members sometimes struggled to work together as a team, perhaps because they were all accustomed to working alone in their self-directed businesses, or sitting at the top of the hierarchy in a professional practice.

Each of the listserv members had been interested in local currencies prior to the Transition Nelson event, and from the outset their individual perspectives on local currencies varied significantly. One of the organizers was involved with and influenced by the transition movement, two had previous experience using LETS currencies, and the other organizer had become interested in digital online currencies through work in the technology sector. Only one of the four organizers was a long-term Nelson resident, and none reported having used Barter Bucks. At least initially, the group's ideas about local currency were sufficiently divergent that they expressed skepticism as to whether they could ever be aligned into a single project.

Immediately after forming their listserv the group contacted several local currency experts for informational interviews. In all but two cases, those experts proved hesitant to get heavily involved so early in the currency's development. Michael Linton, the developer of LETS currencies and, most recently, the Community Way model, was the only local currency proponent to demonstrate unqualified enthusiasm and optimism toward the group's plans. He began mentoring the Nelson group online at the end of the summer in 2010, and

worked closely with them for about a year. Beyond his enthusiasm, Linton's vision of Open Money and Community Way sounded sufficiently broad and open-ended to encompass the group's divergent perspectives. Other local currency proponents with whom the group had communicated implored them to direct their local currency work toward addressing a specific social or economic goal relevant to their community, and then structure their currency appropriately to address that goal. As has been noted in Chapter 6, Linton advocates much more flexibility in local currency organization, arguing that many currency initiatives get stuck trying to create the perfect organizational and currency structure and never move forward. The Open Way approach suggests that currency developers need not make such decisions themselves. Instead, the idea is that if organizers leave the currency's features and organizational structure as open-ended as possible, the currency will naturally evolve into the form most appropriate to the specific local community.¹⁶ For a group struggling to make decisions, this idea proved incredibly appealing.

Linton informed the currency development group that a Community Way currency system is self-funding, and easy to set up and administer, and offered to travel to Nelson from Vancouver Island to promote their project and educate the general public. He joined the email listserv and began participating in the currency development group's teleconference meetings. In the three months the group worked together prior to Linton's involvement, they had struggled to settle on a local currency model or make concrete plans to move forward. While Linton's claims about the ease with which a Community Way currency could be established turned out to be unrealistic, his enthusiasm energized and motivated the group. Moreover, his guidance during meetings and on the listserv provided needed focus and direction.

Despite Linton's enthusiastic advocacy for the Community Way system, he argued that in order for the community at large to take ownership of their local currency, they should first be provided with a basic education about local currencies, and then be allowed to have their say as to what approach, if any, the

¹⁶ As also noted in Chapter 6, although he does not emphasize this point, Linton appears to assume the most appropriate structure will always end up being a LETS system.

local currency group should adopt. In spite of this warning, the organizers assured Linton that given the research they had previously completed they felt comfortable making the decision that Community Way would be the best fit for their community. After finalizing arrangements to have Michael Linton come to speak in Nelson in October, the currency group indicated that they hoped this would give them time to launch the currency by Christmas 2010.

The one point on which the currency development group always agreed was that their “local” currency should, in fact, be regional. Linton agreed with this position. Given the fact that local currencies tend to remain limited to a small minority of a city’s population, and that Nelson’s population is itself fairly small, he reasoned that making the currency regional would increase the likelihood the group could recruit a sufficiently large user base to gain some traction. The development group initially planned for their currency—tentatively named Kootenay Dollars or Kootenay Cash—to circulate in eight West Kootenay cities and towns: Nelson, Creston, Castlegar, Trail, Kaslo, New Denver, Salmo, and Rossland. Because the group did not have contacts in the other municipalities, they decided to initially concentrate currency organization and recruitment in Nelson, and let it expand outward organically. When coordinating Michael Linton’s speaking engagement in Nelson, the group made new contacts to make their currency regional, although not in the manner they originally envisioned.

When they started planning their currency, the development group in Nelson were unaware that there were also local currencies being actively developed in the adjacent East Kootenay region. In Fernie, a working group trying to encourage local shopping had already unsuccessfully attempted to establish a Time Bank. They had then moved on to creating a LETS system, called FERNS (Fernie Exchange Resource Network System) which was scheduled to launch in late October 2010. Meanwhile, in Kimberley, two newer residents in the community—one of whom had significant prior experience with a successful LETS system outside of Canada—had decided to launch a LETS system called “Kimbos.” After struggling with software issues, the Kimbos organizers sought outside assistance from the FERNS currency organization and from Michael

Linton. Linton subsequently introduced the East Kootenays currency organizers to the group in Nelson. Linton's speaking event in Nelson was expanded into a small tour, with additional stops in Kimberley and Fernie. The result was that four new contacts in Kimberley and Fernie joined the listserv and the currency development group –adding two women and two men to the group. All but one of the new East Kootenay founders were younger than the group members in Nelson, and all had more experience in the non-profit sector, particularly in the realm of environmental sustainability and permaculture projects.

In the public presentations in Fernie, Kimberley, and Nelson in late October 2010, Michael Linton was joined by two other representatives from the Comox Valley Community Way. Based on reports while I was in the field, public reaction to the presentations was mixed. Many of the Community Dollars supporters I spoke with during my field stay first learned about the currency at these public information sessions. They reported being enthusiastic about the general goals and ethical principles presented, but confused by the actual mechanics of the Community Way system. Prior to the events, Linton explained that one of the main goals of the presentation was to get more people involved in organizing the currency, but the sessions were not successful in this regard. The events left many community members enthusiastic about eventually using the currency, but the currency development group did not gain members in any of the three communities.

The most significant impact of the speaking tour was that the group decided to merge their independent local currency organizations into one regional effort. Initially they planned to link their independent currencies using a common software platform to enable users in each to trade with one another in a multiLETS-style Kootenay credit exchange. But as the newly expanded currency development group learned more about the Community Way model, the East Kootenay organizers decided to, at least temporarily, abandon their proposed LETS systems and instead launch a regional Community Way system with their new contacts in Nelson. The group intended to recruit other East and West Kootenay cities and towns to participate in a wide-reaching regional currency.

After agreeing to work together, one of the first tasks the group faced was naming their proposed currency. Although the working name in Nelson had been Kootenay Cash, and the word “Kootenay” was an obvious and locally meaningful choice, the group opted to define their currency based on the drainage basin of the Columbia River and name it Columbia Basin Community Dollars. Despite Michael Linton’s concerns about local currency organizations depending on external grants to fund their work, the Community Dollars development group acknowledged that the main reason they chose the name Columbia Basin rather than Kootenay was because they hoped it might increase their likelihood of securing funding from the Columbia Basin Trust (CBT).

In the months that followed, the Community Dollars development group decided to launch their currency on April 22nd, 2011, to coincide with Earth Day. They published brochures and promotional materials, started a Facebook page, and purchased the domain name Communitydollars.ca and established their website. They actively communicated with regional media outlets, and began to work on more mundane administrative tasks like creating registration forms, instructional materials, and preparing grant applications. Although the Open Money philosophy dictates that a currency development group leave their structure fairly open, Linton nevertheless recommends that one of the first steps a currency development group take is to agree to a shared set of principles, and develop a “business plan” for their work that coincides with these principles. Unfortunately, the currency development group was so enthusiastic about moving forward with their plans that they failed to establish this foundation, and skipped ahead to promoting the currency and preparing for its launch.

In January 2011, the currency development group members met in person in Nelson for a weekend-long planning session, joined by Michael Linton and two other representatives from the Comox Valley Community Way. This was one of only two occasions the East and West Kootenay organizers face to face. They used the time to get to know one another and establish a week by week timeline for completing outstanding tasks prior to the proposed currency launch that spring. After the planning weekend, the currency development group’s work intensified

and shifted from bigger picture issues like picking a currency model and name, to specific and applied issues like registering businesses and delineating administrative tasks. Their subsequent outreach efforts included speaking with groups like city councils and chambers of commerce across the region. Due to growing time constraints, and a lack of contacts outside of their three cities, the Community Dollars group soon decided to temporarily abandon efforts to expand their regional reach.

A clear division of labour arose between the organizers in the West Kootenays (Nelson) and the East Kootenays (Ferne and Kimberley). The group in Nelson had, from their inception, been far more interested in the aesthetic and symbolic features of their proposed currency than its administration, and eagerly took responsibility for graphic and web-design tasks, and managing the group's social media presence. The organizers in the East Kootenays, who had more non-profit experience, were much more willing to do mundane administrative work like creating registration forms, writing educational and promotional materials, and codifying policies and procedures. Group members also took responsibility for recruiting businesses and arranging events and promotion in their individual communities. Beyond this local promotion and recruitment, the most pressing tasks were preparing grant applications to secure funding, which was completed in the Fernie and Kimberley, and designing the currency, which was done by an organizer in Nelson.

Although Linton was skeptical about outside grants as a funding source, describing them as a "dead end," the Community Dollars development group members could never understand the nature of these concerns. They therefore moved forward with their efforts to secure a grant from CBT. Despite his concerns, Linton continued to provide the group with help and guidance. This included communicating with the development group's contacts at the granting agency, and attempting to allay their concerns about the lack of activity in the existing Community Way system in Comox Valley. At the same time, Linton cautioned that the Community Dollars group should avoid tailoring their project to the granting agency's preferences, warning that they could create needless

bureaucratic hassles for themselves if they do.

By the end of March 2011, the currency design was nearly complete, needing only tweaking to incorporate security features the group was considering. The organizers in the East Kootenays worried that including “goodies” like holograms might cause unnecessary delays and that could cause the group to miss their now widely advertised April 22nd launch date. The organizers in Nelson argued that, despite potential delays and additional costs, the group should opt for the highest end printing choices available, including numerous security features. They reasoned that these choices would inspire public trust and a greater sense of value in the currency, and that any additional costs could be defrayed by selling collector sets.

The development group also believed that their currency would circulate rapidly in their communities based on arguments by local currency advocates, and historical examples like the “emergency currency” in Wörgl, Austria. They reasoned that this rapid circulation would justify the additional cost of more durable polymer bills compared to more conventional paper options. Ultimately the group opted for the highest end choices possible, resulting in brightly coloured polymer bills at least one of the organizers claimed had more security features than government-issued Canadian paper currency circulating at that time (currency pictured Appendix 5, Figures 10-15).

7.2. PHASE TWO: IMPLEMENTATION AND CONFLICT (APRIL 2011-MID JUNE 2011)

The Community Dollars group submitted their first grant application to the Columbia Basin Trust in early February 2011, requesting \$67,000 to cover a range of expected costs. These included one year’s salary for three part-time employees and expenditures for training, promotion, software development, volunteer support, printing the currency, and travel so the far-flung currency development group could meet in person. The first grant application was rejected, but representatives from the granting agency suggested the group apply for a smaller grant in March. This round, the group requested \$7,375, primarily

intended to cover the costs of printing the currency and some promotional and administrative materials. In early April, the Community Dollars group were notified that the second grant application had been approved. The development group rushed to have the currency printed in time for Earth Day.

Ironically enough, and as Linton had predicted, it was when “real” money – national tender – entered the equation that the Community Dollars group began to experience their most significant problems. Although the group’s email communications reveal that minor tensions had been mounting since nearly the beginning, the grant approval was a catalyst for substantial group conflict. A year and a half later, a currency development group member described the grant approval as “when things fell apart.”

One source of tension in the group was that the regional division of labour led organizers in each geographical region to prioritize different tasks. More significantly, there was also regional mismatch in the pace at which the organizers were able to complete work. The group members in Kimberley and Fernie had been involved with local currency development longer than the organizers in Nelson, having been ready to launch their own local currencies before joining forces with the newer group. The East Kootenay organizers therefore started off further along the learning curve, and with much more forward momentum than the organizers in Nelson. Likewise, most of the organizers in the East Kootenay were unemployed or underemployed in the early phases of the currency’s development. They were therefore able to dedicate significant amounts of their time to currency development work. In early 2011 the currency development group members began tracking the time they worked on Community Dollars tasks, with the intention of later being reimbursed using the Community Way “submit for acknowledgement” process. At that time several group members were dedicating around forty hours each week to volunteering for the group. The only group members able to keep up with the time lines agreed to in January were those working full time on the project.

Early on the Community Dollars development group collectively agreed to write a “business plan” formally acknowledging their goals and organizational

structure. While they repeatedly initiated work on this plan, the group inevitably found other tasks more pressing and rewarding, especially given the tight time line they had chosen leading up to the launch. Their discussions generally implied a non-hierarchical, consensus-based structure where each group member and region has equal sway in decisions. Group members occasionally referenced their consensus decision-making process in emails, but they did not explicitly define consensus or formally codify their implied group structures. Based on their subsequent actions, it is clear that individual group members had very different interpretations of how the group was meant to operate. Their divergent, and often inflexible, perspectives on local currencies also proved difficult to overcome using consensus decision making, so as time went on the group increasingly relied on majority voting to make decisions. Their ill-defined collective decision making processes proved especially problematic when group members wished to adjust previous plans or decisions, including their proposed timelines and launch date. This problem has been attributed to consensus-based decision making more generally, in that it tends to reinforce the status quo and make it difficult to change course (Peterson, Peterson & Peterson, 2005). This is particularly true when the group has not interrogated and addressed underlying power imbalances, in which case ideals of consensus and egalitarianism are superficially applied, resulting in “empty rituals” of placation rather than genuine participation (Arnstein, 1969).

One of the most striking examples of the group’s difficulties working together was when one group member unilaterally decided that they no longer liked the name Columbia Basin Community Dollars and, without consulting the rest of the group, picked a new name and changed the logo, currency design and new promotional materials to make the change “official.” The other group members, bewildered by the decision, were forced to temporarily abandon their work and spend several days convincing their colleague that changing the name after having spent several months “branding” and promoting the currency was not only ill-advised, but also a significant decision that could not be imposed upon the rest of the group by only one member. In reality, the currency

development group had not established any explicit decision-making or governance structures that could prevent one group member from doing so. While they managed to resolve the currency name issue reasonably quickly, the situation eroded trust within the group, and caused the organizers to reconsider whether they would be able to work together with such loose structures in place. During the ensuing discussion, one organizer noted that “[m]oney is based on trust, and we need to develop trust internally, or else we degenerate into power struggles which dissipate our energies and erode the trust that we have in each other and our group” (personal communication, February 19, 2011).

As the proposed currency launch neared, the group did face skepticism from several local business owners. One, in Fernie, specifically inquired about the group’s regulatory and security policies and procedures. These types of questions spurred the development group to contemplate what day-to-day currency administration would actually entail. They realized that they had no procedures or policies in place for many duties, particularly when it came to handling the Canadian dollars that would be surrendered in exchange for local currency. When the development group asked the Community Way organizers in Comox Valley for help handling these matters, they discovered the Comox Valley group were very informal when it came to policies and procedures.

In part, the Comox Valley currency administrators were less systematic because the Open Money philosophy encourages leaving such factors open to change. At least initially, the Community Dollars development group agreed with and openly acknowledged Linton’s intention that the Community Way system be merely a “bunny hill” start-up that would ultimately evolve into a different form of currency. This idea appears to have been quickly forgotten or abandoned by the Kootenays-based group, however, and the Community Way system came to be discussed as the group’s ultimate and permanent goal. One indication of this difference was that the Community Dollars group, who did not feel comfortable with the same level of flexibility and informality as the organizers in the Comox Valley, moved to formalize and solidify their policies and procedures. Upon discovering that the systematic and official resources the group sought from

Comox Valley did not yet exist, the organizers in the East Kootenays set about creating their own, to be collected in a detailed set of documents forming a “currency operating manual.” Although the group did prepare a basic draft of this document, they struggled to complete the work. In part this was because some group members seemed uninterested in administrative and policy questions, and failed to respond to requests for feedback or approval of the operating manual documentation. More significantly, the group’s momentum and tight timelines meant there were always other tasks that were more immediately pressing. As the months passed, it became increasingly clear that the eight member group was too small to sustainably handle their current workload.

As the proposed April 22nd, 2010 launch date approached, the currency development group members in Nelson grew increasingly uncomfortable with the breakneck pace of the group’s work. In February, amid ongoing debate and confusion about the group’s organizational structure, one member expressed doubt that the organization was doing “due diligence,” and requested that the launch be delayed until August. The organizers in the East Kootenays, having promoted the coming launch in their respective communities far more than had been the case in Nelson, felt it would erode public trust to not follow through as advertised. They proved unwilling to adjust their plans. In March, the group members in Nelson met independently and agreed that, while they could do nothing to stop the scheduled currency launch in Fernie and Kimberley, they would delay launching the currency in Nelson until April 2012. The organizers in the East Kootenays, who had not been privy to the face-to-face discussions of these issues, expressed shock and disappointment when this decision was revealed, but nevertheless continued to work according to the time lines the group had established in January.

The decision to delay launching Community Dollars in Nelson permanently altered the dynamics of the currency development group. The inability to establish a consensus about the launch date established a clear regional fault line and highlighted existing conflicts. Even before the decision was made, the group in Nelson had been losing momentum. Once they decided to

delay their launch, currency development work in Nelson stopped almost entirely, with the exception of the currency design.

The East Kootenays organizers nevertheless continued to discuss institutional structures, and draft business plans and procedural guides. When they decided that they did not have time to fully resolve organizational issues prior to the currency launch, they instead drafted a memorandum of agreement (MOA) document. This contained a preliminary statement of the group's intentions, to be finalized when they had more time to systematically describe their policies and procedures.

Unfortunately, before the MOA was even completed, it was unintentionally superseded by an earlier stop-gap solution. The currency development group's contact at the CBT had recommended that they partner with a more established community organization to improve their chances of securing a grant. As a result, the Community Dollars organizers submitted their grant application listing Transition Nelson as a sponsoring organization.

The Community Dollars development group's relationship to Transition Nelson had always been ambiguous. One member of the development group also sat on the Transition Nelson board, and their community brainstorming session was the initial catalyst for the currency project. From its founding, however, the currency organization had remained entirely autonomous. The group did not consult with Transition Nelson or officially report their progress to them. While the earliest Community Dollars promotional materials described the currency project as a "Transition Nelson initiative," after the East Kootenay organizers joined the group, they all collectively agreed to be a completely independent organization, and refer to themselves as such moving forward. The Community Dollars group decided to submit their grant application with Transition Nelson as a sponsoring organization out of expediency, not because they were actually operating under the transition group's umbrella. Once the grant was approved, however the choice to do so unintentionally established a de facto hierarchical structure that favoured Nelson over the East Kootenays, and conferred the development group member sitting on the Transition Nelson board with

authority over the rest of the group.

As the Community Dollars launch approached, this new de facto leader began to express concerns about local currencies' legality and the potential for liability issues if there were problems in the currency system. These worries intensified as the group discussed their organizational structure, as most group members rejected formal and hierarchical governance and regulatory structures that might provide a liability shield for individual organizers in the unlikely event of litigation. Linton had already informed the Community Dollars group that the local currencies' legality was clearly established in Canada by the Canadian Revenue Agency's interpretation bulletin (IT-490) on barter transactions in 1982. When these newfound concerns with individual liability surfaced, Linton attempted to reassure the de facto leader that the precedent of his many decades of work with local currencies worldwide—without legal challenge—should be sufficient evidence to move forward.

The de facto leader's mounting fear of legal risks were heightened in March 2011 after Bernard von NotHaus was convicted of domestic terrorism for contravening American laws with his Liberty Dollar alternative currency. NotHaus faced up to 25 years of jail time as a result. The Asheville, North Carolina-based Liberty Dollar was a private currency backed by precious metals and linked to the "sovereign citizen" movement. Its stated intent was to provide competition to the U.S. dollar for people "conducting business outside of the government's purview" (Feuer, 2012). NotHaus had been warned by the United States Mint that his currency contravened federal law three years prior to his arrest, but had chosen to ignore the warning. Linton argued that Liberty Dollars were intentionally illegal, and the case was irrelevant to the Community Dollars case, but the de facto group leader remained unconvinced.

His fears about legal liability were reinforced by another Transition Nelson board member who had previously sat on the board of a different non-profit organization that had been unsuccessfully sued. This board member worried that without enforceable legal agreements in place, if the local currency system collapsed, local businesses might try to recoup their losses by suing Transition

Nelson Board members. Although the Transition Nelson board had already signed off on the grant application when it was submitted, both board members now advocated for the group to decline the grant money unless the Community Dollars development group established durable legal structures to eliminate any potential risk to the Transition Nelson board.

The more the ensuing negotiations between the Community Dollars group and the Transition Nelson board became framed in formal legal terms, the more contentious they became. Both dissenting Transition Nelson board members had professional legal experience, while the other activists involved were poorly equipped to debate in this domain. This was particularly true when the board members began demanding official briefs from legal counsel on a variety of matters, which neither Linton nor the other organizers were in any professional or financial position to provide. The legalistic re-framing of the local currency project was used to justify a newly hierarchical structure where Transition Nelson board members would dictate all further actions in the local currency group. This was justified based on the argument that because Columbia Basin Community Dollars was not a legally registered entity, it did not actually exist. On this basis, the two Transition Nelson board members claimed legal ownership over all work that had been done by the Community Dollars group, and for all grant monies they had been awarded. Based on this re-framing, the Community Dollars currency designs had been created under the Transition Nelson umbrella. The dissenting board members therefore argued that Transition Nelson owned copyright over those designs, and controlled their use, meaning the Community Dollars development group were not allowed to move forward with plans to print their currency without explicit approval from Transition Nelson.

In early May 2011, the remaining seven Community Dollars development group members expressed bewilderment at the “strange turn of events” that had one group member who had officially left the group at that point, and another outsider who had never been involved at all, assume absolute control over how and when their currency would launch. When the proposed currency launch date passed without any agreement as to how to move forward, the Community

Dollars development group gave up on satisfying the demands of the two Transition Nelson board members. They decided that the only reasonable path forward would be to abandon the grant money, reject the copyright claim, explicitly sever ties with Transition Nelson, and find alternative ways to finance the cost of printing the currency.

The loss of the grant funds led to significant restructuring of the Community Dollars project. Most significantly, it led to more involvement from one of currency group's contacts in Nelson, who had occasionally offered help with the currency project prior to that point. This contact would eventually assume a leadership position in the group and become chair of the Community Dollars' board of directors. For this reason, I will refer to this individual as "the chair." His first act of leadership was to help the group secure a loan from a "private investor" in Nelson who wanted to support positive community ventures. That money, along with contributions from two currency development group members, was used to have the Community Dollars currency printed.

7.3. PHASE THREE: EAST KOOTENAY LAUNCH AND CIRCULATION (LATE JUNE 2011-SEPTEMBER 2011)

The Community Dollars development group received the currency from the printers in late June 2011, and divided it between the three communities at an in-person gathering in Kimberley soon afterward. Given the delay caused by the conflict over the grant money, the currency organizers abandoned earlier plans for elaborate launch events, and immediately established booths at the Kimberley Farmer's Market and Fernie Mountain Market where Community Dollars could be obtained. The currency could also be acquired at the exchange points established at the Kimberley Chamber of Commerce, and the office of a non-profit organization where the currency development group members in Fernie were employed.

The currency launch had very little impact in Kimberley. The group had a photo-op at a local cafe, and maintained their presence at the farmer's market over the summer of 2011, but uptake of the currency by community members was

minimal. When I visited Kimberley in September 2012 – less than a year and half after Community Dollars launched there – I went to all of the stores listed as registered participants. At best, employees told me that Community Dollars had been proposed but never actually entered circulation. At worst, they had never heard of the currency and had no idea what I was talking about. The person staffing the exchange point revealed that, as far as she knew, no one had ever come in to get Community Dollars there. It appears that Community Dollars' circulation in Kimberley remained almost entirely limited to the farmer's market. When discussing Community Dollars with local residents and business owners, the few people who were familiar with the program expressed ambivalence toward it. Most described the local currency as having being pointless or unnecessary based on how commonly local business people already bartered with one another.

The currency was more successful in Fernie. The organizers there were able to get currency circulating by actively encouraging non-profit groups to make use of the currency donated to them, especially by giving it out to volunteers. Unlike Kimberley, when I visited Fernie I easily found numerous people who had used Community Dollars, and many more who were familiar with it. Although the currency organizers had ceased actively promoting Community Dollars in Fernie a year prior, at least one local business continued to keep a float of Community Dollars in their cash register, and the exchange point still passively advertised the currency with a desktop display. Numerous people I spoke with in Fernie – store clerks, business owners, restaurant wait staff, and non-profit representatives – expressed optimism that the system could eventually regain momentum and still find success in the city.

During the third phase of the Community Dollar trajectory, the development group closely adhered to the Community Way model on all but one point. From the beginning of their involvement with Community Dollars, the organizers in Fernie had expressed disdain for the Open Money database systems' user interface and preference for finding an alternative. As a result, instead of using the Open Money systems, they kept all of their records in a paper

ledger stored in a fire-proof safe. This made it difficult for anyone outside of Fernie to keep track of what was happening with the currency there, causing frustration for organizers in the other cities who wished for more transparency. Michael Linton's long-term plans for linked Open Money systems require the use of digital accounts, so he was particularly frustrated by the use of paper-based systems in Fernie. Based on discussions over the email listserv, and my face-to-face conversations with members of the Community Dollars development group, I do not believe any of the members fully understood Linton's Open Money philosophy, or how it was meant to apply to their currency. In particular, they seemed mostly unaware of his broader plans for linked local currencies. They were not interested in a large-scale system of currency pluralism – just in their own local currency. For that reason, the currency organizers in Fernie struggled to understand the nature of Linton's concerns with their internal record-keeping, or why their mentor thought he should have ongoing access to their records.

After the currency launch, several problems contributed to Community Dollars' eventual dormancy in the East Kootenays. The most significant factor was that the currency founders were unable to continue supplying the time and effort required to nurture and promote the currency. In part this was due to burnout, which is a common problem for volunteers in local currency systems (Collom, 2005, Dittmer, 2013, North 2010b). By the time the currency launched, many of the organizers had been working full-time on the project for months. The conflict surrounding the grant money had diminished the group's morale, enthusiasm, and momentum, and intensified their fatigue. Several of the organizers also had less time to dedicate due to unforeseen personal obligations or newly found employment.

When I spoke with the East Kootenay organizers after the Community Dollars had become dormant in their communities, they reported that the most important lesson they had learned about local currency organization is that it takes far more energy and time than they had anticipated. The currency organizers in Comox had given the impression that Community Way currencies require minimal administration and mostly drive themselves. The organizers in

Fernie and Kimberley argued that the system grew much more slowly than expected and ground to a halt without continuous attention and direction. They specifically argued that in order for a Community Way currency to be effective, administrators must dedicate adequate attention to the needs and concerns of all user groups in the system. One organizer from Kimberley described this as a “three pronged approach,” where equal efforts must be extended to help make local currency use easy and appealing for businesses, community groups, and individual currency users. One East Kootenay organizer argued that if any one group in a Community Way system finds using the local currency to be too difficult or confusing, currency would stop circulating, and the whole system would cease to function.

Financial realities also began to dawn on the Community Dollars founders after the currency launch. Although they had sought to bolster their currency launch with external grant funding, the group had taken for granted that Community Way currencies are genuinely self-funding through administrative fees, as Linton had claimed. This was how the group justified moving ahead with printing their currency even after losing access to the grant money they had intended to use to pay the printers: they believed that once the Community Dollars launched, they would have access to administrative fees to recoup their costs. But when the group members took a closer look at their finances, they realized that they had not yet signed on enough businesses, and thus incurred sufficient administrative fees, to cover those printing costs,¹⁷ let alone to reimburse them for past labour through the SFA process. Moreover, those administration fees were in Community Dollars, which neither the printer, nor the local investor who loaned them money, would accept as payment. As a result, in order to cover their debts using administrative fees, they would still need to dedicate significant labour time to selling the local money to supporters to earn the Canadian dollars they needed. The group therefore made some preliminary plans to sell commemorative sets¹⁸ of the local currency, and began talking about

¹⁷ The paucity of funds available was particularly problematic because, in the interest of fostering trust in the currency, the group had opted for higher-cost printing choices and security features.

¹⁸ Although some local currency projects have successfully sold collector’s sets as a fundraising

applying for another grant as an independent organization. The East Kootenay organizers also encouraged the organizers in Nelson, where no businesses had been officially registered, to immediately begin signing up businesses to make more administrative fees available. At that point very little was happening with the Community Dollars organization in Nelson, but that would soon change.

7.4. PHASE FOUR: LEADERSHIP CHANGE AND RESTRUCTURING (SEPTEMBER 2011-EARLY JULY 2012)

After Community Dollars started circulating in the East Kootenays, the development group collectively agreed to launch the currency in Nelson in the autumn of 2011. When the time came, however, the entire local currency effort had slipped into a bit of a holding pattern. Organizers in each community describe themselves as having being “burned out” from the volume of work they had dedicated to the project, and the emotional cost of conflicts prior to the currency’s printing. The organizers in Nelson seemed to have ceased doing any local currency work at all, and had still not signed on any businesses. Organizers in the East Kootenays indicated they were increasingly unable to dedicate the time required to make the currency successful due to family and work obligations. The development group members worried that Community Dollars was at risk of lapsing into dormancy, negating all of their previous work. They were pleased and relieved when the chair, who had secured the loan to get the currency printed, offered to take the lead on the project to try to reinvigorate it and follow through with a launch in Nelson.

The Community Dollars founders, weary from their past efforts, believed that if their currency project was to continue it needed an injection of new energy and enthusiasm. In this regard, the leadership change was essential. It did eventually lead to the currency launching in Nelson, which multiple people speculated would never had happened if the chair had not stepped in. But there

opportunity, this venture was unsuccessful for Community Dollars. Most local currencies do not have denominations above \$20, meaning the face value of a set of all of their bills is under \$40. In their optimism and enthusiasm, the Community Dollars group also printed \$50 and \$100 bills, meaning the face value of a basic set of Community Dollars bills was \$183: a much more costly proposition for a collector or local supporter.

were costs to the way the leadership change took place. The development group had still not codified their organizational and decision-making structures, with most members continuing to assume everyone involved agreed to non-hierarchical and consensus-based organization. The development group members were very receptive to the offer of leadership from their contact in Nelson, but their enthusiasm was based on a fundamental misunderstanding of what “leadership” meant to each party in the agreement.

The remaining members of the original currency development group wished to maintain their loosely defined, consensus-based regional structure. Based on our conversations, to those group members “leadership” meant stepping in and taking responsibility for work that needed to be done, while continuing to respect the tacitly non-hierarchical power structure. But the new chair, a professional man in his 30s with ties to the financial industry, shared many of the same characteristics and concerns as the Transition Nelson board members who had previously opposed the project. He therefore informed the development group that his involvement with the local currency group would be conditional on his being allowed to resolve what he saw as outstanding issues concerning legitimacy and liability. Specifically, he intended to work with lawyers and accountants to have the Canadian Revenue Agency explicitly approve the legality of the Community Way model. He planned to further address potential issues with liability by incorporating the group as a limited liability corporation.

In the fields of management and organizational behaviour, the Abilene Paradox refers to a situation of mismanaged consensus whereby group members all disagree with a particular course of action, yet agree to go along with it based on the mistaken belief that they are the only group member who objects (Harvey, 1974). The name of the paradox comes from an anecdote where a family in Texas, relaxing at home, decide to embark on a long, hot drive to a restaurant in Abilene. Upon returning from the unpleasant journey, the group converses and gradually realize that no one had actually wanted to go, but had assented based on the assumption that everyone else did. In cases of the Abilene Paradox, individual group members’ are reluctant to “rock the boat” by expressing what they assume

to be idiosyncratic objections. This reluctance causes the organization to “compound their problems rather than solve them” (Harvey, 1974, p. 69), by collectively choosing actions that few or no group members believe to be optimal. The details of the leadership change in the Community Dollars organization provide a prime example of the Abilene Paradox. The Community Dollars development group members all agreed to pursue a more formal, legalistic approach and incorporate the group as a limited liability corporation as a necessary condition to the new leader dedicating his time and effort to the project. Almost immediately after the decision was made, however, the original group members began to admit that they believed corporate structure and punitive legal arrangements were inappropriate for local currency projects, and contrary to the group’s core values. They had been hesitant to mention these misgivings and oppose a decision they believed was preferred by all of the other group members.

The development group therefore tried to recant on their earlier agreement to incorporate, which they now characterized as having been “hesitant” and “begrudging.” They pitched alternative organizational structures and pointed out potential downsides to corporate structure, for example the possibility that the group would no longer be eligible for grant funding. But bestowing a leadership role on the chair set the stage for the group to once again, and this time permanently, lapse into a highly hierarchical structure where unequal access to financial resources could be leveraged to consolidate authority. For the chair, leadership meant being at the top of a clear hierarchy, and having the ultimate authority to make decisions, in this case adopting a nascent corporate structure with a board of directors of which he would be the chair. He therefore dismissed the other group members’ changes of heart and objections, and did not seek their input or assent in subsequent decisions. When the group members questioned his right to exclude them in this manner, he cited the fact that he had secured the funding to have the currency printed as justification for his newfound authority.

The repeated power struggles in the Community Dollars group were

somewhat predictable. In her essay *The Tyranny of Structurelessness*, widely cited in social movement literature, Freeman (2013) argues that groups lacking explicit organizational and decision-making structures – whether in effect, or due to an explicit decision to be “laissez-faire” and leaderless – always have an implicit structure of some kind. These implicit structures typically consolidate hegemonic power into the hands of a few “elites,” without acknowledging that this has taken place, masking unequal power relations. Moreover, such tacit arrangements tend to reproduce pre-existing power structures by rewarding people with demographic and personal characteristics valorized in mainstream society, or who exert control over needed resources (Freeman, 2013, p. 232-236, 245-246). More significantly, when groups have no explicit rules or principles for the exercise of power or authority, and are oblivious to implicit structures that have arisen, there are no effective mechanisms in place for those outside of the implicit elite to question decisions, hold leaders accountable, or to place limits on the use of power (Freeman, 2013, p. 237).

The longer the assumption of “structurelessness” continues, the more difficult it is for a group to formalize their structure, and the more vulnerable the group becomes to being co-opted or taken over by outside actors willing to impose a structure upon the group (Freeman, 2013, p. 242). In both cases where the Community Dollars group had power struggles where they felt they were being “taken over” by outsiders, the individuals asserting authority over the group exercised control over needed financial resources, and had demographic characteristics that mainstream society tends to associate with leadership: all were men working in professional fields, with greater personal financial resources than other group members (who were an equal mix of men and women, and mainly self-employed, unemployed, or working in the non-profit sector).

As Freeman warns is often the case, without pre-existing principles for decision-making to fall back on, the currency development group were at a loss for how to resist the manoeuvring of the new chair. As a result, they eventually acquiesced to the new arrangement. This led to a permanent breakdown of the existing group and resulted in a distinct regional split and hierarchy. This

breakdown, which transferred leadership to an individual with little previous experience in the group, also resulted in a profound loss of institutional memory.

Whatever objections one might have with top-down, unilateral decision-making, it is generally faster than employing consensus. The chair quickly made a number of decisions about the Community Dollars currency and its future, declaring the leadership change to be a “new starting point” for the project. As part of this new starting point, he declared that the SFA system, where work on the currency is tracked to be paid for at a later time, would be discontinued because “volunteer work isn’t paid for.” It was unclear whether this simply meant eliminating the system moving forward, or denying the right to make claims on administrative fees for work performed previously. He also decided that the currency would not launch in Nelson until fifty local businesses were officially registered to participate. He further informed the development group that once incorporation documents were drafted, the currency organization would adopt a new, hierarchical structure including a volunteer board of directors made up of “prominent community members,” who would play a legitimizing, figurehead role and oversee the work of one or more coordinators who would handle administrative responsibilities. All earlier Community Dollars documentation would be redrafted to ensure it was legally binding to participants.

The first documentation that was prepared as a result of these changes delineated a clear regional hierarchy with leadership based in Nelson, and Fernie and Kimberley subordinate and answerable to that leadership. The organizers in the East Kootenays were told to stop promoting Community Dollars or signing on any new businesses in their communities until new, legally enforceable documentation was completed. They were also instructed to temporarily cease preparation of grant applications, and halt efforts to sell collectors’ sets of Community Dollars currency to raise funds. The group accepted these instructions, stopped their work, and awaited updated paperwork and instructions from the chair. As a result, after the agreement to incorporate, communications between group members slowed considerably.

While the original currency development group members eventually

acknowledged that a paper currency system has to be top-down and centralized to a certain degree, since someone must print and distribute the money, they nevertheless thought the degree of hierarchy proposed was excessive. They continued to question the decisions the chair made in their increasingly infrequent discussions over the email listserv, but they felt they were powerless to resist the changes being made. They expressed their hope that everything would work out in the best interests of the currency system, despite their doubts about the direction in which it was moving.

Michael Linton was not nearly so acquiescent to the changes being made. The moves toward corporatization and centralization of authority in Nelson led him to end his relationship with the Community Dollars group. He informed them by email that while they were still free to use the software and resources he had provided, the proposals currently being made by the chair were “entirely in contradiction with the core message of open money” (personal communication, November 14, 2011). Linton’s disapproval was so strong that on the day Community Dollars eventually launched in Nelson, he sent out a message on a global local currency listserv declaring that Community Dollars “is NOT at all a community way implementation.” He explained this was because the present Community Dollars leadership were attempting to launch as a “quasi-proprietary” institution with a centralized power structure that did not allow participants sufficient ownership over, or autonomy in, the local currency system. At that time he indicated that the goals of Community Way are educational as much as economic, and that education requires participants to directly experience economic empowerment, including what he describes as a “sovereign right to issue money” (personal communication, July 17, 2012). Centralizing authority to limit liability likewise limits the autonomy of various local currency users and, in Linton’s judgement, this renders moot any potential educational component for a local currency. The chair was unmoved by Linton’s objections. The new formal documentation was completed in Nelson over the winter, with an eye to legal enforceability.

In the spring of 2012, the chair gave a public talk about Community

Dollars in Nelson, with the hope of renewing community interest in the local currency and recruiting new volunteers. One of the volunteers recruited at that time, who had also attended Michael Linton's earlier presentation, reported that she was turned off by the newly hierarchical approach. Volunteers did not have any input into the type of work they felt most suited for or interested in doing. They were instead assigned tasks, mostly cold calling businesses in the hopes of registering them to accept Community Dollars. The would-be volunteer reported being uncomfortable cold calling, and never followed through with her assignment. The same appears to have been true of most, if not all, of the volunteers recruited at that time, as they failed to complete the work required for the currency to the launch in Nelson.

When the new volunteers failed to meet the new target of signing up fifty local businesses, the chair decided to hire a full-time "executive director" to complete the work. He found a relative newcomer to Nelson who had past experience in the non-profit sector and was seeking employment. The executive director was brought on under the agreement—as with Community Way's SFA, or LETSgo's LETShare arrangements—that he would work "on spec." He would eventually be repaid, in Canadian Dollars, for the full-time work he dedicated to the project using administrative fees and grant money to cover his salary.

The chair and executive director worked together closely in the lead-up to the Community Dollars launch in Nelson. The executive director signed up businesses to accept the local currency, and the two men consulted with one another about improvements they felt could be made in the structure and operation of the currency system. Prior to the currency launch in Nelson, these consultations resulted in substantial changes to how the Community Way model would be implemented. These changes mainly dealt with the nature of businesses' commitment to participate in the local currency system, the business donations underpinning the currency system, and how donated local currency would be distributed.

The chair and director were so optimistic about Community Dollars' prospects and popularity that they feared Nelson risked being inundated with

local currency, leading to hyperinflation. To avoid this risk, they decided that instead of allowing community groups to have unfettered access to the Community Dollars they had been donated, as in a standard Community Way implementation, they would control the release of currency. They decided to limit the number of groups given access to their local currency donations at one time, and the amount they were given access to. They aimed to release no more than \$5000 in Community Dollars per month, so that the initial donations would take at least two years to enter circulation.

The decision to limit community groups' access to Community Dollars was also made because the chair and executive director were concerned some of the beneficiary groups might be seen as suspect and undeserving of support by some community members. Several of the community groups who had been donated money were private hobbyist clubs of little service to the community at large. Of more concern were situations where non-profit groups were donated money by businesses to which they had direct links, for instance social enterprises who were essentially donating to themselves. One notable example of this was a group of very small businesses sharing an office space. Each registered to accept Community Dollars and donated the resulting local currency to their own office co-operative.

Other Community Way currencies have instituted policies to avoid such issues. The Seedstock currency in Vancouver limited business donation to a select, pre-determined group of non-profits whose mandates aligned with the stated goals of the local currency group (Simon, 2015, p. 9). Powell River Dollars had a rule that a business could only donate to a community group whose accounting was totally separate from the business. The Community Dollars chair and executive director recognized that community trust was essential to the success of a local currency program. They worried that the perception that a beneficiary group was illegitimate or participating businesses were not acting in good faith would damage Community Dollars' reputation. Unfortunately, adding restrictions like those applied in Vancouver or Powell River would have made the already ambitious target of fifty registered businesses even more difficult to

achieve in a very small city like Nelson. But allowing questionable arrangements like businesses donating to themselves in order to get closer to that goal meant the new leadership felt the need to apply restrictions after-the-fact.

When the Community Dollar business registration paperwork was revised in the spring of 2012, several other Community Way features were abandoned in the process. The new documentation stated that participating businesses committed to accept local currency for a one year period, after which they could re-evaluate their commitment moving forward. By comparison, in a standard Community Way system a business commits to accepting at least as much local currency as they donate when they register. The chair and executive director also decided that once the process of registering fifty businesses was complete, the business donation component of the currency system would be abandoned altogether. They reasoned that the Community Dollars organization could not “afford to be generous” or to “give everything away.” A further concern was that continuing to register business donations might eventually make the currency system responsible for more local currency than had actually been printed. Although the exact nature of the new leaders’ future plans were never fully explained, despite questions from the original currency development group and members of the non-profit community, it appears they hoped to find a way to put currency in circulation in a manner that would fund a full-time salary for the director.

The chair also decided not to establish an exchange point where local currency could be accessed in Nelson. Instead, individual non-profit groups were responsible for directly providing local currency to their supporters. Eliminating exchange points reduced the administrative work required of the local currency organization and, more importantly, the potential liability that came with handling Canadian dollars exchanged for the local currency. These responsibilities were instead left to community groups and non-profits.

As leadership and authority in the Community Dollars organization was consolidated in Nelson, there was a gradual freezing out of the East Kootenay component of the organization. Communication over the email listserv had

slowed to a trickle as the currency founders awaited the instruction that their work could recommence. This direction never came, and the new documents were not sent to the East Kootenays organizers when complete. Because actual communication was now happening almost entirely off the email group, the East Kootenays organizers became cut off from new developments in the Community Dollars system. When off-list email communications were occasionally forwarded to the listserv, the organizers from Fernie and Kimberley typically replied and weighed in, often questioning why things were being done the way they were, and whether the chair had the right to continue making unilateral decisions about the currency. But such occasions became increasingly infrequent.

By the time the executive director was brought on to help with the local currency project in the spring of 2012, the chair was offering new narrative to account for delays launching Community Dollars in Nelson, and subsequent changes that had been made. The story was that the East Kootenay organizers had never been heavily involved with Community Dollars, and that the currency had only launched in Fernie and Kimberley as a temporary “dry run” or “beta test” to evaluate the Community Way model and mechanisms on a smaller scale to “iron out the wrinkles” before moving forward in Nelson. So while the currency development group members in the East Kootenays reported that they were continuing to wait for updated documentation from Nelson before their resuming work, currency supporters in Nelson—including the new executive director—were told that the currency project had been permanently discontinued in Fernie and Kimberley.

7.5. PHASE FIVE: WEST KOOTENAY LAUNCH AND CIRCULATION (MID JULY 2012-SEPTEMBER 2013)

I arrived in Nelson for my field stay on July 2, 2012. Soon afterward, the executive director achieved the goal of registering fifty local businesses willing to accept Community Dollars. A low key launch event was subsequently held on July 16th. It took place on the sidewalk outside of a coffee shop, adjacent to the popular weekly farmers market because the group had been unable to secure a

booth in the market itself. There were a few brief remarks, a ceremonial presentation of Community Dollars from a business to a non-profit group, and a raffle for a framed collector's set of Community Dollar bills was held.

Due to the previous delays, the currency launch was not hotly anticipated in the community. Several people I spoke with said that promotion of the previously abandoned 2011 launch had led them to assume the currency system had already launched and failed. While in Nelson, I tried to be mindful of what effects my presence and work might be having on the currency. I specifically worried that my presence might have prematurely hastened the currency launch in Nelson, which had still not been scheduled when I arrived. I wondered if the organizers might have taken more time to promote the currency and organize a more involved launch event had I not been there researching. Ultimately I came to believe that the previous delays in launching the currency had led the currency organizers to move forward very quickly once obstacles—this time difficulty reaching the target fifty participating businesses—were finally overcome. The same thing had happened in Fernie and Kimberley. The organizers in Nelson had previously predicted that Community Dollars would launch before I arrived, and I believe it was their enthusiasm, not my presence, that caused them to move quickly once their target was reached.

As previously described in the methodology chapter, one month after the currency launch I had developed the impression that Community Dollars were not doing as well as the currency's organizers had anticipated. With some help from the executive director, I decided to systematically evaluate the accuracy of this assumption. We contacted the 53 businesses then registered to accept Community Dollars in Nelson to ask whether they had received any local currency and, if so, what their experiences had been.

Contacting every business ended up being much more difficult than expected. Of the 53, only 15 had brick and mortar locations (ten retail stores and five restaurants or coffee shops). Most of the businesses provided services like web design, carpentry, or palm reading. Very few had any contact information listed on the Community Dollar website. Some businesses had public offices, but

most did not. Most were actually tiny one or two-person affairs like farmers market stalls and home-based businesses, with no Internet presence or listings in the phone book. There was little information about participating businesses on the Community Dollars website beyond their names, so I struggled to find contact information for many businesses. In several cases, I similarly struggled to determine what type of service or product the business provided, or to find any evidence that the business existed outside of their listing on the Community Dollars website. Eventually I had to resort to visiting every booth at both local farmers markets and asking the name of their business (since few were displayed), and asking people I met around town if they had any knowledge of the businesses registered to accept Community Dollars. In some cases, the very existence of the business seemed fairly theoretical, for instance home-based consulting businesses that had not yet had any clients. It occurred to me that it was very unlikely any other Community Dollars users would commit the time I did to researching and locating any of these businesses to shop with them. As such, while there were technically 53 businesses participating, realistically far fewer than half of those businesses were likely to ever receive any Community Dollars for payment.

It took me one full month to locate and contact every participating business that was still operating in Nelson.¹⁹ As I had predicted, none of the businesses I had difficulty locating had received any local currency. In the first four to six weeks after the currency launched, only five of the fifty-three businesses received Community Dollars for payment, all firms with brick and mortar locations in the downtown commercial area. In three of the five businesses, the executive director or I were the only people who had spent Community Dollars there. The most popular location, a bakery, reported having accepted around one hundred Community Dollars. The director and I concluded that in the first month Community Dollars circulated in Nelson, with the exception of a few novelty seekers on launch day, he and I were the only people

¹⁹ One business was reportedly nomadic, and I was told by numerous people that the owner had “moved on” and “left town” within a month of the currency launch.

actually using local currency. This changed somewhat with time, but only to a limited degree.

7.5.1. Who used the currency and why?

Participant observation and formal interviews provided much-needed insight into who was using (and not using) Community Dollars, and why. As previously explained, I completed formal interviews with fifteen people involved with the currency in some way, although three of the interview participants' involvement was limited to being familiar with Community Dollars and opting not to use them. I endeavoured to make sure the remaining individuals encompassed the different ways of being involved with Community Dollars, either as an individual currency user, administrator in the currency organization, or as a representative of a participating business or non-profit. The experiences of these different types of currency user are described in detail in Chapters 8 and 9. While interviewing, I discovered that these different categories of local currency involvement did not exist as neatly as I had predicted. Most people involved with Community Dollars belonged two or three groups simultaneously.

My most surprising finding during interviews was the flexible approach participants took when deciding who qualifies as being a Community Dollars user. Of the eleven interview participants who identified themselves as being Community Dollars users, I discovered that only six had actually spent any local currency. Two of the eleven had given all of the Community Dollars they obtained to friends or children, and they gave no indication they ever planned to actually use it themselves. Three expressed vague and non-committal plans to eventually spend the currency at some point in the future, and they judged these plans sufficient to qualify as being a local currency user. The result seems to be that while few people in Nelson decided to become Community Dollars users, even fewer actually spent any of the currency at local businesses.

Based on my observations and discussions with representatives from non-profits, businesses, and the Community Dollars organization, I would estimate that no more than one hundred people ever spent Community Dollars in Nelson,

most likely far fewer than that. Operating from the prevailing definition of a Community Dollar user being anyone with local currency in their possession, there are three main types of Community Dollars users when frequency of use and method of procurement were considered. The smallest group were the active currency supporters who intentionally sought out Community Dollars and used them semi-regularly, specifically meaning they continued trying to use the currency after one or two successful or unsuccessful²⁰ attempts. I believe there were only around ten people in this group, myself included. I got the sense that the largest group of Community Dollars users were novelty seekers who actively sought out local currency, but then stopped trying to spend it after at most one or two successful or unsuccessful attempts. These people mostly obtained currency at the launch day event or a barbecue held in September, although some obtained it directly from non-profits. I estimate there were between fifty and one hundred people in this group, but many—probably most—never succeeded in spending the local currency they obtained. There were a variety of reasons for this. Frequently, despite their best intentions, people failed to muster the needed motivation to make the required effort. The third group were passive recipients of Community Dollars who were given local currency without actively seeking it. Most of the people in this group were given Community Dollars by a beneficiary organization that held large events and gave local currency out to their volunteers as a thank you. I would estimate this group included fifty or fewer people.²¹ A representative from the organization who provided currency to volunteers in Nelson confessed that he believed few if any of the volunteers actually used the local currency they received, or planned to do so in the future. Although I am sure at least some of them eventually did, I was never able to confirm any instance where a passive

²⁰ As will be discussed further in Chapters 8 and 9, spending Community Dollars proved more difficult than most prospective users anticipated. I was rebuffed in about half of my attempts to spend local currency with businesses officially registered to accept it. This was consistently the case with all five local currencies I used or attempted to use.

²¹ These estimates are based on information while I was in the field. It is possible that another organization gave currency to volunteers after I left Nelson and the information did not get back to me, although the reported lack of activity in the system after this time suggests there was little impact even if this did happen.

currency recipient in Nelson²² actually used their local currency.

My formal interview sample included self-identified currency users belonging to all three of the above groups. I focused on recruiting the few most active local currency users, and so the sample included six of the estimated ten regular local currency users. Of the remaining five Community Dollar users, four had actively sought out local currency, and one had passively received it. None of the five had actually spent the local currency they obtained when I interviewed them. The two who had given their currency away had both actively sought it out in the first place, and gave it away when they realized they were never going to actually spend it themselves. It is unclear how many passive currency recipients were created in the system this way. What did become clear was that people's personal motivation for using local currency was the most predictable factor in determining the amount of effort they were willing to dedicate to doing so.

Of the fifteen people I interviewed, eight described Community Dollars as primarily a social or political tool, and four as primarily an economic tool. Three discussed it in mixed terms focusing about equally on access to money and material goods and changing social relations or achieving political goals. The difference between these groups was that the currency users most willing to dedicate the effort required to use Community Dollars did so for ethical and political reasons. I initially hypothesized that an individual's position within the local currency system (say, whether they are a business owner, non-profit representative or individual consumer) would be the most relevant factor in shaping their behaviour and choices when it came to the local currency. Interviews and participant observation revealed that personal value systems were much more influential, for both individual and institutional currency users. When I spoke to business owners, the most supportive and engaged people were committed to the local currency program for moral and ethical reasons, not because they thought the currency would have strong economic benefits for them. Business owners whose primary motivation for accepting local currency was the pursuit of profit tended to remain fairly passive in their local currency use. They

²² I did speak to one person in Fernie who spent local currency she received as a volunteer.

generally did accept it from customers as agreed, but would not dedicate much effort to advertising the program, incorporating it into their existing systems and training, or to spending the Community Dollars they received. The business owners who indicated that they sought to use local currency for ethical or political reasons demonstrated significantly more motivation to dedicate time and effort to promoting the local currency, incorporating it into their sales and accounting practices and, less commonly, to keeping it circulating by spending the currency they received. Customers who indicated that their motivations for local currency use were primarily ethical or political likewise tended to dedicate more effort to acquiring and actually spending Community Dollars compared to those who argued local currencies are primarily economic tools.

One possible reason for this discrepancy is that quantitative claims about economic growth and profits are much more easily measured and assessed than qualitative claims about happiness, inclusion, paradigm changes, or environmental sustainability. As a result, users appeared much quicker to reject quantitative claims when the currency did not meet expectations. Community Dollars users or potential users who saw the currency as primarily a tool for increasing the quantity of money in the local economy demonstrated greater skepticism about its effectiveness than people who saw it as primarily a tool for social and political change. The first group had a tendency to focus on Community Dollars' limitations compared to national currency or even informal practices like barter. The latter group saw the local currency as being qualitatively different from existing currencies and modalities of exchange, and were therefore less likely to judge them on the same grounds.

This was particularly true after the currency launched and financial benefits were not immediately obvious. Bloch and Parry's (1989) analysis of exchange systems offers one possible explanation for the disparity in enthusiasm between the two groups. They characterized economic activities focused on personal profit and acquisition as short-term cycles of exchange, and activities focused on collective reproduction as long-term cycles of exchange. Business owners continuously make note of their sales, profit, and activity levels. In my

conversations with entrepreneurs and managers while in the field, they would regularly make note of whether it had been a good or bad day or week for customers or sale, and which months or seasons were generally busy or slow for them. When local currency does not deliver promised profits and new customers, the fact is noted fairly quickly. Qualitative goals, like hopes for social transformation and environmental sustainability, are less tangible, and longer-term in nature. The local currency users operating from a qualitative perspective spoke about their hopes for the currency in terms of gradual changes over a longer timeline. Because their goals were far less tangible and immediately observable, they seemed slower to become disappointed with the currency, because they did not expect its effects to be immediately obvious. This appears to have helped that group maintain their optimism, and therefore their motivation to use the currency, longer than qualitatively motivated supporters. As will be seen in subsequent chapters, the one issue that deterred these supporters is when they did not feel their values were being represented by the currency organization, and therefore became skeptical the gradual changes they sought were actually being pursued.

Two currency users presented a notable exception to the above dynamic. They were the only regular currency users who primarily cited quantitative or economic motivations for their currency use. They nevertheless shared two characteristics that help account for this disparity. First, both were heavily involved with the administration of Community Dollars, and indicated that their personal reputations and/or employment prospects would be impacted by the currency's success. They both also described their regular use of Community Dollars as a marketing strategy, acknowledging they were intentionally ostentatious in their local currency use; speaking loudly with cashiers so others heard they were using Community Dollars, and ensuring local currency always sat on the outside of their money clip so it would be seen. These two users therefore had additional motivation for sustained local currency use not shared by most other users, and particularly other economically-motivated currency supporters. A second unique characteristic of these two currency users is that

they were the only people I encountered who regularly discussed the need for local currency in terms of their expectations of inevitable economic crisis and collapse. When the currency did not immediately meet economic expectations, they were able to adopt a longer-term view that the issue was not the currency, simply that conditions were not yet bad enough, paired with the certainty they would become so eventually. Notably, some other local currency users did mention the potential for future crises in passing, but no one else seemed sufficiently certain of their likelihood that they were willing to make radical changes in the present day to prepare.

Originally, one of my main goals in this project was to investigate what local currency users learn from their experiences. I had assumed that active currency users and supporters would share some common interpretations of the currency and its relevance based on their shared experiences using it. I was incorrect in this expectation. When asking people what they learned from using Community Dollars, or what meaning their experiences held for them, I was surprised by the range of responses. Interpretations were so individualized that I struggled to reconcile the fact that all of these people were discussing the same local currency. Explanations of the function of Community Dollars provide some sense of this variation. The many accounts I heard included claims the currency was primarily designed to encourage generosity, to increase social connections, to make local businesses more profitable, to help non-profit groups achieve their mandates, to provide an alternative to national currency when the economy collapses, to localize food production, and to transform people's understanding of the economy and economic possibilities.

In the absence of any sort of social component to the Community Dollar program, like the commitment building events organized in other local currency systems, currency use remained a fairly solitary activity in Nelson. Instead of collectively developing a shared narrative about the currency's purpose and meaning, currency users independently interpreted their local currency experiences through the lens of their past experiences and pre-existing political beliefs, with predictably idiosyncratic results.

Like many local currencies, Community Dollars relied heavily on word-of-mouth promotion to recruit users. Given the lack of a shared sense of what the currency was and how it worked, that word-of-mouth advertising relied on a confusing variety of competing, inconsistent, and often contradictory narratives. There were some consistent patterns among the most engaged and active currency users, however. For the most part, these users privileged qualitative versus quantitative motivations for local currency creation and use, but these qualitative explanations nevertheless spanned the gamut, from “consciousness raising” to environmental sustainability to warm and fuzzy goals for friendship and happiness. The confused and individualized experience of participating in the Community Dollars system in Nelson likely could have been diminished with a coherent messaging and incorporation of social events. Unfortunately, such administrative strategies did not align with the new organizational approach adopted by the West Kootenay leadership.

7.5.2. New Institutional Structure

Although the chair and executive director had taken to calling their organization Community Dollars Inc. at the time of the currency launch in Nelson, formal incorporation had not yet moved forward. The chair and executive director eventually decided against incorporating due to opposition from organizations and businesses they approached about getting involved. Numerous firms expressed doubts about working with, and particularly donating administrative fees to, a group that was technically a private business. It eventually became clear that the whole notion of formal corporate structure was impeding local trust in the organization, particularly in a city like Nelson where anti-corporate sentiment is common.

In mid-August 2012, the group was officially registered not as a limited liability corporation, but as the Community Dollars Foundation. It was at this point that the leader who had taken control of the organization the previous fall appointed himself chair of the new board of directors, which was made up of five representatives from the local business community. Within the new institutional

structure, the executive director would continue performing all administrative work as a full-time employee, now overseen by the larger board instead of only the chair.

There was one major obstacle to a smooth transition from the informal grassroots currency development group to the formalized and board-driven Community Dollars Foundation. Two currency development group members from Nelson still wished to be involved with the local currency. Critically, the two retained physical possession of all of the Community Dollars currency not yet circulating in Fernie or Kimberley, and proved unwilling to surrender it all to the new organization. A compromise was devised where the two members were incorporated into the new organizational structure as “the mint.” The mint would play a regulatory role by controlling all “unissued” non-circulating currency, while the executive director and board of directors would control all operations involving currency that was issued. The two members agreed to the arrangement, which dictated that the mint remained completely separate from the everyday operations of the currency system.

7.5.3. Advice and Troubleshooting

From the time I arrived in Nelson, the Community Dollars Foundation chair repeatedly argued that having an “expert” studying their currency would lend legitimacy to the system. Several currency supporters and organizers also expressed hope that my research could provide them with advice that might improve the chances that Community Dollars would be successful. For that reason, when the first board meeting of the newly established Community Dollars Foundation took place on August 30th, 2012—six weeks after the currency launch—I was invited to attend and report my preliminary research findings. Specifically, I was asked to give the board advice about how to improve the Community Dollars system.

After reporting that the informal survey of businesses found that there was very little local currency being used, I made three suggestions. First, I noted that although currency use was very slow, my conversations with business owners and

community members indicated that there was untapped interest in the currency, but also obstacles to translating that interest into new currency users. A good indication of this was a conversation I had with a clerk at one participating retail store. The employee told me that they had not yet received any local currency for payment, but had been approached by several people interested in using Community Dollars who could not figure out how or where to obtain the currency. The employee similarly had no idea, and could not advise the customers. The Community Dollars organization had been promoting the currency online and in local media as a general idea, while promotion of how to acquire Community Dollars was left to the various recipient organizations. This proved to be a dysfunctional marketing approach. A potential currency user could listen to a radio interview or visit the Community Dollars website and be convinced that they should use the local currency, but be left with no idea of how to go about doing so. I advised the board that because people interested in using the currency were not able to access it, the system was not working at anywhere near its current capacity.

At the time, I was unsure of the best way to address the problem of untapped interest, and frustrated potential users. While authority over the system and currency issue had been centralized in Nelson to a far greater degree than other Community Way systems, actual distribution of the currency had been decentralized to community groups. This resulted in a fundamental disconnect in promotion of the currency to individual consumers. After visiting Fernie and Kimberley and gaining more understanding of a standard Community Way implementation, I saw that establishing a centralized exchange point could have presented one partial solution to the problem, assuming it was properly advertised. This would provide one unambiguous place where people could be directed if they wanted to obtain local currency. Most of the currency that entered circulation in Kimberley did so through their farmer's market booth, which functioned as a temporary exchange point. For the Seedstock Community Way currency in Vancouver, ninety percent of the currency that entered circulation did so through the Seedstock website, which served as an online exchange point

(Simon, 2015, p. 65). Recall that at exchange points, individual consumers provide donations of national currency to the benefiting organization of their choice, and receive local currency in exchange. The exchange point approach would not have worked well with the chair and director's decision to closely control and limit issue of Community Dollars, including which beneficiary organizations had access to local currency. It also would have added administrative responsibilities to an already strapped organization, and possibly expose them to liability if cash was mishandled, so the suggestion was rejected.

My second, somewhat related observation was that recipient community organizations needed more support to ensure donated Community Dollars actually entered circulation. While several recipient groups were enthusiastic about Community Dollars as a fundraising opportunity, they reported that they were struggling to exploit its potential. The non-profits did not have pre-existing systems that supported putting local currency into circulation, and it was not immediately clear how to develop such systems without expending more volunteer time than they had access to, or using more resources than they would gain. I suggested that the non-profit sphere would require assistance from the Community Dollars Foundation to ensure donated Community Dollars actually entered circulation.

There was a further issue with the five organizations that were given access to their Community Dollars donations when the currency launched in Nelson. The organizations had been chosen because each was large, popular, professional, and had a good reputation in the community. In part the chair and executive director hoped that Community Dollars' reputation would be bolstered by association with the organizations they chose. But restricting local currency access to a small number of the most successful organizations in the city likely exacerbated the problem of slow currency issue, which had previously been an issue in Comox, Fernie, and Kimberley. The chosen groups already had more reliable fundraising approaches and income streams in place, including grants, membership fees, regular events, and social enterprises. As a result, most of the organizations had little motivation to dedicate a lot of effort to generating

revenue with Community Dollars. When I traveled to Fernie and Kimberley, the organizers there argued that, even when all community groups were given immediate access to their donations and active encouragement and guidance in using the local currency, Community Dollars entered circulation very slowly rather than too quickly. There were similar reports from Comox Valley.

I eventually concluded that the regrettable decision to tightly control currency issue to prevent hyperinflation was the result of both wishful thinking and the loss of institutional memory in the Community Dollars group. Rather than using Fernie and Kimberley as a “beta test” as claimed, the current leadership had essentially no understanding of what had happened when Community Dollars circulated in the East Kootenays, and were making decisions based on personal assumptions rather than past experience. I suggested that, in addition to providing additional support to the non-profit sphere, the Community Dollars board should give all community groups access to the funds they had been donated. I reasoned that, by opening access in this way, there was bound to be at least a few organizations willing to put in the effort to get more currency circulating.

Finally, my third observation was that participating businesses were also struggling to absorb local currency into their systems, and this put the local currency system at risk of stagnation even if issues in the non-profit sector were resolved. Four of the five businesses that received Community Dollars in the first six weeks of circulation reported being unsure about where to put local currency in their cash registers, or how to handle it on an ongoing basis. Most reported having their cashiers slip the currency under the cash register tray when they received it, and then moving it to a safe or secure cash box at the end of the day. The currency was to remain locked up in this way until management figured out what else to do with it. Only one business reported spending any of the local currency that they had received, or having any concrete plans for how to use Community Dollars moving forward. I explained that this issue was likely of secondary importance in the short-term, but it would prove problematic once more local currency started to be used. If businesses had no idea what to do with

their Community Dollars, it would create blockages preventing continued circulation of the currency in the local economy. I noted that numerous people I spoke with had suggested such blockages had been what ultimately caused Nelson's prior local currency system, Barter Bucks, to collapse. A Barter Bucks administrator indicated that the business community needed regular encouragement and guidance in spending their local currency, otherwise the currency sat in safes and lock boxes and stopped circulating permanently. This aligns with reports about Ithaca HOURS, where organizer Paul Glover was known to bike around town trying to find blockages in the system (Grover, 2006).

When I visited Kimberley, one of the currency development group members argued that a Community Way currency needs to be managed using a "three pronged approach" actively addressing the needs of all three categories of local currency users in the model. This approach helpfully summarized my findings up to that point. I had found that Community Dollars was struggling on three fronts in Nelson, with each creating bottlenecks that prevented currency from entering circulation or freely circulating once it did. Individual consumers found the currency difficult to access, community groups struggled to develop practices to get it out in circulation, and businesses found it difficult to keep it circulating once they received it.

The Community Dollars Foundation chair and executive director disagreed with my analysis. They believed that to be successful, a local currency must prioritize the needs and preferences of the business community. They reported that the currency organization's main priority moving forward would be registering large, mainstream businesses, focusing particularly on recruiting at least one grocery store. The chair and director argued that ensuring that the local currency could be used to buy necessities like groceries would create sufficient demand that supply and circulation problems would naturally resolve themselves. The Community Dollars director further insisted that the foundation was already providing sufficient support to the non-profit sphere simply by making local currency available: it was not their responsibility to provide further support using that currency.

When it came to outreach to individual currency users, my conversations with currency administrators in Nelson brought to mind the refrain from the film *Field of Dreams*: “if you build it, they will come.” The chair and director believed that if the currency was structured so it was appealing to mainstream businesses active promotion would be unnecessary. Instead, the local currency would be so attractive to currency users that the system would spontaneously grow, and act as its own advertisement. On one occasion this belief was expressed in terms of the currency “going viral.” Unfortunately, the local currency literature and previous experiences of Community Way and Community Dollars organizers provided little evidence that this sort of spontaneous effortless growth could happen. Despite economic theories suggesting that monetary development is inevitable, ethnographic and historical evidence show that it takes significant effort to create and develop an audience for new money forms (Gilbert, 2005). Complementary and parallel currencies have specifically required significant labour, communication, and marketing to function well (Kim et al., 2016, North 2010b, Williams, 1996a, 1997). Even in cases of economic crisis and genuine need, there does not appear to be any empirical evidence that the invisible hand of the market steps in and they become self-managing.

7.5.4. Stagnation

There was a spurt of activity and new interest in Community Dollars in Nelson in September 2012, after the five community organizations who had received local currency thus far teamed up to hold a barbecue where they promoted the program. A moderate amount of Community Dollars entered circulation as a result, since change for purchases was only given out in local currency, and it was also sold to supporters for Canadian dollars at the event, or given out as a bonus when memberships were sold. One larger organization also gave out significant amounts of the currency to volunteers at a different event shortly beforehand. At the time, a representative from the organization predicted little of the local currency given to volunteers would ever circulate, and that what little did would probably stop at the recipient business and go no further. This

comment was representative of increasingly pessimistic attitudes toward the currency from its supporters in the last two months of my field stay. It continued to be difficult to directly observe Community Dollars being used at this time, but my conversations with business owners indicated that local currency usage continued to be sporadic and infrequent.

The first clear signs of Community Dollars' eventual collapse came in October, just three months after the currency launched in Nelson. At the Community Dollars Foundation's monthly board meeting, the executive director announced that he would need to stop his work with the currency system unless funds were secured for his salary very soon. He further argued that the currency would stop functioning altogether if he left the group. Board members, most of whom had previously remained optimistic about the currency's prospects, reported that during this meeting the reality of the currency system's precarious status began clear to them. The chair of the board confessed afterward that for the first time he was considering the possibility that Community Dollars might fail.

This reality of the situation had already been clear to the fairly small group of people outside of the board who were actively tracking the local currency's progress. Several reported being aware that the executive director was working for the currency based on the understanding that he would receive a salary for which there were no funds, and being concerned about the currency's viability if the executive director stopped his work. One currency user summed up the situation by saying:

I'm happy that [Community Dollars] rolled out. I'm hopeful that it will have some legs. Right now it seems a little like it's floundering. But I think it takes time to introduce something like this and get public acceptance... [and it needs] another round of champions, I think, to take it to the next step. I think a lot of the people who have been working on it for the last couple of years are kind of burned out, honestly, and need some fresh energy to bring it to the next step. And I think [the executive director] is

doing the best he can but, you know, he needs a job, he needs to get paid to do the work, so, uh, we need to find somebody else like [the original currency development group members] or whoever that can, kinda, carry it forward and not get paid. Because there's no money.

By the time I departed Nelson in November 2012, I felt I had reached saturation in my data collection. There was very little happening with Community Dollars, and correspondingly little public awareness of the currency or interest in it. Most local currency activity took place behind the scenes in the currency's administration, with continued efforts to register a large mainstream business to accept Community Dollars. Because the organization had turned its attention almost exclusively to the business sphere, there was almost no communication with the public moving forward, leading the currency to quickly fade from memory for most people.

Unfortunately, despite their efforts, the Community Dollars Foundation never convinced a large business like a grocery or hardware store to register. Nevertheless, at least two more businesses were signed on after my departure from Nelson, and the board provided at least two other non-profit groups with local currency. Still, based on reports from people in the community after Community Dollars folded, these new registrations did little to inspire new spending or users. Significantly, at some point in 2013 the Columbia Community Dollars Foundation was awarded \$10,000 in start-up funds from the Columbia Basin Trust. By that point the outstanding debts for the currency printing and the executive director's back-wages far exceeded the amount of the grant, so it would have done little to help the currency grow or expand.

7.6. PHASE SIX: DISSOLUTION AND REFLECTION (MID-SEPTEMBER 2013 ONWARD)

The new, legally binding registration forms that were created after the chair took over leadership of Community Dollars required that businesses make a one-year commitment to accept local currency. This was to be renewed on an annual basis, versus the more open-ended commitment of a conventional

Community Way approach. When the Community Dollars leadership in Nelson started approaching businesses to renew their commitment after a year had passed, several businesses decided to opt out of the program. Significantly, this included at least one of the larger downtown businesses that were some of the only participants who had ever received local currency and, in my judgment, were ever likely to. Community Dollars board members reportedly feared that more businesses planned to exit the currency system, and that this might result in a similar situation to when the earlier Barter Bucks system ended. After a year of circulation, no business had received more than five hundred Community Dollars. Organizers worried that could change if all but a few businesses dropped out and there was a rush to get rid of local currency before the system collapsed completely. As previously noted, when the longer-lasting Barter Bucks currency eventually collapsed, some businesses were reportedly left with upwards of ten thousand dollars in unspent local currency.

When the Community Dollars Foundation held their first annual general meeting in September 2013, the executive director moved that rather than letting the currency slowly fail, leaving behind a trail of frustrated business owners, the board should officially dissolve the currency on their own terms. The hope was that they could avoid having a few businesses disproportionately shoulder the risks of having participated in the local currency, so the project could end on a positive note. The administrators noted that, while the currency had not been successful at improving the local economy, it had been a success in terms of getting conversations going and encouraging people to consider alternate economic possibilities. There was initially opposition to dissolving the currency at the meeting. The board conceded to the plan after the director explained that the group did not have the financial resources required to employ him to continue the work required to keep the currency afloat. In late October, the currency foundation held a public “wake” to celebrate “the successes and community the project brought.”

I spoke with the chair and executive director after Community Dollars dissolved, and their overall analysis of the currency system’s challenges had not

changed very much since I had left Nelson a year earlier. They explained that the main challenge had been a lack of business support, particularly when it came to larger, mainstream businesses like grocery stores, and insufficient financial resources available for administering the currency system. They had added two additional explanations for the currency's struggles as well. First, they believed they had started too small, and if they had initially signed on 100, rather than 50, businesses the currency would have been more successful. Another point they raised in conversation, as well as in local media coverage following the currency's demise, was the idea that there had been behind-the-scenes political opposition "high up" that had prevented mainstream acceptance of the currency.

The Community Dollars supporters I spoke with after the currency's dissolution, including an original currency development group member from Nelson, interpreted the situation differently. Like the executive director and chair, the supporters' assessments of the currency's challenges after its dissolution were similar to their interpretation when I was still in the field. These critiques will be explained in greater detail in the next two chapters. The supporters most commonly criticized the increasingly hierarchical structure of the Community Dollars organization. They argued the centralized, board-driven structure had created an unsustainable situation where there was insufficient labour power to complete needed administrative tasks. More significantly, it changed the overall tone of the project in a way that dampened enthusiasm and disempowered supporters. One commented: "I didn't attend the wake because the model that failed was one I didn't believe in and felt was doomed to failure."

7.7. CONCLUSION

All told, the journey from the idea to develop a local currency in Nelson to the official dissolution of the resulting Community Dollars system took three years and four months, from May 2010 to September 2013. Despite the distinctive details of the Community Dollars story, the currency met the same fate as most local currencies: it was not used very much, and did not last very long. It took a little over a year of planning and preparation before the currency launched

in Fernie and Kimberley in June and July 2011, but by the end of the fall of that year the system was completely dormant in Kimberley, and at risk of lapsing into dormancy in Fernie. When the Community Dollars launched in Nelson in July 2012, despite adjustments in the administrators' approach, and a much larger number of participating businesses, the result was very similar.

As explained in Chapters 3 and 4, based on its demographic and political characteristics, it was fairly predictable that the currency would not thrive in Kimberley. The same cannot be said for Fernie, and particularly for Nelson. The Community Dollars system had particular characteristics that appear to have superseded the promise offered by Nelson's geographical, demographic, and ideological characteristics, and hastened its demise in Kimberley's challenging environment. At the same time that the Community Way model offered some solutions to problems experienced by previous local currency systems, it appears to have posed unique challenges that Community Dollars administrators were unable to overcome. A number of administrative decisions apart from the currency model likewise contributed to Community Dollars' struggles in Nelson.

My observation of Community Way currencies in British Columbia confirms the idea that the currency model can be more successful in recruiting formal businesses than LETS systems tend to be. Community Way nevertheless has several features that exacerbate problems experienced with other types of local currencies, specifically the tendency toward a small user base and volume of trading. The system of donations and decentralization of currency issue to numerous community groups effectively results in a system with currency blockages built in, and makes procuring local currency confusing for prospective users. In a conventional Community Way implementation, this problem might potentially be lessened by a well-advertised exchange point. The decision to eliminate exchange points in Nelson and limit the number of beneficiary groups who had access to local currency created a significant obstacle to user recruitment, as interested potential users struggled to figure out how to obtain Community Dollars.

The hybrid Community Way model incorporates elements similar to

convertible local currencies, where local currency is most easily obtained through surrendering national currency. This presents an additional barrier to participation, however, most notably for people who are struggling financially. Although Community Dollars could sometimes be obtained through volunteer work with beneficiary groups, the requirement for surplus money or time posed a challenge for many potential users, particularly since the local currency was less generally useable than the national currency surrendered. This provides one possible explanation for why Community Dollars, at least initially, found more success in wealthier Fernie compared to Kimberley and Nelson.

Community Way's complicated structure presented one final obstacle for the recruitment and retention of active currency users. At a functional level, the complexity confused potential users and prevented them from figuring out where to get Community Dollars and how to use them. On a deeper level, the convoluted structure had the potential to inhibit trust in the new currency. As will be detailed in later chapters, some people were wary of Community Dollars on the basis of the system's complicated structure, which they assumed was indicative of a pyramid scheme or financial swindle.

Another realm where the Community Way approach mirrors, and possibly exaggerates, challenges seen in other local currency systems is in its tendency to foster unreasonable expectations among potential currency users. Local currencies have rarely lived up to their hype, particularly when it comes to claims made about their potential for creating wealth and encouraging production. This is often the result of touting unrepresentative examples like the depression-era scrip in Wörgl, Austria, and Trueque barter networks in crisis-riven Argentina as evidence of local currencies' general economic potential. When currencies fail to live up to these unattainable expectations, it causes disappointment and frustration among currency supporters.

In the specific case of Community Way, Michael Linton promoted the model to the Community Dollars development group based on the idea that Community Way currencies are quick and easy to create, self-funding, and mostly steer themselves with little to no permanent organizational structures or

volunteer labour required. None of this turned out to be true, but belief in the claims caused a series of administrative decisions that jeopardized the Community Dollars project from its earliest stages. While appealing to a group struggling to make decisions, the amorphous, adaptive, and evolving organizational structures promoted in the Open Money philosophy resulted in a largely “structureless” group that was very vulnerable to coercion and cooptation. This was obvious in the series of conflicts the Community Dollars development group faced, and from the sense of powerlessness the organizers described feeling as “outsiders” exerted control over the group. The conflicts sometimes sped up progress in the development group over the short-term, but their overall impact was to sap the currency organization’s energy, institutional memory, and eventually its access to needed volunteer labour. The loss of institutional memory was particularly significant, as it led to subsequent decision-making that was not in the best interests of the currency program.

The decisions to carefully control currency issue in Nelson and narrowly focus on the preferences of mainstream businesses are key examples of this damaging loss of institutional memory. The new Community Dollars leadership decided to limit currency issue based on the assumption that, without vigilant management, massive amounts of currency would inundate the local economy, causing hyperinflation. The decision to populate the Community Dollars board solely with representatives from the business community, and to try to restructure the currency system based on their preferences, resulted from the assumption that if business leaders were happy with the local currency it would function well and attract users without advertising. The experiences of the Community Dollars organizers in Fernie and Kimberley did not support either of these assumptions. They had found that Community Dollars were very slow to enter circulation and required constant encouragement rather than obstruction. For this reason, they advocated for a “three pronged approach” to currency management, arguing that if any group of local currency users was not being supported and heard, it compromised the system’s overall function. Had the new leadership in fact treated the earlier Community Dollars launch in Kimberley and

Fernie as a “beta test” to improve the system, they might have been able to make changes to improve Community Dollars’ chances in Nelson. Since communication with the previous leadership had been almost entirely interrupted, subsequent decision-making was not based on existing evidence from the earlier launch.

One problematic administrative approach that persisted throughout the Community Dollars experiment was ongoing acceptance of the notion that local currencies can be completely self-funding and operate without volunteer labour. The latter argument is one of the fundamental principles of Michael Linton’s LETS system approach. I have nevertheless not yet seen any example of a local currency system that has been able to maintain salaried staff in the absence of reliable external funding. Believing that local currencies can create all of the resources they need to function led the Community Dollars organizers to consistently make costly decisions that their system could not realistically sustain. Early in the currency’s development, the idea that the SFA approach could reimburse work done in the system led administrators to feel justified working full-time on the project. Treating their volunteer labour as if it were an endless resource hastened the volunteer burnout most local currency systems eventually experience. Assuming administrative fees would fund the currency likewise led the development group to choose very expensive printing options that they did not actually have the resources to pay for.

Expensive management decisions continued even after the change in the Community Dollars leadership. Even as many features of the Community Way model were rejected, the chair doubled down on the idea that the currency system could be administered as a self-funding and professionally staffed organization. The result was that the eventual structure of the organization was incredibly top-heavy, with a five person board of directors responsible for overseeing one person’s work. Local currencies tend to be most successful when administrative duties are shared by a team to avoid, or at least delay, volunteer burnout (North, 2010b). Community Dollars’ final organizational structure was particularly precarious since the one person responsible for all administrative

duties was working contingent on a salary the organization did not have resources to pay. I was aware of a couple of people who offered to volunteer for the organization, but those offers were turned down on the basis that it would be unprofessional for volunteers to be performing work in a currency system, and even if that was not the case the director did not have extra time to supervise their work. Realistically, additional volunteers would have also presented potential competition to the director if and when funds for wages finally became available. Under the above conditions, it was inevitable that the director would eventually need to cease administering the currency. When this happened, it resulted in the system's dissolution.

The adoption of hierarchical and largely corporate organizational structures caused further problems beyond the lack of the resources required to uphold such structures. As will be explained further in Chapter 9, the increasingly professionalized and business-oriented approach adopted by the Community Dollars leadership prevented the currency from retaining the few currency users it did attract. The intense focus on the needs and desires of the mainstream business community meant that the largely countercultural people and businesses actually willing to use the local currency were increasingly ignored by the organization. Even if they had been courted, and their opinions more valued by the organization's leaders, actual local currency supporters tended to find highly hierarchical corporate organization inherently off-putting. Many questioned whether any organization so structured could actually promote the kinds of values and goals that attracted them to the local currency in the first place.

On a related note, commitment building activities like markets, festivals and buddy systems have proven important in the success of past local currency systems, including the Barter Bucks system in Nelson. Had the Community Dollars actively organized events of that kind, it could have aided in retaining local currency users. The chair and executive director felt the success of the Community Dollars system depended on projecting a professional, corporate image. Grassroots events like the potlucks where decisions about Ithaca HOURS

system were made would have been totally at odds with the “brand” they were trying to project.

It is ultimately impossible to know exactly what effect different administrative choices or ideological approaches would have had on Community Dollars’ longevity. The Community Way model appears to provide inherent structural issues no system has been able to overcome. Based on prior research of local currency systems, however, I believe many decisions made by Community Dollars leadership hastened the demise of their system. The most significant of these was obviously their decision to deliberately discontinue the program. Successful local currencies require a large and dense network of participants, and research suggests that outside of crisis scenarios local currencies tend to grow very slowly. There will always remain the possibility that, had there been another change in leadership, adopting a different approach to currency management, Community Dollars could have gradually grown to reach the required critical mass. Ultimately, this would have required significant effort and resources, and it is not clear if the benefits would have outweighed those costs.

The top-down business focused approach in the Community Dollars system failed to address the fact that the success of any local currency system ultimately comes down to user experience. What the three-pronged approach in the East Kootenays acknowledged was that if any user group in a Community Way system was sufficiently unsatisfied, they were likely to stop using the currency, causing the whole system to grind to a halt. In that vein, the next chapter examines the economic value and quantitative impacts of the Community Dollar currency through the lens of user experiences. In it, I evaluate the extent to which users found Community Dollars able to efficiently improve their access to wealth or material things.

CHAPTER 8 VALUABLE MONEY: COMMUNITY DOLLARS AS ECONOMIC INSTRUMENT

The most basic economic function of any type of money is its ability to provide a means and measure for exchange. Money facilitates exchange by providing a standard of measurement that allows the value of qualitatively different things to be quantified and compared. In popular usage, when we use the word value we are usually referring to economic exchange value. This is the measure of what a particular commodity is worth compared to other commodities, and therefore what it yields when exchanged for something else. Economic exchange value is usually measured in the currency of the country where an exchange takes place. Money therefore enables exchange by providing a unit through which different products can be compared, and an instrument facilitating their transfer from one person to another.

There are other types of value that are not so easily quantified. Our ethical standards and social norms can make it difficult or morally fraught to attach a numerical price to certain things. This can be seen in discussions of inalienable possessions in the anthropological literature (Mauss, 1950/1990, Weiner, 1992). We see similar struggles with commensuration and quantification when objects are discussed in terms of “sentimental value,” or when family heirlooms or artistic masterpieces are described as being “priceless.” These cultural limits are why we impose legal and social penalties to activities like trafficking human organs, where ethical imperatives are judged to outweigh market forces. These qualitative types of non-exchange value are examined in the next chapter.

This chapter analyzes Community Dollars as an economic instrument, and thus focuses on its economic exchange value and transaction costs incurred when using it. The focus is specifically on how the local currency’s economic exchange value was perceived and experienced by Community Dollar users and stakeholders. Their experiences were shaped by their role in the local currency system, their individual biases and experiences, and pre-existing expectations about local currencies. These expectations were influenced by claims made about Community Dollars by its administrators and advocates. To contextualize the

ethnographic findings presented in this chapter, I begin by describing various market and exchange focused claims made by the Community Dollars leadership. These are predominantly drawn from promotional materials published by the Community Dollars organization, and to a lesser degree from internal documents like grant applications and email listserv discussions.

The validity of these economic claims will then be evaluated based on the experiences of the various stakeholders involved in the local currency program. This discussion is presented on a group by group basis, starting with local businesses, moving to community groups and non-profit organizations, then to individual consumers and community members, and ending with the experiences of the currency administrators who made the claims in the first place. In each case, user experiences demonstrate that Community Dollars did not live up to the economic claims made by its promoters. It had higher transaction costs than conventional currency, which made it a less versatile exchange technology (Kopytoff, 1986). Community Dollars users and administrators whose primary motivations were quantitative—to increase access to material goods and wealth—became frustrated with the local currency’s limited ability to achieve these goals. Community Dollars users generally experienced the currency as being less economically useful and valuable than Canadian dollars. As we will see in the next chapter, the result was that the most dedicated and motivated Community Dollars users valued the currency based on its potential for qualitative transformation – or to achieve goals to which it is difficult to attach a price tag.

The primary source of data about Community Dollar user experiences was face-to-face conversations and formal interviews. The informal business questionnaire (Appendix 1) was also an important source for this chapter because it helped confirm the low volume of trading with Community Dollars in Nelson, and provided detail on the economic practices of the few businesses who did receive Community Dollars for payment. Although I attempted to directly observe Community Dollars being used and managed at local businesses and community organizations, the volume of local currency use was so small I had very little success in this regard. Instead, I complemented interview responses

with reflection on my own personal experiences using the currency as a participant observer. I remained wary of according my own experiences with too much significance or assuming they were universal. The analysis to follow focuses on my informants' experiences, and prioritizes their statements from informal and formal interviews, while using my personal observations and experiences as a supplement.

8.1. ECONOMIC CLAIMS

From their inception, Community Dollars were primarily promoted based on their economic value. A brochure published in October 2010 claimed, regarding the creation of the proposed currency: “This is our chance to fund local charities, stimulate local businesses and increase our collective purchasing power, while helping to stabilize our economy during uncertain economic times.” Subsequent pamphlets and brochures, published in November and December 2010, described Community Dollars as “a loyalty program for businesses, a fund raising strategy for community groups, and a community builder for individuals,” and promised the local currency would foster a more robust economy, higher employment rates, and non-profit groups better able to fulfill their mandates due to improved fundraising. Similarly, an advertisement for Linton’s speaking engagement in Nelson during the same time period invited attendees to come to the event to “[l]earn how local currency can enhance the profitability of your business, provide revenues for local charities, and create a vibrant local economy.”

When asked to “[d]escribe the social, environmental and/or economic benefits of the project” in a grant application submitted in early 2011, the community development group similarly emphasized Community Dollars’ economic potential. Three of four paragraphs in their reply repeated the claims above, with added detail. The last paragraph further argued that because local currency encourages local shopping and benefits local businesses, Community Dollars would reduce the overall carbon footprint of the participating

communities. The application alluded to “social benefits,” but no details were provided.

This strong focus on economic outcomes is not surprising for a new currency, and it persisted for the lifespan of the Community Dollars project, through subsequent leadership changes. If anything, as time went on, the emphasis on economic exchange value and material wealth became more pronounced. Early on, the currency organizers garnished claims about wealth, profits, and employment opportunities with vague references to generosity and co-operation. By the time I did my fieldwork in Nelson, appeals to these broader social values had mostly ceased. When the Community Dollars website was overhauled following the currency’s launch in Nelson, the answer to the “frequently asked” question of why people should use the currency mentioned only re-localization and resilience of the local economy. By that point earlier references to “community” and generosity had been completely expunged. During that same time period, a member of the new leadership team claimed this was because the currency organization “can’t afford to be generous.”

As previously described, money is created in a Community Way currency system when a business makes a largely theoretical donation of local currency to a local non-profit group. The non-profit group can then give the local currency to volunteers as a gesture of appreciation, or sell it to supporters for Canadian dollars, hence its description as a fundraising opportunity for community service groups. When individual consumers receive local currency in exchange for these charitable donations of legal tender, in theory they are making financial contributions to the non-profit groups with no corresponding loss of purchasing power. The Community Dollar development group described their currency as a loyalty program for businesses based on the assumption that these consumers would actively patronize businesses accepting local currency. They argued that the individuals would become loyal customers to participating businesses based on their commitment to buy local currency from community groups on an ongoing basis.

As already described in previous chapters, one final economic claim made about Community Way currencies like Community Dollars is that they are revenue-generating and self-funding, rather than being reliant on external grants or volunteer labour to operate. While claims about customer loyalty, employment and increased profits were made publicly, discussions about revenue-generation were largely internal to the currency administration group. Such arguments were mainly offered by Community Way advocates in Comox as selling points when the currency development group in the Kootenays was still deciding what local currency model to adopt. Although claims about revenue-generation were not used in the public promotion of the currency, they were nevertheless significant in shaping the Community Dollars system because they strongly influenced decisions about the deployment and management of resources like labour power.

8.1.1. “Just Like Money”

One economic claim about Community Dollars seemed to underpin the rest. This was the idea that Community Dollars were “just like” legal tender, and should be treated as such. In the most general terms, the Community Dollars leadership claimed that Community Dollars would provide a superior alternative to conventional national tender by functioning in exactly the same manner, while providing additional benefits. The additional benefits were both in terms of qualitative social and political changes, as will be explored in the next chapter, and quantitative increases in the amount of wealth in the local community. The primary justification for the idea that the local currency would increase local material wealth was the fact that local currencies cannot be used outside of the locality where they are created. So while national currency spent at a local business can leave the community, local currency cannot. The assumption is that local currency will bolster the local economy and have a multiplying effect because it will repeatedly circulate within the closed local network, encouraging increased local production.

The inherent similarity between Community Dollars and Canadian Dollars was treated as a fundamentally important characteristic by Community Dollars

advocates, and a justification for the local currency's likely success. As a physical token pegged to Canadian dollars, and therefore denominated in the same manner, Community Dollars were fairly straightforward and easy to understand compared to some local currencies. When using a paper-based local currency like Community Dollars, the bills are simply handed over to the participating business at checkout in the same way one uses regular national currency. This is unlike digital currencies like LETS, which require that participants report trades to the local currency organization for tracking—either directly, by entering them into an online database, or recording the transaction so currency administrators can input it at a later time. Being denominated in the same manner as national currency similarly makes understanding and using the local currency more straightforward than time-based systems like HOURS or Time Banks.

The currency administrators argued that the physical and mechanical similarities between Community Dollars and Canadian Dollars meant that their local currency would easily fit into existing financial systems and routines, and would therefore seamlessly integrate into local economic life. Perhaps more importantly, positing a fundamental similarity between the two currencies implicitly sought to draw upon existing and largely unconscious trust in the established national currency. On a day-to-day basis, most people living in places with reasonably stable economies reflexively accept the economic value of the circulating national tender. In claiming that local currency is “the same” as trusted national currency, organizers imply that it enjoys the same level of economic exchange value. An unchallenged association between the two could help reinforce economic claims that rely on the assumption that the new local currency has established and intrinsic economic exchange value.

8.2. “THIS IS OUR CHANCE TO... STIMULATE LOCAL BUSINESSES”

Although Community Dollars proponents and organizers insisted that their local currency was essentially the same as Canadian dollars and should be managed and used in the same way, the reality was more complicated than that. After I asked the most actively supportive business owner in Nelson whether she

treated Community Dollars differently than Canadian dollars, she sighed and replied, “Well, I can't put it in the bank, so I have to treat it differently.” Standard cash out or cash reconciliation procedures for restaurants and retail outlets dictate that at close of business the day's earnings are separated from the float—a consistent amount of cash kept on hand to make change for customers. Staff members separate the money received each day from the float, and prepare a deposit to be brought to the bank either immediately, or after a stay in a safe or other secure location. Unlike legal tender, personal cheques, and payments from debit and credit cards, local currency like Community Dollars cannot be deposited into a conventional bank account. As a result, the business owners I spoke with felt they needed to segregate local currency from national currency so that it did not slow down cash out procedures, or accidentally end up in bank deposits. This alone sometimes proved difficult.

Community Dollars were awkward to fit into businesses' existing cash handling and accounting procedures in part because they were awkward to fit into their physical infrastructure. None of the business owners I spoke with wanted the local currency to be interspersed with Canadian dollars, as Community Way advocates sometimes argued it should be. But most also did not have empty slots available in cash registers where they could keep local currency separated from national currency. One retail store in Nelson established a new container—a glass jar—for debit and credit card receipts to be kept outside of the cash register. Most other businesses—particularly those with multiple cash registers and a high volume of sales—thought it was impractical to displace more commonly used methods of payment to make room for the local currency. Instead, as already discussed, nearly every business independently came up with the solution of slipping the local currency they received under the cash register tray. In most cases the local currency was removed to a safe or cash box in the back office during cash out procedures, where the owner or manager said it would stay until they could figure out what else to do with it.

There were two main justifications for the claim that businesses would experience increased profits if they accepted Community Dollars. The first was

the idea that accepting local currency would attract new, loyal customers who wished to reward the business' support for their community. The Community Dollar system never reached a critical mass of popularity, so it is impossible to know whether this might have happened if the currency had been more successful. Research on other local currency systems suggests even if the currency had been more successful, it would have had little to no impact on businesses' profits and customer base. In one noteworthy example, when studying three fairly successful paper HOUR currencies, including Barter Bucks in Nelson, Wheatley found that more than half of participating businesses estimated that local currency participation brought in between zero and four percent more customers (2006, p. 91-92).

The second justification for why Community Dollars would increase business profits was the assumption that, because local currency cannot be used outside the local community, it will circulate rapidly within the local economy. Despite their initial good intentions in agreeing to accept Community Dollars, most businesses struggled to keep the currency they received circulating. The main reason was that there was a fundamental mismatch between businesses' needs, and the nature of goods available for purchase using the local currency. Most of the participating businesses were coffee shops, small retail outlets selling non-essentials like yarn, jewelry, and books, or small informal businesses offering services like personal coaching, web design, or photography. As a result, business owners struggled to find ways to spend local currency on business-related expenses. It could not be used for standard overhead costs like rent, utilities or taxes, and none of the business representatives I spoke with had suppliers who would accept Community Dollars for payment. While some of businesses that accepted Community Dollars offered business-related services like bookkeeping and web hosting, no business owners I spoke with showed any willingness to change from trusted service providers with whom they had a pre-existing relationship in the interest of spending the local currency they received.

Even in those cases where a business' chosen service provider did accept Community Dollars, using the local currency for payment remained problematic

because contemporary businesses seldom operate on a cash basis. Instead, their financial operations tend to be completely dependent on digitized accounting programs and banking systems. While businesses continue to accept payment from their customers in cash, business-related expenses like rent, salaries, and supplier costs, are almost always paid using more easily traceable payment methods like cheques, bank transfers, and credit cards. One Nelson-based bookkeeper noted that payments to employees, suppliers, and service providers are themselves increasingly computerized and automated, employing methods like direct bank deposits. She argued business owners largely appreciate this automation have no interest in returning to more labour-intensive, manual payment procedures. This is particularly true given the expense many businesses have dedicated to modernizing their accounting systems. As a result, even if a business happened to patronize a service provider who accepted Community Dollars, most businesses would be hesitant to disrupt automated payments and substitute a portion with local currency. This remained the case even though businesses and individuals in Nelson appear to use cash more often than is generally the case in other cities. It was particularly true for the large and mainstream businesses that the Community Dollars organization wished to recruit.

After encountering difficulties incorporating Community Dollars into their existing systems and practices, several businesses sought guidance and advice from the currency organizers. But currency administrators' and advocates' steadfast belief in the equivalence between local and national currency prevented them from fully understanding the nature of the business representative's concerns. Representatives therefore reported receiving dismissive responses from currency organizers when they sought help in making the local currency work for them. The accountancy of the Community Dollars system was therefore problematic. Currency users struggled to create new practices for handling and tracking the local currency, and the currency organizers seemed ill-equipped to aid them.

Dismissive responses to community concerns were not confined to Nelson. In emails with the Community Dollars development group, Michael Linton shared a letter sent to business owners in Comox who sought guidance managing the local currency there. As previously quoted in Chapter Six, the letter explained, regarding accounting procedures for Community Way money: “It’s money. The Canadian Revenue Agency says so and so should your books....In the till, it’s cash of a different size and colour, but it’s cash” (personal communication, December 30, 2010). Linton further argued any accountant who needs more advice than that is simply bad at their job. When a business owner in Nelson relayed the advice to just count the local currency in the books in the same way as Canadian Dollars, her bookkeeper argued that was a bad idea that could cause problems later.

When Community Way advocates dismissed bookkeeper and accountant concerns as resulting from a lack of understanding or skill, and failed to provide guidance or suggest procedures that accounting professionals found acceptable, it put business representatives in a very awkward position. Unable to find a way to incorporate the local currency into their systems in a way that would keep their accountant happy, or to find anyone willing to help them do so, business owners were more likely to tuck the local currency away and put off figuring out how to deal with it until some undefined time in the future, further delaying the development of a shared accountancy for the system.

When business owners in Nelson expressed concern that they would be unlikely to find ways to use the local currency for business related expenses, the chair and executive director suggested that the businesses should try to convince employees to take local currency as part of their salary. To whatever extent it was likely employees would consent to this, business representatives indicated that their payroll systems were automated, with employees paid via direct deposit. The organizers then suggested businesses should change the way they do payroll, and return to providing cheques in envelopes. Upon hearing this suggestion a local bookkeeper rolled her eyes and argued that Community Dollars “is never going to work.”

So while material currency is easy to understand, it presents logistical issues in an increasingly digitized economy. One potential strategy for these limitations is to find an area where a business still operates on a cash basis, and try to use local currency in that domain. One business in Nelson decided to do so by turning their store of Community Dollars into a source of petty cash for small, incidental business expenses. Without any participating stationary supply, hardware, or grocery stores, this, too, proved challenging. The business owner in Nelson who seemed most motivated to spend local currency started using it for staff coffee runs at a nearby café. This approach remained somewhat awkward, as the coffee purchases had to be carefully tracked, and later removed from the salary the owners allotted themselves. Although the business was fairly small, and almost exclusively owner-run, one of the owners nevertheless explained: “it’s a corporation—I can’t just take money out of the till.”

The most obvious arena where businesses still deal in cash is in exchanges with customers, particularly in retail stores and restaurants. Community Dollars administrators suggested businesses struggling to spend local currency could give it to customers as change during exchanges, with the customers’ request or consent. Businesses were generally hesitant to do this. On several occasions when making purchases at cafes accepting local currency in Nelson, Comox Valley, and Salt Spring Island, I asked to receive my change in local currency, but the staff refused. For the most part they seemed confused, and slightly annoyed, by the request. In one case, the clerk informed me “we don’t do that,” and “the local currency doesn’t work that way.” This could have been a potential option for businesses with improved staff training, but most business representatives gave the impression they found this strategy just as awkward as those already discussed. Business owners indicated that they did not want to offer change in local currency as an option unless it was something they would be able to do consistently. But to do so, the businesses would have to keep a separate float of local currency on hand at all times. This required that they either invest Canadian dollars to buy local currency—a financial investment almost no businesses were willing to make—or wait until they received enough local currency in purchases to

amass such a float. Few businesses in the Kootenays ever received this much local currency.

Ultimately, the result of these difficulties was that most businesses accepting Community Dollars treated the local currency like a coupon, discount, or promotion. In other words, whether consciously or unconsciously, most businesses appear to have decided it was not worth the effort required to spend the local currency they received. Instead, those purchases seem to have been implicitly written off as a loss. In email discussions with the Community Dollars development group, Michael Linton characterized this mindset as a “discount mentality,” and one of the greatest risks to the success of a local currency system. Seeing purchases made with a local currency as a discount or write-off fundamentally devalues that currency. Perhaps more damaging, mentally reframing local money as non-transferable coupons, and making no plans or effort to spend it, means it will never circulate. Without this circulation, promised increases in local wealth and production can never materialize.

My impression that many businesses accepting Community Dollars in Nelson had developed such a discount mentality was based more on observed behaviour than direct statements from business owners and employees. When I discussed Community Dollars with business owners, most did express vague plans to someday spend local currency. But these plans were sufficiently amorphous that I was doubtful they would result in action, particularly given my own experiences attempting to spend the local currency. It was also informed by reports of past experiences with the Barter Bucks currency in Nelson. A Barter Bucks administrator explained that, even when offered plenty of encouragement and guidance by currency organizers, most businesses would not expend the effort required to spend the money they accrued—even when they accumulated significant amounts. My skepticism was borne out by my communication with Community Dollars administrators and users after the currency had been discontinued. They reported that, to their knowledge, almost no businesses had ever spent any of the Community Dollars they received.

There are three factors that could have subtly encouraged a discount mentality among local businesses who accepted Community Dollars. First, because little local currency ever entered circulation, most businesses did not receive very many Community Dollars. This minimized the potential financial losses of treating the local currency like a promotional offer. This became a self-fulfilling or reinforcing tendency, since it prevented currency from circulating further, ensuring losses remained small.

The second factor is that Community Dollars were typically only accepted at a small percentage of the total purchase price. Accepting the currency at ten or twenty percent was itself reminiscent of a coupon or discount. The owner of the only business to accept Community Dollars at one hundred percent of the purchase price when the currency launched in Nelson²³ mused that if the local currency was just another form of money, and people were serious about using it, it made no sense to accept the currency at anything less than the full purchase price. That I could discover, this was also the only business in Nelson that actually spent any of the currency they received. The owner was also the only business representative I spoke with who expressed concern that a lack of effort in the businesses community would threaten the local currency's viability.

The third factor that might have encouraged a discount mentality in the Community Dollars system is that the overarching Community Way narrative did not fit well with the notion of continued local currency use and circulation. The general explanation of how Community Way works is that participating businesses create money by making a donation to local community groups, and the currency circulates from there. In-kind donations from businesses to local community groups often take the form of gift certificates or gift cards. When such a donation is made, it results in an outstanding liability until the certificate is redeemed at the business. At that point the business' obligation is fulfilled. They have no further responsibility, and certainly do not then try to spend the

²³ At least one other business subsequently registered to accept Community Dollars at 100 percent of the purchase price. I have no idea if they ever received any Community Dollars for payment. I failed in my attempt to spend the currency there, and was not able to find anyone else who reported success doing so.

redeemed gift certificate at another local business. For Community Dollars to function as a currency with continued economic value, businesses cannot merely accept the money for payment: they must also keep it circulating by spending it again. If this does not happen, the local currency is, in effect, a collection of single-use gift certificates. Unless some mechanism is established that gets local currency back into the hands of individual consumers, the way national currency circulates from a business to a bank and back to individuals, it will not circulate like conventional money. The best case scenario would be that after individuals spend local currency, it will circulate from local business to business, creating new economic circuits akin to commercial barter networks.

Many local entrepreneurs and business owners seemed to intuit this, and argued that Community Dollars were unnecessary because local businesses were already bartering at capacity. In Kimberley, I was surprised to learn a local shop selling hemp clothing and “new age” products had opted to not accept local currency. The store clerk explained that, while few people in the town were opposed to Community Dollars, Kimberley's economy is “not very big” and many businesses have small profit margins and already struggle to pay for rent and utilities. She explained that anyone wishing to participate in alternative economic exchanges was already a member of the “East Kootenay Barter Network.” Further research revealed this to not be an official group or organization, but a joking reference to the fact that barter was already very common among local businesses. One Kimberley business owner noted that there was so much barter happening in Kimberley that businesses had to be careful not to trade too much, and risk not being able to pay their bills. Similarly, in Nelson, when asked if local businesses did a lot of bartering, one bookkeeper replied “yeah. It's pretty much what is keeping us alive.” Nelson business owners likewise had to carefully balance their bartering.

Several entrepreneurs and business owners consequently argued that Community Dollars were pointless and unnecessary since they are already able to trade locally without need for an intermediary currency. One example from another Community Way system did, however, show that local currency can

prove useful in facilitating barter relationships where the value of products being traded is disparate. In that instance a coffee shop owner described a trading relationship where a local chiropractor used local currency to make lower priced purchases of drinks and baked goods at the shop. The coffee shop owner would save the local currency from those purchases until they had enough to pay for higher priced chiropractic services. For those local business owners, the local currency provided a convenient tool for tracking such uneven trades: the coffee shop owner reported “we pretty much just trade them back and forth.” Indeed, I have heard reports from other local currency systems that, once they had been going for a while, some trading dyads became sufficiently well-established that the partners abandoned the currency altogether and conducted direct barter.

This obviously was not the original intention for any of these local currencies. It would do little to create the larger circuits of value and community-wide enrichment often promised by local currency organizers. Comments from business owners in Kimberley and Nelson indicate that barter was generally pursued in the Kootenays not as a profit-maximization technique, but as a survival strategy. Therefore even if Community Dollars had managed to support trading between businesses, it was still unlikely to bring the economic growth and increased profits that had been promised.

8.3. “THIS IS OUR CHANCE TO FUND LOCAL CHARITIES”

In many ways, local community groups’ experiences with Community Dollars mirrored those of local businesses. Both groups struggled to figure out how to fit the new local currency into their operations and accounting systems. In their attempts to manage Community Dollars, members of the non-profit sector also discovered that its economic value and usefulness could not be assumed to be the same as Canadian Dollars. One benefit of examining non-profit and charitable groups’ experiences with Community Dollars is that those groups tend to have greater financial transparency than private businesses. This transparency provided greater insight into the specific difficulties the local currency presented. Community organizations also interacted with Community Dollars in a unique

manner compared to other types of currency users. For the non-profit sector in Nelson, the local currency was primarily a product to be sold to community members for fundraising purposes. This was a different experience from local businesses, who could frame their local currency use as a discount or donation. As a result of their experiences trying to promote and sell Community Dollars, non-profit representatives demonstrated more insight and candor about how much, or little, the local currency was valued as an economic instrument. The representatives also proved more forthcoming about financial struggles their organizations experienced than most business owners. This was mostly because such struggles tend to be accepted as the status quo in the non-profit sphere, and not worth trying to “spin” or conceal.

Like local businesses, community groups in Nelson struggled to know how to fit the Community Dollars they received into their existing financial systems. One non-profit representative revealed their group did not even bother trying to do so. When asked if the group managed Community Dollars differently than Canadian dollars, the representative revealed that while their office has a cash box where Canadian currency used as petty cash is carefully logged, the local currency was kept in the same place, with no log or records kept to track it. Another local group had a less lackadaisical approach, but nevertheless demonstrated difficulties in integrating local currency into their accounting. A treasurer’s report for the group listed all of the information one might usually expect – the group’s bank balance, deposit amounts, sources of income, and updates regarding a changeover between treasurers. Following the expected information, separately and almost as an afterthought, was the statement: “Also I have \$594 in Community Dollars” (Transition Nelson, 2012).

As happened with the discount mentality in the business community, difficulties synthesizing local currency into accounting systems diminished the extent to which non-profit representatives saw Community Dollars as money. When I asked one such representative if he considered the local currency to be money, he sighed and admitted:

Not really. I mean, I don't account for it, really. Like, in my

bookkeeping, I don't really account for it. It's just like coupons I can give away as I need to. Um... and part of that is just because I don't really want to figure out how I'm going to account for it [laughs]... It's easier to just have it as a slush fund that I don't have to account for...

In this case the lack of an established accountancy of the system reduced the extent to which stakeholders considered the currency to be money. Admittedly, this tendency was much more pronounced in groups with more robust fundraising and greater access to national currency. The representative's organization had reliable income streams in place. Similarly, on the day of the currency launch in Nelson, I helped deliver \$1000 in Community Dollars to another local group with impressive and reliable fundraising efforts in place. When we gave a staff member the sizeable stack of local currency bills, she thoughtlessly tossed them into an unlocked drawer and walked away. This implied a lack of confidence in the local money's value: it is difficult to imagine the employee behaving the same way if we had handed her one thousand Canadian dollars.

Non-profit groups were not always so indifferent toward or dismissive Community Dollars. Of the five groups who received local currency on the launch day in Nelson, one appeared to have greater financial need than the others. That group appeared to afford the local currency more respect and attention as a result of their greater fundraising needs. When I donated Canadian dollars to the group and received Community Dollars in exchange, the transaction was immediately and carefully recorded. This was not the case when I made donations to other groups. A representative from the less prosperous group expressed concern that lack of regard for Community Dollars' economic value by other community groups might damage public opinion of the local currency overall, and hinder their ability to use the currency for fundraising.

Even the most motivated community and non-profit groups nevertheless encountered difficulties incorporating Community Dollars based fundraising into their existing programs. For businesses, economic exchanges with customers are

the ultimate goal of their operations. Exchanging or selling local currency fits more awkwardly into the day-to-day activities of most non-profit groups. In some cases, they have no office space where they can sell the currency, or few staff members to perform the work. Some charities must remain closed to public due to the sensitive nature of their programming, for instance transition shelters or groups working with other vulnerable populations. A standard Community Way implementation includes centralized exchange points that, with proper promotion, could alleviate some of these problems, but with the leadership change in Nelson exchange points were eliminated. The absence of a centralized exchange point meant that local community groups in Nelson were directly tasked with putting all Community Dollars into circulation. As a result, the currency's prospects were closely tied to the amount of effort individual groups were willing to commit to the local currency. When the currency leadership also limited the number of groups given access to Community Dollars, this limitation was made even more acute.

The five organizations provided local currency during the first four months of the Community Dollars program in Nelson were two environmental advocacy groups, a car-sharing co-operative, a co-operative radio station, and a women's centre. One of the environmental groups did not have office space, and the nature of the recipient organizations' activities meant that only the car-share had an office where members of the general public could visit at any time. The women's centre had limited public open hours, but the organization had a rule that men were not allowed in the building. The two least accessible groups independently came up with the idea of instituting their own exchange points by arranging to have a local store sell local currency to customers on their behalf.

As noted in Chapter 7, the first five organizations given access to Community Dollars were chosen because they were popular, professional, reputable, and generally seen to be doing good work in the community. The hope was that the new local currency would benefit from early association with organizations with good reputations. But an unanticipated effect of the focus on larger, busier, and more acclaimed local organizations was that they were also

some of the organizations with the least financial need or surplus organizational capacity for taking on new activities. Of the five organizations, three had effective ongoing fundraising programs based on special events and paid memberships. Only one of the groups gave any indication that they had urgent fundraising needs. As a result, while the organizations chosen to first receive Community Dollars were agreeable from a public relations perspective, they were also the groups the least likely to dedicate significant amounts of time and effort to the local currency program.

The recipient community groups' motivation levels were relevant for two reasons. First, Community Way structure dictates that the currency enters circulation through these groups. This means that, unless there is a large base of individual consumers highly motivated to gain access to local currency, the amount of local currency that enters circulation is almost entirely a factor of the effort community groups dedicate to putting it into circulation. Any potential economic impacts from the local currency's circulation are therefore initially contingent on the effort expended by community groups. The second reason community groups' motivation levels are important is it takes considerable effort for community groups to benefit financially from the local currency program. One larger and well-funded organization in Nelson declined to participate in the Community Dollars program when offered local currency donations. Community Dollars administrators were bewildered by this decision, with one exclaiming that they simply could not understand why a charity would turn down "free money." But the organization's director intuited what many participating groups came to learn: Community Dollars were not simply "free money" for community groups. To use the local currency required sacrificing time and energy, and most community groups could not afford to do so.

As previously explained, there are three ways community groups can use the Community Way currency they receive. They can spend it directly at participating businesses, sell it to supporters, or give it to volunteers as an enticement or token of appreciation. When communicating with members of the Community Dollars development group, representatives from the Columbia

Basin Trust granting agency expressed concerns that Community Way currency would “pool” with community organizations rather than circulating freely. This concern was based on their research into the Comox Valley Community Way system where, after a year in operation, a small portion of the local currency donated by businesses had actually entered circulation.

To pre-emptively avoid this pooling problem in the Kootenays, the development group members sought guidance from the Comox Valley non-profit group who had the most success getting Community Way currency circulating. That one group was reportedly responsible for getting around ten thousand dollars circulating. They had the most success simply spending their local currency, having even convinced businesses not registered as participating to accept it. Of the approximately \$10,000 they had put into circulation, \$7500 had been directly spent at local businesses. The group representative cautioned that the most significant barriers preventing community groups from benefiting from the local currency were educational: groups did not know how to make use of the currency, and generally lacked the institutional capacity to commit time to figuring out how to do so on their own. She therefore suggested that the best approach for avoiding pooling was for the local currency organization to provide encouragement, support, and training to community groups, and to promote the currency in the community to create demand the groups could then exploit.

Unfortunately, by the time Community Dollars started circulating in Nelson, none of the people involved in earlier troubleshooting discussions with representatives from Comox were empowered to make decisions about the local currency system. The leadership change in Nelson came with a loss of institutional memory that included a lack of knowledge about prior challenges in both Comox and the East Kootenays. The executive director and chair made two particular administrative decisions that ran counter to the advice the currency group had previously received, and exacerbated circulation problems that appear to be intrinsic to the Community Way model. The first was to advise community groups that they should not spend the local currency that businesses donated to them. It is unclear why this directive was made: when questioned, a Community

Way Foundation leader simply replied “that’s not how the local currency is intended to work.” The Comox Valley experience suggests that community groups would have been more effective at issuing Community Dollars if they had spent it rather than only trying to sell it to supporters. Community groups in Nelson obeyed the instruction to not do so, however, and this was lost as an option both for fulfilling the material needs of the groups, and for getting currency circulating. The second decision was to ignore requests for help and support from community groups in dealing with the local currency. The new leadership instead insisted that local non-profits should themselves take more initiative and responsibility for the local currency program. The latter dynamic proved particularly problematic.

Following the Community Dollars launch in Nelson, representatives from the non-profit groups given immediate access to local currency met to brainstorm about how to best deal with the local currency and make it work for their organizations. Among the conclusions at the meeting, the group representatives agreed that Community Dollars were not being adequately promoted by the local currency organization. But to the groups’ collective frustration, when they suggested the Community Dollars Foundation focus more on promotion, they were told the non-profit sector would have to “drive” and promote Community Dollars, because they most benefited from it. Recalling this argument from Community Dollars administrators, one non-profit representative explained:

So... that sounds reasonable but then it's, like, “so I have to add promoting this community currency onto my already crowded list of things that I'm trying – of messages that I'm trying to get across?” It's kind of a tough one, you know? So it's a bit of limbo. You know? It's like, “no you do it,” “no you do it,” “no you do it” [laughs]. And I think the perception on the part of the community currency folks are, like, “hey, these organizations - they have paid staff, they have resources, they have capacity to promote these kinds of things.” I don't have any extra capacity. I have, like, negative capacity right now. I'm way over-committed

in terms of what I can actually carry out versus what I need to get done. So adding more things to my list? Like... especially when the return on investment is questionable? It's a little hard.

This reaction was largely shared by the other community groups. After their requests for support were refused, it appears that two of the organizations ceased trying to use the local currency altogether. As early as September and October 2012, representatives from the two groups who initially seemed most motivated to use Community Dollars independently reported that they were beginning to reconsider whether it was in the best interest of their organization to continue trying to do so.

The idea that promotional duties should fall on the local non-profit sector was unique to the later iterations of the Community Dollars project in Nelson. The original currency development group felt that responsibility for promoting the currency fell to the currency organization itself. As previously noted, the currency administrators in Fernie and Kimberley also advocated for a “three pronged approach” that addressed the needs of all stakeholders. They tried to support non-profit groups by having public workshops about the local currency, and keeping in contact with beneficiary groups to make suggestions for how they might make use of their local currency donations: for instance suggesting groups with large upcoming events give local currency to volunteers, or set up a booth to sell local currency at the event. Similarly, when I visited Powell River the currency organizers there had plans to offer a training session for local non-profits to show them how to use Powell River Dollars to their benefit.

The greater issue at play in making local currencies economically beneficial for community groups and the non-profit sector is the work involved, and who should be responsible for that work. Converting local currency into useable resources for non-profit groups proved very labour intensive. One non-profit representative observed “the staff time that I have to invest in making money from Community Dollars is more than the money I'm making from Community Dollars... So, if that's going to be the case on an ongoing basis, then I'm not going to bother, right?” The burden on non-profit groups could have been

reduced with support from the local currency organization, but that nevertheless represented significant labour time. In Fernie, the currency administrators reported that their encouragement of local groups translated into more currency entering circulation, but when they stopped actively promoting the local currency during the leadership change in the Community Dollars organization, activity similarly dropped off. Every local currency I observed, or that was described to me after-the-fact (such as Barter Bucks in Nelson), needed sustained and active management and direction to continue. That represents sustained costs, in terms of paid or unpaid labour, that some group must be willing to shoulder if the local currency is to persist. Evidence from Community Way systems suggests that independent community groups and non-profits, each having their own individual mandates and goals that do not include local currency promotion, are unwilling to shoulder this burden for very long, if at all.

One final area where the experiences of non-profit community groups provide insight into Community Dollars' economic value is in their interactions with individual consumers. As the currency user group tasked to literally sell the local currency in the local community, the non-profit groups became the group most immediately and acutely aware of a general lack of regard for Community Dollars' economic value in Nelson. One of the first situations where they observed this was when giving Community Dollars to volunteers. Such volunteers provide a reasonable control group for evaluating the reactions of potential local currency users. That these people volunteered for local recipient organizations suggests they were committed to many of the same political goals advanced by the local currency organization (environmental sustainability, grassroots organization and advocacy, a strong local economy). On the other hand, these were generally people who had not actively sought out local currency: they received it passively and incidentally, as a result of unrelated volunteer work. Representatives from groups who gave local currency to their volunteers reported that they did not believe the local currency acted as an incentive for any of their volunteers. In fact, volunteer reactions to receiving the local currency, which likely give some insight into the general population's attitudes toward it, were distinctly unflattering. One

organization in Fernie reported volunteers being completely unenthusiastic and disinterested: saying “oh, uh... thanks” while making a face that demanded “what am I supposed to do with this?” The representative speculated that people receiving such money would likely never spend it. A representative from an organization in Nelson described similar reactions from volunteers:

I gave somebody – one of our volunteers – twenty dollars in Community Dollars and she put it down and walked away, like, “I’ll pick this up later.” Which you would never do with a twenty dollar bill, right? If I gave you twenty dollars in Canadian currency, you wouldn’t, like, put it down with your stuff and then walk away. You’d put it in your pocket, or your wallet or your purse or whatever. So—you know, that was a sign that people don’t really see it as money yet.

He concluded that volunteers’ ambivalent reaction toward Community Dollars indicated that most people did not value or want the local currency, because they did not perceive it as being money. Not seeing the Community Dollars as money suggested the volunteers would be less likely to dedicate efforts to spending it. More significantly for the non-profit groups, these attitudes also meant it was questionable to what extent the local currency could function as a reliable resource.

The same non-profit representative, after struggling to manage and sell local currency for fundraising purposes, and observing a general lack of esteem for the currency in Nelson, demonstrated a different sort of discount mentality than business representatives. When I asked if he considered Community Dollars to be a scarce resource in need of careful control, he replied:

Well, not right now. [The director] told us we have, I don’t know, like eight thousand dollars or something in pledges.²⁴ So right now it doesn’t seem like it’s scarce. And right now, I don’t feel like I can get dollar-for-dollar value for it. So, if I thought that it was eight thousand dollars of Canadian currency equivalence,

²⁴ Business donations to non-profits in the Community Dollars system were generally referred to as pledges.

then I would be more careful with it. But right now, it's not worth that. I don't know what the actual value is, but it's probably somewhere around twenty percent for most people. Because that's what they can spend it as, in most of the stores, is twenty percent. So, um.... five [Community Dollars] is probably worth about a dollar Canadian... [I]f I could actually trade a thousand [Community] dollars for two hundred dollars Canadian – I might do it. But I don't think I could do it. I don't think anybody would take a thousand dollars off my hands for two hundred dollars right now.

This passage demonstrates that, whatever the claims made by the Community Dollars organization about their currency's economic prospects and value, the community at large did not share that perception. Economic value is socially constructed. The representative above was initially one of the members of the community who seemed most confident in and dedicated to the Community Dollars. But repeated interaction with people who questioned the value of the local currency, or showed complete ambivalence toward it, led even the most dedicated currency supporters to eventually re-evaluate their position. In this case, after a few months of trying to manage the currency in a non-profit context, a strong local currency advocate eventually came to see Community Dollars as being vastly less economically valuable than Canadian dollars.

8.4. “THIS IS OUR CHANCE TO... INCREASE OUR COLLECTIVE PURCHASING POWER”

Individual consumers who used Community Dollars faced many of the same problems as community groups and businesses, albeit on a smaller scale. The local currency did not fit easily into existing personal economic routines and systems, just as it did not for businesses and non-profits. This caused people to question whether the benefits of using the local currency justified the cost or effort required. Individual choices when using Community Dollars suggested the local currency presented a problematic cost-benefit ratio. People who spoke effusively about Community Dollars and its value and benefits often

demonstrated difficulty in translating their theoretical support into concrete action. Over time, difficulties using the local currency seemed to diminish perceptions of its economic value. As a result, as was the case with businesses and community groups, individual currency users demonstrated their own kinds of “discount mentality,” where they came to perceive Community Dollars as being less economically valuable than national currency. As was the case in the other groups, these perceptions sometimes led previously supportive individuals to question whether or not local currency is actually money.

Community Dollars were primarily promoted to individual consumers based on the idea that they could give money to charities with no corresponding loss in spending power. This claim was made based on the idea that Community Dollars were equivalent to Canadian Dollars. Given this assumption, local currency received in exchange for charitable donations would represent a direct and comparable replacement for the national currency an individual surrendered. The economic practices of individual consumers receiving Community Dollars indicated that most did not consider local currency to be interchangeable with national currency. This became immediately obvious when discussing the handling and storage of local currency.

Just as businesses struggled to find a place to put Community Dollar bills in their cash registers, and record them in their accounting systems, individuals had to find some way to fit the currency into their existing household infrastructure. Wallets provide perhaps the most routine example of individual struggles to integrate multiple currencies into their lives. When I acquired my first Community Dollars, I found the novelty of using local currency wore off pretty quickly, and I became irritated trying to keep multiple currencies separated from one another in my wallet. Whenever I had local currency I ended up switching to a larger, chequebook-style wallet that I normally reserve for travelling, because it had multiple compartments that allowed me to keep multiple currencies separated. When the Community Dollars currency was first printed, the members of the currency development group each took a “demonstration set,” with one bill of each denomination, as a “show and tell”

item for promoting the local currency. I was shown two such demonstration sets during fieldwork. Each had been carried on a daily basis for over a year at that point. I noticed that both development group members carrying the currency had wallets with dividers in the cash slot that allowed them to keep their local currency separate from national currency. Neither currency development group member could recall whether they had specifically switched to these wallets to accommodate the local currency—as I had—so the separate compartments could have been a coincidence in their case. The three of us nevertheless proved unusual in our collective decision to regularly carry local currency around with us.

Community Dollars organizers and supporters regularly expressed worries that the bulk of the local currency in the community would end up stashed away and forgotten in people’s desk and dresser drawers. These fears were partially based on past experiences with local currencies, with one interview participant arguing that Barter Bucks had ended up getting “stuck in people’s drawers,” and Community Dollars were even more difficult to spend than Barter Bucks had been. Based on my conversations with Community Dollars users, these worries were not unfounded. When I asked where they kept their local currency, most people reported that it was sitting in drawers or on top of furniture in their home, as feared. In part this was likely because, as I had discovered, carrying local currency in a typical wallet can be cumbersome and annoying. But interview responses also indicated that users sought special long-term storage because they did not see local currency as being useful on a regular, day-to-day basis. For instance, during an interview in September, one self-identified Community Dollars user reported:

I got some [Community Dollars] for volunteering... and I have to admit they're just sitting on my shelf. Because [I've been very busy organizing a project with a local organization]... and so I thought, “okay – as soon as this is over I'll wrap my head around this...” I saw that [a local business] takes 20%, so when Christmas time comes I'll spend my money over there and I'll

look around at whoever else takes it.

This passage demonstrates two noteworthy and fairly common responses to acquiring Community Dollars. The first was a tendency to leave local currency at home rather than carrying it around and having it available to spend at any given time. The second was the judgement that local currency use requires a lot of time, energy, and planning, as reflected by the interview participant planning her local currency usage months in advance, and feeling she needed to wait until she had fewer obligations in her life to spend it.

The sense that using Community dollars requires significantly more time, energy, and planning than using Canadian dollars was primarily a consequence of the limited number of businesses that accepted the local currency, and the nature of the products they provided. Many prospective local currency users reported that they would not typically spend money at any of the businesses registered to accept Community Dollars. In my own experience, despite my strong interest in the currency and desire for it to succeed I was never able to make Community Dollar use routine. Partly, I could not use it for any of my regular expenses like groceries, rent, utilities or stationary supplies. I found myself looking for things to spend it on, and buying things I would not have purchased otherwise. This dynamic was particularly problematic since Community Dollars supporters were typically anti-consumerist. Local currency supporters repeatedly told me that they do not participate in or support “recreational shopping.” The fact that regularly using Community Dollars required regularly purchasing non-essential items brought into question Community Dollars’ long-term sustainability, unless the currency organization could recruit users without such post-materialistic values (Caldwell, 2000).

Several individuals who had previously used other local currencies described similar problems spending local currency in the past. This was true even in systems where participating businesses offered a greater diversity of products and services, including basic necessities. Despite the fact that a grocery store and a dentist had accepted Barter Bucks in Nelson, several former Barter Bucks users reported struggling to spend the local money they amassed. One

explained “there were times when I couldn't spend enough of it because there weren't enough places to spend it. So that was a stumbling block, you know? Because I was willing, it's just I can only have so much [locally made] tofu.”

Using Community Dollars also required more thought and planning than spending Canadian dollars because it required most users to change their usual method of payment. Community Way and Community Dollar advocates were correct that cash payment is more familiar and immediately comprehensible than digital mutual credit systems. But while cash transactions are familiar, based on my conversations with business owners, they are no longer the default for most shoppers, who tend to use credit and debit cards for payment. This remained true even in a town like Nelson where more people and businesses operate on a cash basis more than is generally the norm in contemporary Canadian cities.

Community Dollars were typically accepted for ten to twenty percent of the total purchase price in retail transactions, with the rest being paid in national currency. Local currency users therefore needed to keep Canadian dollars on hand to be able to use their local currency. Although it would have been theoretically possible to pay part of the purchase price in local currency, and the rest using a credit or debit card, it never occurred to any of the currency users I spoke with to attempt to do so. Given the confusion most cashiers demonstrated in handling the local currency in a cash-only transaction, it seemed unlikely many would have assented to combining local currency with cashless payment options. One very committed Community Dollars user reported that prior to using local currency she used a credit card for most of her purchases. After the currency launch, she explained that she had needed to adjust to a new routine to enable cash payments. I also found myself having to introduce regular trips to the bank to my routine in order to obtain the Canadian dollars I would need to spend Community Dollars.

In addition to logistical inconveniences, the inherently complementary nature of Community Dollars was financially problematic for some users. The idea that local currency users donate money to charities without losing spending power assumes that participating businesses sell products that local currency

users want or need. Because almost no local businesses accepted Community Dollars for 100% of purchases, it also requires that local currency users simultaneously maintain purchasing power in the national currency. This posed a problem for Community Dollars users who lacked disposable income. In Fernie, one currency user accepted two-hundred Community Dollars as payment for web design work completed for a local non-profit group. The web designer repeatedly described himself as not having very much money. He nevertheless explained that the Community Dollars he earned had been sitting on his desk, unspent, for months. There was only one store accepting Community Dollars where he was likely to shop, and that business only accepted local currency at a rate of 20%. That meant that to spend the \$200 in local currency he had earned, the web designer would also have to spend \$800 in national currency. Without having that additional spending power available, accepting the local currency ultimately represented a financial loss.

The challenges posed by limited spending power were exacerbated by the fact that few businesses accepting Community Dollars sold basic necessities. One non-profit in Nelson provided a modest stipend to a lower income volunteer for ongoing work he performed. After Community Dollars launched, the organization started paying half of the stipend in local currency. This posed significant problems for their underprivileged volunteer. The non-profit's director explained:

[The volunteer] is having a hard time spending it because... he kind of has to go out of his way, essentially, to spend the money, and maybe buy things that he doesn't really need. So that's a big issue is that ... a lot of the businesses on the list are - like some of them are bakeries and things like that, and that's good... because, you know, you need bread. Or some people need bread. But, uh, coffee shops? Acupuncture? You know, if you're living close to the bone, those aren't things you're splurging on...

The Seedstock Community Way currency in Vancouver was founded with the intention of helping lower income people. The organizers in that

system quickly found they had to readjust their approach to the currency when this target population proved similarly unable to use the local currency due to lack of spending power (Simon, 2015).

Community Way currency appears to pose greater challenges for lower-income individuals than is the case for some other types of local currency. Recall in a LETS system, users create money by providing or receiving goods or services in exchanges with other member. They can therefore enter the currency system bringing nothing but their own labour power, and do not necessarily need to surrender national currency to make exchanges. Studies of local currencies systems have shown that they generally only have modest quantitative economic benefits for lower income people (Aldridge & Patterson, 2002, Callison, 2003, Collom, 2005, Wheatley, 2006) and that economically disadvantaged people often face challenges offering services in systems like LETS due to low confidence levels (Williams, 1996c). These modest economic impacts can nevertheless result in outsized improvements in quality of life (Wheatley, 2006, Williams, 1996c). Nelson residents I spoke with who had previously used LETS currencies and Barter Bucks reinforced this finding. They explained that LETS' separation from the regular economy allowed them to indulge in “treats” and “goodies”—like handmade jewelry and home-baked chocolate pies—that they would not have been able to justify otherwise. Reminiscent of the old union slogan, the local currency allowed them to have both bread and roses despite “living close to the bone.”

The Barter Bucks currency was actively administered with the intention of providing opportunities for economically disadvantaged people,²⁵ and helping people access local goods and services they could not otherwise afford. A Barter Bucks administrator explained that one of the most prolific Barter Bucks users was a local astrologer. While there

²⁵ One way this was attempted was by actively encouraging businesses to use the local currency they received to hire unemployed and underemployed people for odd jobs, and occasionally trying to broker such arrangements directly.

was a lot of local demand for astrology readings, there was far less economic capacity to pay for such nonessential services. The administrator explained that the local currency acted as bonus for many people, allowing them to indulge in luxuries like astrology readings that were previously beyond their financial grasp. These bonuses were unlikely to make a quantitatively large impact in the Nelson economy, but they nevertheless constituted an improvement in the quality of life of certain local currency users, including the previously idle astrologer. The Community Way structure largely prevents Community Way currencies from being similarly accessible and beneficial to lower income people.

Among the diversity of local currency forms, Community Way is functionally most similar to convertible local currencies, because the most reliable method for acquiring Community Way money is to buy it using national currency. In a convertible local currency system, each quantity of local currency represents a corresponding forgone amount of national currency. Moreover, discouraging businesses from accepting the local currency for 100% of the total purchase price means yet more national currency is needed to complete any exchange with the local currency. The result is that individual consumers did not tend to experience Community Dollars as “bonus” money, despite the claims of proponents and administrators.

To whatever extent it exists, the bonus in Community Dollars appears to be limited to local non-profit groups. Many individual consumers therefore discussed using Community Dollars in terms of sacrifice. While they could be used to purchase enjoyable luxuries, for people with limited financial means those luxuries were seen to displace more pressing necessities. One non local currency user, discussing fixed expenses like rent and car insurance, joked “[my workplace] better not start paying me in Community Dollars... it's only good at the fortune teller's!” The perception that personal cost and sacrifice were inherent in using Community Dollars caused some users to second-guess trying to spend the currency at businesses or with service providers they perceived to be struggling financially. In one example, a Community Dollar user explained “I

have a computer guy that's... sort of my family, so I would try to get him to take them, but he's always so broke and, you know.... you have to not be too broke.” Similarly, as I became friends with some business owners and learned of their personal financial struggles, I felt increasing discomfort using Community Dollars at their businesses. These reactions reflect the fact that becoming a regular Community Dollars user required people have a buffer of disposable income that would limit the risks of participation.

For people with fewer financial limits preventing them from freely using local currency, there remained the possibility that sustained difficulties doing so could diminish perception of Community Dollars’ economic value. In my own case, I began my fieldwork armed with the theoretical understanding that there are many different kinds of money that are equally valuable if we collectively decide them to be. These pre-existing beliefs were initially bolstered by Community Dollars advocates’ claims that the local currency is “just like money” and of equal value to Canadian Dollars. The longer I used Community Dollars, however, the more my convictions wavered. Specifically the more difficulties I faced spending Community Dollars, and the more I observed other people denigrating or dismissing them, the more I observed my judgment of the local currency worsening. I perceived it to be less and less economically valuable, and increasingly thought of it less as a currency, and more in terms of a discount or coupon. The first occasion I recognized this change was when I went out for lunch at a bakery where I had a 10% off coupon. I did not feel comfortable using both the coupon and Community Dollars because I felt it would make the transaction unnecessarily difficult and, more significantly, that I would be improperly doubling down on “special offers” in a way that would be unfair to the business.

These feelings intensified the more limits were placed on local currency. On my first attempt to spend Powell River Dollars, I was informed at the checkout that the business was only accepting local currency for two categories of goods representing a narrow selection of the store’s offerings. In that moment, I glanced down at the local currency in my hand, and felt they were essentially devoid of value. The more limits placed on the local currency’s use, the less effort

users seemed willing to expend to use it. A local non-profit representative and active local currency user and supporter described this dynamic when describing the reactions to Community Dollars he observed:

[T]he biggest problem that we face now, right now, with the local currency is the lack of demand for it... You know? It's like handing somebody a pile of coupons. You know, if you handed somebody a bunch of coupons that were for 20% off at a bunch of stores, they would be, like, "oh thanks. Maybe I'll use them... but probably not." [Laughs]. Just like [a local non-profit's membership cards], right? You get all of these discounts at stores around town... I usually forget to use my membership card to get a discount. And that's kind of what you're getting with the community currency: you get this 20% discount at stores, essentially... And, you know, people don't necessarily take advantage of that. Because it's too much effort.

A Nelson resident who opted to not use Community Dollars similarly explained, depending on the business owner's decision, they might only accept a certain portion of it per transaction, right? So, I guess in that way, it's like a coupon. It's like a 20% off coupon... That, to me, seems like a hesitation on the business owner's part... It makes you think, it must not be that great if you're only willing to accept twenty percent.

Despite my initial theoretical beliefs about monetary plurality, the longer I used Community Dollars and the more I obstacles I experienced in using it, the less the local currency felt like money to me. These feelings were encouraged by and reflected in the comments of Nelson residents and Community Dollars users who increasingly described the local currency in terms of special promotions, discounts, and coupons.

The widespread sense that Community Dollars were not actually money was also communicated through people's actions. I observed some of the most striking examples of this on the day Community Dollars launched in Nelson. A

significant portion of the crowd at the launch day event was of a group of elementary school aged boys attending with a currency supporter who ran some sort of day camp program. She had given them each around \$10 to acquire Community Dollars. After the launch event ended, the boys went from shop to shop downtown trying to use their local currency to buy pizza, candy, or toys, without success. After the boys discovered that none of the stores where they wanted to shop accepted local currency, and that even if they did they would still need Canadian dollars to buy anything, they gave up trying to spend the local currency. Instead, they set up on a coffee shop patio and used Community Dollars as stakes in games of poker. I looked on in amazement as the boys raucously wagered and taunted one another. They were quite obviously group a of gambling elementary school children. Other people on the patio and passing by on the street seemed unconcerned by this when they saw the boys were not gambling with legal tender. This provided a fairly striking demonstration that my own attitude toward Community Dollars was not typical: for most people, it was not real money.

8.5. “THIS IS OUR CHANCE TO ... STABILIZE OUR ECONOMY DURING UNCERTAIN ECONOMIC TIMES”

All three types of local currency users faced struggles using Community Dollars, leading people in every group to question whether the required efforts were worthwhile. One rebuttal from the Community Dollars leadership was the argument the local currency was needed to insulate the local economy from future economic shocks and crises, so the extra effort would be worthwhile over a longer timeline. This argument reflects the fact that Community Dollars had grown out of the Transition Movement, and therefore efforts to prepare for struggles anticipated after reaching peak oil production. It is also relevant that Community Dollars were created soon after the 2008 global financial crisis and the resulting Great Recession.

This context loomed large in the thoughts of the Community Dollars organizers who, during my first face-to-face meeting with them, emphasized the fact that local currencies have been most successful as a relief mechanism during

hard times. Another member of the Community Dollars development group argued the currency was necessary because “the shit is going to hit the fan” and the economy is going to completely collapse within our lifetimes. These dire predictions were heavily concentrated in the local currency leadership, and very rarely came up during discussions with Community Dollars users and supporters not occupying administrative and leadership roles. It is worth noting that, while Community Dollars were created immediately following the Great Recession, the global financial crisis appeared to have had little concrete impact on the fortunes and feelings of the Nelson residents and Community Dollars users I encountered. In large part this is because, despite Canada’s strong ties to the US economy, it was far less affected by the crisis than most countries, largely due to its less fragmented and more highly regulated banking sector (Bordo, Redish, & Rockoff, 2015). The result was that, even at the height of the crisis, Canadians were described as being “relatively sanguine” (Richburg, 2008) about their economic prospects. As a result just a few years later, and even in a skeptical countercultural enclave like Nelson, for the most part the threat of economic crisis did not loom large in the consciousness of the residents I spoke with. Few people expressed concerns about coming economic crises or collapse, and even fewer argued that people should proactively prepare for such crises.

Notably, with the exception of Community Dollars leaders, the people I encountered in Nelson who did believe economic collapse was fairly imminent generally did not support collective responses to predicted crises, like the local currency system. Instead their beliefs were generally expressed in explicitly anti-government and self-reliant terms. When they learned I was studying the local currency, people predicting economic collapse generally offered me alternative advice for how I should prepare. Specifically, I was directed to declare myself a “freeman of the land” or “sovereign citizen,” move to an unincorporated area where fewer bylaws and regulations apply, and learn homesteading skills in order to become self-reliant. The result was that the focus on economic stability was an ineffective marketing strategy. The actual currency users I spoke with did not appear to be motivated by doomsday scenarios, and most of the people I spoke

with who were genuinely motivated by such predictions appeared to be anticipating a nihilistic future where fiat money would play no role.

Even in cases where people anticipated dire economic collapse that would not devolve into a post-apocalyptic dystopia, it is not clear what impact the local currency could have had in safeguarding or stabilizing Nelson's economy. As already noted, there are historical precedents for local currencies being used as an effective survival mechanism during periods of economic crisis or recession. Examples like "emergency scrip" in Wörgl, Austria, and Trueque barter currencies in Argentina have always been reactive, however, with the currencies created as a stop gap after the crisis had already occurred. I have yet to locate any reference to a local currency proactively created to prepare for such crises, which then guided the local economy through the predicament.

There are two primary reasons to question the likelihood this proposed scenario would work. First, economic crises are not homogenous. As economist Lawrence Summers noted, "[e]very financial crisis is different and involves its own distinctive elements" (2000, p. 3). The consequence is that each financial crisis likely requires a distinctive response targeting its specific causes and effects. A response crafted prior to the actual problem, would not be able to do this very effectively. Second, how can you motivate people to expend time and energy combating a problem that does not exist yet? While people will make immediate sacrifices in preparation for future circumstances, like maintaining emergency savings and retirement funds, my observations of the Community Dollars system indicate that people are less likely to make sacrifices based on vaguer future threats, particularly if they doubt their likelihood. This was a significant, and acknowledged, problem for Community Dollars organizers. The principal Community Dollars administrators during my fieldwork expressed frustration that people seemed unwilling to make genuine sacrifices to prepare for economic crises they saw as inevitable. When discussing their struggles to get businesses and individuals committed to using Community Dollars, the organizers lamented the fact that people in Nelson were still too financially well-

off to seek out economic alternatives. One concluded: “our problem is that the economy doesn't suck enough yet.”

There were further issues with arguments about stabilizing the local economy that are specific to the Community Way model. Most significantly, the promotional tactic of emphasizing the similarity between Community Way currencies and national currency undermines claims about the currencies' ability to insulate local economies from economic shocks. If the currency is, in fact, almost entirely the same, why would it not be similarly impacted during a crisis? It is true that local currencies are not directly connected to conventional national and international financial structures, but Community Way currencies are directly linked to the national currency in other ways. Since a Community Way currency's value is pegged to national currency, it would be similarly impacted in a hyperinflationary scenario. Likewise, and as already noted, the inherently complementary nature of Community Way currencies, specifically the tendency for businesses to only accept local currency for ten or twenty percent of a purchase price, means currency users must maintain reliable access to national currency. This means the local currency would be of little use in a situation where there are currency shortages. Community Way currencies also operate in much the same way as convertible local currencies, with the most reliable way of obtaining them being to purchase them with national currency. This presents the same problem in a crisis. Discussing these issues, Community Dollars administrators speculated that in a hyperinflationary scenario they could always unpeg the local currency from Canadian dollars. Similarly, they could encourage businesses to start accepting local currency at higher rates, or devise new ways to put currency in circulation not requiring national currency. But like the proposed evolution of Community Way currencies into different types of systems, there was no actual plan for how any of these actions might be undertaken, or precedent for such actions being taken in other systems.

One Community Dollars user, who also had extensive experience with LETS, argued that LETS systems are better at encouraging trade and production than Community Way because they are disconnected from the existing national

currency in a way that Community Way is not. While you can become a Community Way user by buying local money, you cannot buy your way into a LETS system. All LETS system members must join as both consumers and producers, and thus must offer at least one product or service for trade. One former LETS system administrator indicated that this requirement poses a barrier to participation, but it also provides an important opportunity for individuals to rethink their economic role and recognize their productive capacity. The administrator argued that when provided some guidance, all potential LETS participants were able to be convinced that they had skills with economic value that were not necessarily appreciated in the conventional marketplace.

This change in perspective enabled trade that would not have happened otherwise. For example, one former LETS participant recounted that she wanted to join her local LETS system, but struggled to know what to offer since her professional skills were technical and government-specific. After some discussion, the system administrators encouraged her to offer soup for trade, since her contributions were popular at potlucks. Her new informal soup business proved similarly popular, and the participant was able to spend the credits she earned on non-essentials like massages and jewelry that she would not have been able to purchase otherwise. Years later in a different city, the same informant—who had no other history of entrepreneurship—started a small food-related business during a period of unemployment. Other former LETS users I spoke with reported being more open to barter than previously, to searching out help from others when work needed to be done, and consciousness of the presence of unrecognized and surplus resources in the community. Although these conversations represent a tiny sample group they suggest that, while there is little evidence that creating local currency systems is an effective strategy to protect the local economy from economic crisis, participation in local currency projects, specifically LETS, might teach individual users skills that could be helpful for dealing with such a situation in the future.

Protection against or skill-building for potential future crises nevertheless remained an inadequate motivator for most Community Dollars users. The fact that the local currency took much more energy and thought to use than the national currency meant that users required some incentive to dedicate the effort. The possibility that there might be a crisis someday proved uninspiring to most Community Dollars users. The Community Dollar case suggests that the idea of setting up alternative economic systems in anticipation of coming economic crisis is problematic if the systems do not also meet some current and existing need for potential users, or benefit them in some obvious way. This brings to question the effectiveness of strategies for effecting social change by creating parallel institutions (Lahey, 1973) intended to eventually become mainstream, as seen in the Transition Movement approach.

8.6. CONCLUSION

Community Dollars administrators and promoters claimed their currency would stimulate the local economy by increasing patronage and profits for local businesses, encouraging local production, and preventing capital flight. In addition, they argued that the donation structure underpinning the Community Way model would create funding for the local non-profit sector without a corresponding loss of spending power in the local economy, and for individual consumers making donations to participating non-profit organizations. The basis for these claims was the idea that the local currency was basically identical to national currency, while providing additional “bonus” benefits to the community. The intended result was a more robust and self-sufficient local economy with lower unemployment rates, and a smaller carbon footprint. These economic benefits, combined with non-profit groups better able to fulfill their mandates, would contribute to a better quality of living for residents of Fernie, Kimberley, and Nelson.

These promised benefits never materialized. The underlying claim of equivalence between local and national currency was not reflected in Community Dollars users’ descriptions of their experiences. The currency in fact required

special handling and had higher transaction costs than Canadian dollars. Participating businesses did not report experiencing increased profits or an expanded customer base. Non-profits reported difficulties translating the local currency into a useable resource. Individual consumers found that Community Dollars were sufficiently difficult to use that opting for local currency over national currency did represent an effective loss of spending power.

Community Dollars did not strengthen the local economies in Fernie, Kimberley, or Nelson to a noticeable degree. The logistical challenges and higher transaction costs of using Community Dollars ensured that very little local currency entered circulation in the three towns. What little local currency was spent at local businesses tended to get shut away without circulating further. Although some people did purchase things they might not have otherwise, there was no evidence that Community Dollars encouraged local production or otherwise strengthened the local economy. The lack of value entering the economy through the local currency and lack of circulation once it did so meant that its economic impact was negligible.

Community Dollars' higher transaction costs mostly came in the form of increased opportunity costs, due to the additional time and effort required to use local currency. In some scenarios, users might judge these additional costs to be worthwhile. One example is for users who have limited access to wealth in the conventional economy, for whom local currency might provide a needed alternative. This can be seen in historical examples where local currency systems found a sizeable audience during times of economic crisis: the effort is tolerable when there is no viable alternative. Community Dollars were sometimes promoted on the grounds that they were needed to prepare for such a scenario. The currency did not last long enough to test the premise that it would help the local economy weather economic collapse. What evidence we do have calls to question this idea. Few people seemed sufficiently convinced by this argument that it provided a motivation for local currency use. Moreover, the Community Way structure presented intrinsic difficulties for underprivileged people and groups, even in the context of relative economic stability and prosperity. In order

to be a regular Community Way currency user, an individual had to maintain reliable access to conventional currency both to obtain and spend the local currency. Local non-profit groups similarly required surplus labour power in order to translate their local currency donations into usable resources. This challenges the idea a Community Way currency like Community Dollars would prove helpful in a crisis scenario. While there is evidence that local currency can be helpful as a stop-gap measure during an economic crisis, I remain unconvinced of their usefulness as a proactive strategy to prepare for such crises.

Community Dollars' higher transaction costs meant they were a less convenient means of exchange than Canadian dollars, and they were generally seen to have less economic exchange value. Most opponents to the local currency believed this to be true from the outset. More significantly, many Community Dollars supporters increasingly came to agree with this judgment the more they attempted to use the local currency. Lost confidence in Community Dollars' economic exchange value led all different types of Community Dollars user to develop a "discount mentality." They increasingly thought of the local currency in terms of a special promotion, coupon, or gift certificate—of limited use, and not on par with national currency. This discount mentality threatens the currency status of the local money, as it results in blockages that prevent currency from circulating. This was an important factor in the limited economic impact Community Dollars had.

The logistical issues that slowed adoption and use of Community Dollars were compounded by unrealistic beliefs that the currency system would be revenue-generating and self-funding. These claims are inherent to the Community Way model and the way it is promoted. They did not directly influence most Community Dollars users' experiences, because they remained largely internal to the currency's administration. They nevertheless had a significant impact on the shape of the system since they informed, and eventually constrained, many administrative decisions. Believing Community Way systems to be self-funding inspired costly decisions based on an unrealistic financial outlook. Specifically, it led the development group to opt for expensive printing

options, and all stages of the currency leadership to structure the organization to rely on full-time, salaried labour they could not afford to pay for. These decisions meant that down the road the group was too resource-strapped and understaffed to be able to meaningfully respond to the difficulties they faced.

Some of the logistical issues that caused higher transaction costs for users could have been diminished with more effective communication strategies that made it easier to learn where and how to use Community Dollars. In the end, with all work falling to one volunteer in Nelson, whose continued work was contingent on absent financial resources, the currency organization was incapable of taking on a meaningful public relations role. Instead, they insisted that such work must be taken on by a similarly resource-strapped non-profit sector. This problem was worsened at all stages of the currency program by the stubborn insistence that local currency was more-or-less equivalent to national currency. Holding to this claim meant administrators were unable to adequately offer support to currency users whose difficulties stemmed from the differences between the two currencies.

For all of the above reasons, Community Dollars did not live up to expectations as a means of exchange and economic instrument. As a result, Community Dollars users who had primarily quantitative goals focused on creation and retention of material wealth, tended to become dissatisfied with the local currency very quickly. They generally either became passive in their use of local currency, or stopped using it altogether. The basic economic function of money is to provide a means of exchange and a standard against which economic exchange value can be measured. But money has other social functions, and there are other types of value that are not so easily quantifiable. The most motivated and dedicated Community Dollars users, those who continued to try to make an effort to use the currency even when they faced difficulties, tended to perceive the currency as having some usefulness and value beyond material wealth and economic exchange. While this chapter shows that Community Dollars proved a problematic economic instrument, the next chapter evaluates the currency based

on its usefulness as a social and political tool promoting and providing more intangible, qualitative kinds of value for its users.

CHAPTER 9 COMMUNITY DOLLARS AS SOCIAL AND POLITICAL TOOL

Community Dollars were primarily promoted to the public based on their economic exchange value, and their potential for bolstering and expanding the local economies in Nelson, Fernie, and Kimberley. The main justification for these claims about economic growth was the belief that because local currencies cannot be spent outside of the community, they prevent capital flight. The expectation is therefore that local currency will circulate rapidly in the community, spurring local production and increasing local wealth. The Community Dollars development group chose the Community Way model in part due to claims that it generates revenue that cover administrative costs. The previous chapter demonstrated that functional limitations and higher transaction costs prevented promised quantitative benefits from materializing. But even as Community Dollars' economic promise was highlighted, there remained a parallel stream of arguments being made about alternate kinds of value Community Dollars might hold or foster. These values include generosity, personal freedom, social connection, friendliness, happiness, cooperation, fairness, and environmental sustainability.

During my fieldwork, I discovered that the most dedicated Community Dollars users primarily valued the local currency based on these non-economic values, and the ways Community Dollars differed from national currency. In part these attitudes resulted from deeply held suspicion of conventional currency, and the feeling that contemporary financial systems encourage greed and waste, threatening ongoing human health and happiness. The ongoing and unresolved tension between quantitative, material motivations for local currency development, and qualitative, "social" motives was often discussed in terms of "mainstream" versus "alternative" values. In such discussions, Community Dollars supporters generally associated mainstream values with consumerism and material acquisitiveness, while alternative, or sometimes "countercultural," or "subversive" values were associated with broader social and moral imperatives like environmental sustainability, conservation, and generosity. Community

Dollars supporters nevertheless generally felt that for the currency to be a success, it would need to attract a broad base of users, including “mainstream folks” who did not necessarily share their countercultural values. The result was an ongoing tension in the Community Dollars system as administrators and proponents attempted to find a balance where mainstream and alternative values could productively co-exist.

The last chapter detailed the practical and logistical reasons that individuals, businesses and community groups found using Community Dollars difficult and inconvenient. These difficulties caused many individuals and organizations to become increasingly passive in their use of local currency, or to stop doing so altogether. This was particularly true if their primary motivation for local currency use was material or economic. In such a case, the effort required typically far outweighed any financial benefits they might receive. Logistical issues were particularly pronounced for businesses and community groups, so the analysis in the previous chapter focuses quite heavily on those users.

This chapter describes the experience of Community Dollar use in terms of other types of value that users hoped to create or gain. The fact that most people in Nelson, Kimberley, and Fernie either never considered using the currency or, if they did, judged local currency use to not be worthwhile, suggests several questions considered in this chapter. Who used the currency, and why did they do so? If Community Dollars did not yield noticeable quantitative benefits, what benefits, if any, did these users experience? As already noted, Community Dollars were most heavily promoted based on their capacity to improve the quantitative material prospects of local businesses, non-profits, and the community in general. Of the three types of Community Way user, individual consumers were the only group to whom the currency was semi-regularly promoted based on its ability to promote generosity, giving, and other more qualitative types of value. As a result, by describing the experiences of local currency users in relation to these values, this chapter focuses most heavily on the experiences of individual consumers, the group that most consistently defined their local currency experiences in those terms.

In my observations and conversations with all types of Community Dollars users, I noted tensions between competing hopes for quantitative or qualitative transformation as a result of the local currency. As already noted, the majority of the Community Dollars users I observed, and particularly the most active participants, used Community Dollars for primarily qualitative reasons. Users who had primarily quantitative motivations were typically the first to become passive in their Community Dollar use when it did not live up to those promises. The users demonstrating more qualitative motivations for using Community Dollars were generally more motivated and persistent. This drive waned when they became skeptical of the currency's ability to balance a local economy they felt was tilting too far toward consumerism and self-interest. It also wavered when they felt that the local currency organization was not reflecting the qualitative values that motivated them.

9.1. SOCIAL AND POLITICAL CLAIMS

In early and later iterations, public promotion of the Community Dollars project by its organizers foregrounded its economic exchange value and potential to increase wealth in the community. When appeals to specifically social or political values were made, they were deemphasized by being left until last, or alluded to as a result of the promised economic growth. The strong emphasis on economic exchange value in published materials was not wholly representative of the currency organizers' personal beliefs, however. Most of the currency developers expressed hope that Community Dollars would contribute to social and political change, but they typically limited these comments to private conversations, or in contexts with small, receptive audiences—for example on their personal blogs or at activist events. The result was that there was an underlying tension between more visible, publically-expressed goals for the local currency organization, and the more hidden, private goals held by some of its organizers.

I experienced an explicit recognition of this dynamic during a conversation with the developer of another British Columbian local currency. He explained

that local currencies can appeal to people for a number of different reasons, but emphasizing economic justifications is a good marketing strategy because it cuts across demographic groups and appeals more to “mainstream folks” like the chamber of commerce. So while that currency’s organizers aimed to promote social goods like equality and sustainability, they concluded that basic economic arguments were the least alienating approach to take in promoting the currency.

The Community Dollars developers in the Kootenays were far less explicit about the co-existence of public, socially acceptable goals like economic growth, and private, less “mainstream” goals like equality and economic transformation. Their qualitative goals were not completely covert, however. Instead, their claims about Community Dollars varied based on the intended audience. As described in the previous chapter, promotional materials directed at a general audience focused almost exclusively on economic rationales for the local currency program. So did communication directed at elites in control of financial resources, and members of the business community. For example, in a grant application submitted to the Columbia Basin Trust, the response to a question asking about the “social, environmental and/or economic benefits of the project” was phrased exclusively in terms of Community Dollars’ economic mechanisms and impacts, without providing any details about specifically “social” benefits. During the same time period, however, guidelines for a currency design contest²⁶ instructed artists to submit a design “depicting the community in a joyful, resilient, and sustainable future.”

The qualitative—or non-economic—claims made about Community Dollars fit into five general categories. First, and most common, were claims about the currency’s capacity to encourage generosity, particularly in the domain of charitable giving. Second most common were claims about the currency’s capacity to foster social connection and a sense of community. The third category, related to the last, was arguments about emotional well-being, and the notion that the local currency would have psychological benefits for local currency users compared to national currency. The fourth category, arguments about the

²⁶ The contest did not yield any currency designs, which is why designing the currency remained one of the major group tasks described in Chapter 6.

currency's capacity to foster environmental sustainability, was fairly infrequent. That was somewhat surprising to me, given Community Dollars' roots in the Transition Movement. Finally, the least common, and most covert, category of claims about Community Dollars was arguments about its capacity to transform individual attitudes and beliefs, but also that the system would itself transform and evolve over time.

Economic claims about Community Dollars generally emphasized its similarity to national currency in an attempt to piggyback on pre-existing trust in and assumptions about the inherent value of conventional currency. The local currency was therefore promoted based on the idea that it is "value-added" or "bonus" money – that is, it has all of the same value as national currency, plus some additional value that Canadian dollars do not possess. Sometimes the idea of added value relied on assumptions that local currencies prevent capital flight. But the bonus value also included the more intangible, qualitative differences between national and local currency. The idea that Community Dollars were generous, sustainable, social, transformative, and sane money relied on the implication that regular money is, by comparison, selfish, unsustainable, antisocial, inflexible, and emotionally harmful. Therefore many of the claims being made about Community Dollars grew out of an incoherent position that the local currency was simultaneously just like conventional, national currency, but also fundamentally different from it.

The genesis and justification for claims that Community Dollars were inherently generous money are fairly obvious. Community groups and non-profits form a significant segment of participants in a Community Way currency system. The currency model is underwritten by donations of local currency from local businesses to the non-profit sphere, and the most reliable method for individual consumers to become local currency users is by providing charitable donations to the same non-profit groups. It is perhaps because this underlying structure seemed so obvious to organizers that the notion of generosity was downplayed in published promotion of the Community Dollars system. This appears to be less the case for in-person presentations prior to the currency

launch. Several of the Community Dollars users and supporters I spoke with in Nelson reported having attended Michael Linton's presentation there. Two years after the fact, the biggest take away from the presentation for the attendees I spoke with was that the core of Community Way currencies is generosity and charitable giving.

No public presentations about Community Dollars were held while I was in the field and no transcripts were available of earlier presentations, so I was unable to confirm the content of those presentations. I was, however, able to attend a similar presentation by Michael Linton in the lead-up to the launch of the Seedstock Community Way currency. This provided some insight into the sort of things that might have been said in Nelson that left such an impression on eventual Community Dollars users there. During the Vancouver presentation, Linton relied heavily on a dichotomy between "good" and "bad" money. He argued that when using conventional, or "bad", money you are pulled into a system of exploitation, while Community Way currencies are "good money" because they support charities and goodwill.

In the Open Money manifesto, the main explanation for why conventional money is exploitative and "bad" and local currencies are generous and "good" is their relative scarcity and abundance. This was also the explanation Linton provided for why Open Money and Community Way systems promote sociality and community. He explained that in an Open Money system anyone can create money, therefore no one is poor, and absent scarcity and poverty, no one can compel anyone to do anything they do not want to do. The local currencies are therefore devoid of coercive exploitation. Linton similarly claimed that without scarcity, there is more conviviality, with more polite and friendly interactions. He concluded that while conventional money was not designed to cause alienation and separation, it nevertheless does so, and local currencies like LETS and Community Way are the solution. For this reason, when an audience member asked how a business might go about turning in the local currency for Canadian money, Linton answered: "You don't. You accept it as a sign of relationships, a

connection to community: you are meant to re-spend it there” (Linton, Bober, & Perry, 2012).

Community Dollars and Community Way advocates linked the notion of scarcity to psychological health in addition to inequitable power relations. Prior to the launch of Community Dollars, a post on the group’s website argued:

When money is scarce, we experience fear of not having enough. Even if we’re doing well personally, when local businesses suffer it affects all of us and the quality of our communities. It also affects our bottom line as people’s spending power is diminished. We can reverse this with Community Dollars (Van Eyk, 2011).

The themes of scarcity, fear, and emotional well-being continued to come up during one-on-one currency promotion and media appearances after the leadership change in Nelson. Linking scarcity with mental health represents a point of intersection between quantitative and qualitative arguments made about Community Dollars. It provided an area where arguments about the need for more abundant access to money could be linked to more intangible ideas about happiness and community in a fairly depoliticized way.

Environmental sustainability represents another area where positive claims about Community Dollars were consistently made, albeit infrequently in this case. A flyer promoting Linton’s speaking engagement in Nelson in 2010 argued that “[t]he current financial model is based on endless growth which cannot be sustained on a finite planet. Local currency offers the basis for resilient and sustainable economic relationships.” The environment was rarely mentioned in subsequent promotions, but it continued to come up in the conversations currency administrators had with prospective and active currency users. The main justification provided for claims of environmental sustainability was that local shopping and re-localized production have a smaller carbon footprint than importation and globalized production. This claim was consistent with the currency’s roots in the Transition Movement. Following the currency launch in Nelson, claims about the environment were more narrowly focused on local food

production, which the new leadership claimed would be augmented by a local currency.

The final category of qualitative claims made about Community Dollars referred to its transformative capabilities, notably its ability to act as a catalyst for paradigm shifts regarding the nature of economic exchange and organization. These claims did not appear in official promotions for the Community Dollar currency, and they remained infrequent even in informal conversations. The closest they came to being widely communicated in the open was in the Community Way motto “change your money, change your world.” Some currency administrators nevertheless privately expressed hopes for deeper transformation, including ideological conversion on an individual and collective level. In an indication of deeper goals for social transformation, one member of the original Community Dollars development group argued that local currency systems struggle because they must operate within the existing system before it can be changed. Another Community Dollars development group member pinpointed issues for local currency systems in the requirement for a paradigm shift, saying the main problem the currency faced was that “shift hasn’t happened yet.”

Early in Community Dollars’ development, and less often moving forward, these hopes for transformation were discussed in terms of the ability for Community Way systems to act as a kick-starter for future local currency development. Community Way was described as a “bunny hill” that prepares users for less familiar, and thus less mainstream, types of money. In the Vancouver presentation I attended, Linton described using and learning about local currencies as “experiencing a new reality” (Linton, Bober, & Perry, 2012). When Community Way currencies like Community Dollars were described as a catalyst for future local currency development, the intended destination was a less mainstream, more unfamiliar type of exchange system.

9.2. SOCIAL MONEY, SANE MONEY

Community Dollars were promoted as friendly, community-based money. Starting from the idea that local currency is neither competitive nor scarce,

Community Dollars advocates implied that using their currency was going to be a happy and fun experience, devoid of the stress and anxiety so many experience in the conventional cash economy. For some people that was true. When asked about her experiences, one Community Dollars user said:

[The local currency] makes me more thoughtful on how I'm using my money. When I handle the Community Dollars I know that I touch them differently, I even feel them differently than I do regular money. I put a higher value on them... The community component, the business component... I just really honour those businesses that have stepped up to the plate to support it. And I want to support them... When I look in my wallet and I look at a Community Dollar versus a Canadian, as I say, I get a smile on my face when I'm handling them because it just feels like... progress. It just feels like, again, collaboration... and celebration.

Another Community Dollars supporter, who had not yet used the local currency, predicted the experience would be much like her previous experiences using Barter Bucks in Nelson, of which she said: “[I felt] a sense of happiness, really. I can remember feeling a sense of gratification, or a little sense of joy. It's like, you know, ‘this is ours!’” Many prospective Community Dollars users therefore expected that using local currency would be more enjoyable than using Canadian dollars. Most often these expectations did not align with reality. This fact was communicated most explicitly by one of the most enthusiastic Community Dollars supporters and users in Nelson. When asked how her experiences using the local currency differed from using Canadian dollars, she described the experience as “a little bit more warmer, and fuzzier, too,” adding “it feels good. It feels like you're doing something tangible to support the local economy.” But when questioned further, she did an immediate about-face, confessing, “right now the only place I've used it is the bakery, and it's a big production for them to take it. So, I would say ideally it's warm and fuzzy, and in reality it's not.”

As already discussed, Community Dollars were similar to national currency in several ways: they were denominated in the same manner, and could

be used in much the same way as legal tender to make cash purchases in a retail environment. But limits on where the local currency could be spent, and how much of the total purchase price it would cover, made it logistically more difficult to use than Canadian dollars. Prospective and active local currency users gave indications they performed informal, and often unconscious, cost-benefit analyses to judge whether the benefits of using the local currency justified the costs. While the previous chapter analyzed potential costs to individuals in pragmatic terms like the time and effort expended using local currency, there were social and psychological factors to be considered as well.

First, exchanges with Community Dollars could be inconvenient and confusing for all parties involved, not just customers. They had a distinct rhythm and tempo that differed from using national currency. The cashier would have to calculate the amount of each currency due based on the specific percentage rate of acceptance at their business. Then each currency had to be counted by each party, and placed in separate locations by the cashier. When Community Dollars first launched, the process often additionally required that the customer explain the local currency to inexperienced staff members, who typically had little or no training in how to handle such transactions. This was particularly problematic in businesses like coffee shops and bakeries, where transactions must proceed quickly to avoid long lines of impatient customers.

Outside of such fast-paced environments, several Community Dollars users commented that slowed-down transactions requiring greater explanation and care fostered greater social connections between businesses and customers than conventional money: it had the potential to personalize otherwise impersonal exchanges. One interview participant noted that the interruption in what would otherwise be an automatic and thoughtless exchange gave her more opportunity to think, and to connect with business owners “on a more personal level.” But such connections could also have unexpected consequences and risks for participating businesses.

Personalizing economic interactions can make customers more personally invested in the businesses at which they shop. An interview with a non-profit

representative revealed that actively using and promoting Community Dollars in her personal life had provided insight into how the local economy and local businesses work, including increased knowledge of the degree to which local business owners struggled with thin profit margins. As a result, the representative reported becoming much more understanding of why many businesses felt they could not afford to participate in the local currency program. I had similar experiences. In my own case, I became increasingly friendly with the owners of one participating business at the same time that I began to become more doubtful of claims that Community Dollars were just as valuable as national currency. The result was that I found myself beginning to feel guilty about spending seemingly sub-par money at a business when I considered the owners to be friends.

Social interactions between local currency users and participating businesses were not always positive. By providing a new means through which businesses could interact with customers, local currency also provided a new context in which customers could become dissatisfied with those businesses. While Community Dollars were promoted as an advertising opportunity and “loyalty program” that could attract and retain new customers, there was an unacknowledged risk that bad experiences with the local currency could also repel customers. This was particularly true if businesses did not adequately educate and train their staff in using local currency. One Community Dollars user recalled being rejected by staff when she tried to spend the local currency at a business advertised as participating. The local currency user interpreted what seemed to me a simple case of poorly trained staff as a sign the business was dishonest. She described the business as “terrible” and implied, based on her confusing and negative experience, that it was a front for illegal activity, possibly participating in the local currency program for nefarious reasons. In the end, she told me she “put a big X on the door,” meaning that she would never return to that business after her unsatisfying experience trying to spend local currency there. While that user’s reaction was particularly strong, it was not unique. Several Community Dollars users reported feelings ranging from mild irritation

to outright anger when staff at participating businesses refused to accept local currency for payment. At best, such situations made local currency users hesitant to attempt to use the local currency at that business again. In my own case there were several instances where these experiences of rejection were sufficiently uncomfortable or unpleasant that I did not return to the business again.

The above risks to businesses seem particularly acute early in the life of a local currency, when people are still adjusting and figuring out how to use it. But I observed evidence that risks remain in cases where a local currency becomes well-established and fairly popular. Salt Spring Dollars had been circulating for eleven years at the time of my fieldwork. One business owner there described using their local currency as “a pain in the butt,” but explained he continued to participate in the program “for political reasons.” When asked to elaborate, he explained somewhat cagily that some locals were such ardent supporters of the currency that he only continued to accept it to avoid “rocking the boat,” fearing retribution and lost business from supporters. But as in Nelson, even in cases where a currency user is not a strong, long-time supporter of the currency, there could be reputational risks when participating businesses refuse to accept local currency. While in Salt Spring Island one business turned away my Salt Spring Dollars, informing me “we have too much right now.” In my field notes I observed that my opinion of the business changed immediately, and I began to question its trustworthiness. Taken together, the above anecdotes suggest that when local currencies are popular and doing well, there can be strong social pressures for businesses to participate, despite costs and inconvenience to those businesses. But in all cases, there can be unexpected risks to businesses who do not take local currency use seriously, leading to poor customer experiences. These poor experiences appeared to be more consequential when they were a customer’s first experience with a business.

Social interactions and associated social risks in a local currency system are not one-sided. In many cases the frustration and anger local currency users expressed toward participating businesses were a defensive demonstration of the social risks and discomfort individual local currency users faced. In their mildest

form, these risks included discomfort at potentially inconveniencing or annoying store clerks by complicating and slowing down transactions. That discomfort was partially indicative of the fairly common tendency to not want to stand out too much. Beyond doubt about Community Dollars' economic value and usefulness, the most common explanation people gave for not using local currency was fear of looking gullible, silly, or weird. In one example, a representative from a Fernie-based non-profit reported that he did not oppose Community Dollars, but because he was an "old-fashioned" and "conservative" guy he was not willing to be a non-conformist or take a risk on something new. He went on to explain that if more or less everyone in Fernie started to use the local currency, he would happily do so as well.

Potential financial risks tended to be intrinsically connected to social risks, as people argued that being seen to risk wealth unnecessarily would be judged by others as a sign of stupidity. When asked about potential problems with local currencies, one Community Dollars user identified this link when she explained:

I think probably people's fears around accepting it, and having it, and being stuck with it is probably the biggest one, just being stuck with it. So putting up Canadian currency and not being able to spend it: fear of a loss. Fear of some kind of a loss. Probably fear of being taken advantage of, so probably a little bit of embarrassment that you've bought into this flaky local scheme and all of your friends are saying 'that's an idiotic idea' and then it turns out—UGH!—it fails and there you are, an idiot again... [T]here's definitely a lot of social pressure around money but, even just about anything that your peers aren't in with. People are just too judgemental.

The same person compared becoming a local currency user to being "like the first guy who starts dancing" at a party: there are inherent social risks to being the first person to start doing something.

For currency users willing to risk standing out as an early adopter, there remained near-constant risk of rejection. As I noted in previous chapters, in my

attempts to use five different local currencies in five different cities, I was unsuccessful around fifty percent of the time. This rejection rate was fairly consistent in each system, regardless of whether the local currency had been established just days or over a decade earlier. As previous anecdotes reflect, I was not alone in this experience. Comments from Community Dollars users who experienced similar rejection demonstrated those experiences negatively impacted feelings toward both businesses and the currency itself. They also appeared to make it increasingly less likely that an individual would try to use local currency in any given transaction. For instance, when I reported to one local currency user that a bakery in Nelson had just signed on to accept Community Dollars at one hundred percent of purchase prices, the user responded that he had heard the same thing, but “I haven’t trusted that,” and was therefore hesitant to attempt spending the local currency with the business. In the end, he was right to be skeptical: when I tried to buy some bread with the local currency at that bakery, the clerk at the counter rolled her eyes, sighed exasperatedly, and refused to accept it. This rejection again demonstrates potential risks to businesses, as I found the staff member so hostile and rude about the situation that my perception of the business changed entirely. I felt so uncomfortable and embarrassed that I did not return to the business again – with any kind of currency – despite having shopped there previously.

One Community Dollar user described this kind of discomfort in terms of the social stigma attached to lacking money, paired with the general perception in the community that the local currency was not economically valuable. When speculating why so few people were using Community Dollars he argued that, based on his own experience and observations:

[p]art of it is... people right now don't know where to spend it. And, you know, people don't really want to go up – like, when you're having a transaction with a cashier, you don't want to risk rejection by saying, ‘can I spend this here?’ It's a little embarrassing – it feels like you're poor. You know, I think that's part of the... stigma around it. It's like, ‘oh, I don't have Canadian

currency to pay for this, can I use this kind of inferior thing?’ [laughs]. ‘This second-class money?’ So I think that's a thing that needs to be – we need to work hard to overcome that stigma: the second-class currency thing.

This reflection on the internal, individual reality of local currency use shows that the cost-benefit analysis currency users perform goes beyond practical considerations like time and effort to consider personal reputation, self-image, and social comfort. It also disrupts the notion that using Community Dollars would uniformly foster greater psychological and emotional health among its users compared to national currency.

The emotional impacts of Community Dollars usage went beyond disappointment and social discomfort to include feelings of fatigue, anxiety, and guilt. Over the course of my fieldwork, the extra effort required to use local currency led me to begin experiencing what can only be described as local currency fatigue. By the time I left Nelson and visited communities on the Pacific coast, I was feeling weariness when it came to local currency use. As local currencies were the central topic of my research project, and I initially felt the success of my research hinged on Community Dollars’ success, I was a very motivated and active local currency user during my time in the field. Despite this motivation, after a little over three months of using local currency, I was finding the extra effort required increasingly irritating as the novelty wore off. The more restrictive businesses were about accepting the local currency, the more acute my irritation became.²⁷ I do not believe my fatigue and irritation would have been as pronounced had I been able to make local currency use routine or habitual, but the limits on the local currency meant I needed to make a fresh effort every time I used it. I realized that if that continued to be the case, I would quickly lose all interest in using local currency due to its inefficiency and inconvenience. This was particularly true if the positive benefits of my efforts were not immediately obvious. Had there not been a business in Nelson from the outset of the

²⁷ One notable example was visiting a store in Powell River solely because it accepted the local currency and discovering that they only accepted it for 10% of the purchase price of a limited selection of full-price items.

currency's launch who enthusiastically accepted the currency for 100% of the purchase price, I have no doubt I would have reached that state of fatigue much more quickly. Even then, I found myself resignedly searching for things to spend money on at that store, and buying things I would not have purchased if had not felt duty-bound to use the local currency. This was particularly unsustainable over the long term given that I am not an enthusiastic "recreational" shopper. These feelings of fatigue are particularly noteworthy given the fact that almost everyone I spoke to about local currencies in the Kootenays reported some degree of "post-materialist" (Caldwell, 2000) attitudes and a similar ambivalence, and often hostility, toward shopping.

No other Community Dollars users explicitly reported feelings of fatigue using Community Dollars. In part that is because it took some time and effort before I reached that state. I left Nelson only three and half months after the currency launched in the city, and there were very few people using Community Dollars, and almost no one using it as frequently as I was. Other local currency users did give indications of similar feelings through their behaviour, however. More active Community Dollars users typically described an initial spurt of enthusiastic local currency use that declined with time. In cases previously described, where the individual had negative experiences or struggled with rejection, this decline tended to be fairly rapid. But even in cases where experiences were predominantly positive, or at least neutral, local currency use tended to gradually slow. This was a process participants from other local currency systems described as well. Interview participants who had used Barter Bucks or been members of LETS systems described initial excitement that gradually faded. They explained that this translated into fewer and fewer trades over time, until they no longer felt the required effort was worthwhile. My own case was somewhat more extreme in that I had an added level of motivation to force myself to continue using the local currency in the interest of my research. But even that motivation increasingly waned the longer I used local currencies, and the more local currencies I used. By the end of my time in the field, I found myself in Vancouver in possession of a wooden Seed Coin, as part of a short-term

local currency effort on Granville Island. This was the fifth local currency I was attempting to spend in the course of five months, and I discovered, with some surprise, that I was so uninterested in making the required effort to spend the coin that I could not force myself to do so. Similarly, I observed that among Community Dollars users an initial burst of activity tended to be replaced by vague plans to put in more effort to use the local currency at some ill-defined time in the future.

While the effort to spend local currency became increasingly onerous with time, my local currency fatigue was preceded by experiences of local currency anxiety. After a short period of novelty and enthusiasm, but before local currency use morphed into a chore requiring more motivation and energy than I had to offer, I experienced a phase where I felt compelled to spend the local currency I obtained as quickly as possible. When I stopped to reflect on that urge, I was reminded of Dominguez's (1990) reports of currency pluralism in Israel, where people would spend Shekels—which were subject to hyperinflation—as quickly as possible, usually investing in commodities like land or appliances to preserve economic value. This reaction was reinforced by the reports of a Community Dollars user who had lived through an economic collapse in another country. At that time, hyperinflation had caused the national currency to lose its value and be superseded by American dollars. The user compared Community Dollars to that devalued national currency, as always available as a fall-back with its own uses, but a far less desirable option than the alternative. After having this reaction, she similarly rid herself of the less useful local currency as quickly as she could, and gave no indication she planned to seek out any more.

Community Dollars were not subject to hyperinflation, but the more difficulty I had spending the local currency, the more I perceived it as being far less economically valuable than Canadian dollars. I experienced those initially unconscious feelings as a form of financial anxiety, specifically a compulsion to rid myself of local currency to preserve the value, either in the form of Canadian dollars or volunteer time I had committed to acquiring Community Dollars. With some reflection, I found the feelings of anxiety amusing, given the fact that the

amounts of money involved were very small. As in the case of local currency fatigue, none of my informants reported experiences of local currency anxiety using the same terms in which I thought of them, but their actions often indicated similar experiences. Specifically, I observed a number of self-described local currency users whose impulse to quickly use local currency outstripped the effort they were willing to commit to doing so. As I noted in Chapter 4, around half of the people I spoke with who identified themselves as Community Dollar users had not actually spent the local currency. While around half of this group described vague future plans to eventually do so, the other half had procured Community Dollars and given them away to others, with no indication they ever planned to make the effort to spend local currency themselves. In these cases Community Dollars were given to friends as a gift, to children as a treat, and to restaurant staff and a hairdresser as tips. When asked about these gifts, the Community Dollars users explained that they could not figure out how to spend the local currency, or did not have the time or money necessary to do so at that time. In these cases the motivation to get rid of the currency obviously had less to do with preserving economic value than powerful feelings of obligation toward the local currency system.

All of the Community Dollars users who gave away their local currency believed in the local currency project, and felt strongly that they should be local currency users. Most were, or had been, directly involved with the Community Dollars organization in some capacity. But they also all found actual local currency use to be too demanding and time consuming to be practical, and each gave indications that they felt guilt as a result. In conversation, they demonstrated physical signs of embarrassment and contrition when discussing their lack of currency use. All self-described Community Dollars users who had not actually used the currency felt the need to offer some explanation for why they had not yet done so. Several explained that they felt that giving Community Dollars away was the best way they could contribute to making the local currency successful.

People who were less committed to the idea of local currencies, showed

less urgency or guilt about struggles to spend Community Dollars. Several representatives from non-profits who gave Community Dollars to their volunteers indicated this. They argued that most of those volunteers had no interest in using local currency, and they believed almost none of them had, or would, actually spend it as a result. It seems obvious that the recipients of gifts of Community Dollars—none of whom had actively sought out the local currency—were even less likely to dedicate the effort required to spend their local currency than the Community Dollars administrators and advocates who had given it to them. Except in one case where the gift of Community Dollars was returned, with the explanation that the recipient could not figure out where to spend it either, the currency users who gave the currency away did not appear to consider the possibility the gift might go unspent. In conversation, they instead reassured themselves that they had contributed to Community Dollars' success by getting currency out in circulation.

9.2.1. The Sociality and Individuality of Local Currencies

As we have seen, while Community Dollars advocates promised a saner and happier kind of money, the emotional experience of using Community Dollars ran the gamut and was often negative. When Community Dollars users faced difficulties translating their commitment to local currencies into action, they reported frustration and their behaviour suggested feelings of guilt. Economic exchanges do not take place in a vacuum. The internal experience of using Community Dollars was strongly influenced by the social nature of economic exchange, and social interactions outside of retail transactions. Some Community Dollars users reported positive feelings toward the local currency that resulted from more involved social interactions while using it. More often, fears of social judgement, criticism, rejection, or isolation caused negative emotional experiences for local currency users, or intensified negative reactions already caused by logistical challenges. This did not necessarily have to be the case. Reports of experiences with local currencies outside of the Community Dollars system suggest that the Community Dollars leadership in Nelson made

administrative decisions that worsened the social risks of using the local currency, making experiences much more individualized and alienated. These decisions appear to have inadvertently compromised the local currency program and reduced its likelihood of success.

Lee et al. (2004) describe several characteristics of monetary systems that look beyond economic exchange value to incorporate notions of power, and better acknowledge the social relations of production underpinning material life. The concepts of sociality and reflexivity, which describe how perceptions and information about a currency system are shaped, shared, and experienced at the individual and collective level, are most relevant to the current discussion. Reflexivity refers to how different kinds of money are experienced at the individual level, and how individual economic decisions and behaviour are shaped by expectations based on past experiences. Conversely, sociality refers to how information about a currency circulates and is experienced at the collective level. Clearly these two levels interact to some degree. But Community Dollars provides an example of a currency in which this interaction was limited: experiences of the local currency were highly individualized, mainly because there were few avenues created for interaction between the different parties involved, particularly between individual community users. This was not the case in other local currency systems some Community Dollars supporters had experienced.

One of the members of the original Community Dollars development group wanted to establish a local currency based on his past experiences with a LETS system, which he described as being “like an extended family.” The organizer recounted that the LETS system was frequently used to bring large numbers of people together in “work bees” contributing labour for permaculture and local food production projects. He likened the experience to historical accounts of community barn raisings. Similarly, another member of the currency development group who had participated in a different LETS system recalled that the group’s potlucks and market events provided a context where people could discuss their experiences with the currency and make new friends. These types of

events, and similar commitment building mechanisms, have contributed to the success of past local currency systems because they encourage local currency users to persist past the initial novelty stage (North 2010b, p. 40). Social activities do this in part by providing a context where the sociality of the currency system can be nurtured. That is, they provide a context where local currency users can learn from one another about the how the currency works, and how to go about using it. They also provide a context where currency use can be experienced as an enjoyable activity that fosters friendship and conviviality. A leader from the earlier Barter Bucks system—which also organized market and social events—summed this up nicely when she argued that, for a local currency to be successful, its administrators should “make it easy, make it fun.”

When I asked what Community Dollars users learned from using the currency, what purpose they felt the currency served, and what meaning their experiences served for them, the answers were incredibly unpredictable and individual. In part this is because the lack of a consistent social component in the Community Dollars system meant that there was no reliable way for information about the currency to be shared and assessed. It became increasingly clear that my interviews were providing the first opportunity most Community Dollars users and supporters had to discuss the currency and their experiences with it in any detail. I asked each interview participant whether they knew anyone else who used the currency who I could contact to see if they would be interested in being interviewed as well. Only two knew someone else who used Community Dollars. Notably, even the currency administrators and board members appeared mostly unaware of who was using the currency. Only one person from the currency organization was able to provide a suggestion of a currency user to interview. Several of the currency users and supporters I interviewed reported being pleased to finally have the opportunity to discuss the local currency with an interested audience. One explained that the conversation had helped her think more deeply about the currency, and she felt the experience had given her the opportunity to figure new things out about it. Another teared up when describing her relief at having someone finally sit and really listen to her discussing her experiences. My

overall impression was that for most people in Nelson, using Community Dollars was a lonely experience.

The closest thing to a Community Dollars related social event was a barbecue held by the five beneficiary community and non-profit groups, in September 2012. The event provided a much-needed opportunity for Community Dollars users and supporters to meet one another and discuss their experiences, and a welcome source of information about the currency system. Access to the event was somewhat limited, since it was held mid-day during the workweek, and was not widely advertised, but it provided a welcome social component for those currency users able to attend. Unfortunately, there were no further social events in the Community Dollars system that provided a similar opportunity.

The Community Dollars system was therefore lacking in sociality. This caused most currency users to only understand the system idiosyncratically, based on highly individualized personal histories with various other currencies and types of exchange. That is, the currency lacked sociality, and most information about it remained in the realm of reflexivity. This lack of sociality was notable because, claims about the economic disembeddedness of capitalist money notwithstanding, money enables exchange between people, and thus all money is inherently social. Describing problems the Community Dollars system was facing, one currency user savvily argued:

Canadian currency is based on... co-construction of its value. And so if we can mutually co-construct value around the Community Dollars then they'll be just as useful and valuable as the Canadian dollars. And we just haven't gotten to that point where we can co-construct that value because we don't have enough leadership, essentially, in doing that.

The result was that in Nelson there were a confusing variety of messages about Community Dollars circulating unpredictably when they circulated at all.

This problem was exacerbated by the fact that the Community Dollars leadership did not have a clear communications strategy. Previous studies of LETS systems have emphasized the need for robust marketing and

communications strategies to recruit and maintain an adequate user base (Aldridge & Patterson, 2002, Williams, 1996a). Emphasizing this point, the founder of the Barter Bucks currency in Nelson argued that local currency administrators must recognize that many of the messages people see every day serve to indirectly and unintentionally promote national currency. Every television and print advertisement for a new product or service incidentally informs people of different uses for national currency. So many features of everyday life—from market reports in the media, the presence of a bank on a street corner, to the arrival of a paycheque—subtly remind people of the existence and usefulness of national currency. The same cannot be said for local currency. For that reason, the Barter Bucks administrator argued that local currency organizers must be diligent about making sure messages about local currency are communicated and reiterated. The Barter Bucks system published an alternative newspaper for this purpose. There was no such communications push in the Community Dollars system. After a short period of promotion immediately before and after the currency launch in Nelson, the organizers ceased trying to communicate with active or prospective currency users. The currency's purpose and how it worked therefore remained unclear to most people. This heightened the social risks of local currency use as people expressed fear of adopting a local currency they did not understand, and some degree of loneliness being the only person they knew using it.

9.3. GENEROUS MONEY, SUSTAINABLE MONEY

The idea that Community Dollars were inherently abundant and generous money underpinned discussions about its purportedly friendly, social, and cooperative nature. The last group of Community Dollars leaders in particular relied on the idea that their local currency was not scarce as the basis for various claims about the economic and psychological impacts it would have. These arguments mirror claims made in the Open Money manifesto that monetary scarcity enables coercion, while abundant and freely available money encourages conviviality and individual freedom (Linton & Yacub, 2000). One of the

foundations of the Community Way model is the idea that this abundance enables people to be generous in a way that national currency does not. The notion that, as a Community Way currency, Community Dollars were inherently generous and abundant was generally at odds with people's lived experiences of the local currency. Moreover, the variety of potential benefits being attributed to the Community Dollars currency, and individualized experiences with it, resulted in incoherent and contradictory messages being communicated about the local currency. This was particularly true of claims about the different ways Community Dollars would benefit the different groups interacting with the currency in fundamentally different ways. These incompatible claims sowed skepticism in the Community Dollar currency and Community Way model among currency users and administrators.

Chief among these inconsistencies were coexisting claims that Community Way currencies are "just like" national currency, and can be handled and used in the same way, while also being fundamentally different from national currency because they are not subject to scarcity or centralized, hierarchical control. As already noted, the Community Dollars users I encountered overwhelmingly disputed the idea that the local currency could be used in the same way as national currency. More importantly, the majority of Community Dollars supporters and skeptics I spoke with questioned the idea that it would be a good thing for their local currency to be virtually identical to national currency. Most argued that the only way it made sense to dedicate the effort required to create and use a local currency was if that currency differed from conventional currency in some meaningful way. Although many Nelson residents experienced financial challenges, the city was not experiencing currency shortages, and the local economy was relatively stable. As a result, most people I spoke with argued that trying to basically replicate the features of the national currency was a pointless endeavour, since national currency already existed in adequate quantities for the community's basic needs. For the local currency to have any durable appeal, it would need to offer something that national currency does not. As described in the last chapter, Community Dollars were less financially useful than Canadian

dollars. As a result, that difference would have to involve benefits beyond basic economic exchange value.

There were some ways that Community Dollars were fundamentally similar to, or at least linked with, national currency. Rather than being a selling point, these similarities and links tended to undermine claims that the local currency was abundant and intrinsically generous. As a material currency pegged to Canadian dollars and used for retail purchases at local businesses, Community Dollars were physically and functionally similar to the national currency. The most noteworthy link was that the most reliable way individual consumers could acquire Community Dollars was by buying it from a non-profit group for the same amount of Canadian dollars. One Community Dollars user, concerned about the sluggish pace at which local currency was circulating, argued that this inertia was the direct result of this link. He argued that the need to surrender conventional currency to participate in the Community Dollars system created a situation of artificial scarcity at odds with the values the local currency was purported to represent. When one local non-profit group appeared to be hesitant about giving Community Dollars to its members, the supporter responded:

Why relate to it as a scarce commodity? When really what you want is for it to kinda just be everywhere... The Community Dollars... don't have that value at this stage. They're not something that people want to get their hands on. I see them as more something that people need to just have a whole lot of and be, like, "oh—where can I spend this? Who in the community is supporting this?"

The supporter argued that, for Community Dollars to be a success, non-profits and currency organizers would need to dispense with selling currency, and "just get it out there. Just give it out."

Only one non-profit representative I spoke with felt the same way. He reported that his organization felt there needed to be more local currency circulating for it to gain publicity, familiarity, and "buy-in" from the local community. For that reason, he explained, to "get more dollars in people's

hands... we've given out—mostly given, and not sold—about a thousand... more than a thousand dollars.” Representatives from other non-profit groups, and some businesses, worried that managing the local currency in such a generous way could devalue it in the eyes of the community, and therefore prevent the promised benefits of participation. For example, a fundraiser for one of the beneficiary organizations expressed concern that her group would not be able to use the Community Dollars as an effective fundraising opportunity if other groups were freely giving it away. A business owner expressed concern that if local currency began to be seen as “free money,” new businesses would be hesitant to sign on to accept it, and businesses already involved might cease doing so.

During interviews and conversations, the more that people repeated and unpacked the varied claims being made about Community Dollars, the more obvious it became that few people believed they could all be simultaneously true. Many people specifically struggled to reconcile the idea of inherently generous money with arguments about increased profits for businesses. Inconsistencies in expectations for and of the business community began to emerge before Community Dollars launched. In email communications Michael Linton advised the Community Dollars currency development group that they should endeavour to only sign on businesses whose principal motivation for accepting local currency was generosity rather than personal profit. This was at odds with the way the group had been advised to promote the currency to businesses. As had been the case in the Comox Valley, the Community Way model was promoted as a “loyalty program” for businesses that would increase profits by bringing in new and dedicated customers.

On the surface, Linton’s requirement that businesses participate for altruistic reasons seems naïve, since yielding a profit is supposed to be the *raison d’être* of any commercial enterprise in a capitalist economy. But I did directly speak with and additionally heard second hand reports of several Nelson-based business owners who agreed to accept Community Dollars despite skepticism it would yield any profit, and in several cases assumptions that participation would

actually represent a financial loss. These business owners were acting genuinely generously in their participation: they wanted to dedicate their business' resources to supporting local non-profits, the community at large, or political and ethical goals that would not contribute to their own bottom line. These were also the businesses who were most easily convinced to participate. As Community Dollars organizers struggled to get commitments from as many local businesses as possible, they were increasingly obliged to emphasize the potential for increased profits and wealth as incentives for participation. This was particularly true after the new leadership in Nelson set the ambitious goal of fifty participating local businesses. As with individual users, the business representatives who were the most dedicated to using Community Dollars, and who remained so when the project did not meet initial expectations, were those for whom profit was not their primary motivation for participation. Based on my observations, the businesses that required the most persuading to accept Community Dollars, which generally meant resorting to arguments about profitability, were also the first to cease making any effort to participate when those profits were not forthcoming. For that reason, despite the seeming naïveté, Linton's argument that business participation must be based on generosity had some salience when it came to the long-term viability of the local currency.

On the other hand, my observations of Community Dollars users' behaviour suggest there is a more fundamental issue with the idea of inherently generous money. In many instances, decisions to behave generously with Community Dollars, and particularly to use it as a gift, appear to have actually impaired the local currency's capacity to function as form of currency. The first example of this was the surprisingly common tendency to give Community Dollars away, either as a gift to children and friends, or as a tip or gratuity to service workers. While these actions were always described as being motivated by generosity, in every case further discussion revealed that the individual had struggled to figure out any other way to use their local currency. In these cases, the narrative of Community Dollars' inherent generosity had provided a convenient way for people who felt obliged to be a local currency user, and guilty

about their struggles to do so, to effectively discard unwanted local currency. In making gifts of Community Dollars, these people could rationalize that they had supported the system, and passed the currency along to someone else more likely to use it. There was very little evidence the latter was true, however.

In my discussions with business owners, non-profit representatives, local currency users, and those giving Community Dollars away, I was not able to find any evidence of someone spending Community Dollars received as gifts or tips. Even the non-profit representative who gave around a thousand dollars of local currency away to try to promote the system confessed that, based on the reactions of the recipients, he believed very little of it would ever be spent. Only a small minority of the population in Nelson had genuine interest in using local currency. Most of the individual beneficiaries of gifts of Community Dollars, particularly hairdressers and wait-staff receiving it as tips, had not indicated any interest in the local currency, and were therefore unlikely to have felt the same obligation to use it as their benefactors. For this reason, gifting the currency appears to have created new and durable blockages of local money unlikely to ever circulate. As described in the previous chapter, businesses who struggled to know how to use local currency could similarly reconceptualise the local currency they accepted from customers as a loss by considering it a discount—or gift—to their customers. As already noted, adopting a discount mentality similarly creates blockages, and prevents the local money from effectively circulating as a form of currency.

The idea of abundant and generous currency also proved to be at odds with the experiences of Community Dollars administrators as time passed. As already noted, both phases of leadership in the Community Dollars organization made financially costly decisions based on the notion that Community Way currencies are intrinsically abundant, and therefore self-funding. But they also eventually discovered that the Community Way model was unable to generate the wealth and resources needed to adequately administer their system. Members of the original currency development group assented to the change in leadership when it became clear the currency system could not actually fund wages to pay

for the full-time work they had been dedicating to the system. The new leadership also operated using ostensibly waged work for which the organization had no funds to pay. By that point, the Community Dollar system had more debts than it could realistically cover, both the money borrowed to cover printing costs, and wages owed for work done “on spec” by a number of people in both phases of the currency’s leadership.

By the time Community Dollars launched in Nelson, rather than questioning the idea that any local currency system can afford full-time paid staff without external funding,²⁸ the new leadership began to conclude it was certain features of the Community Way model that were preventing them from doing so. Specifically, the chair and executive decided that, moving forward, they would discontinue the business donations to non-profit groups that underpin the Community Way approach. Instead, they planned to rework the model in a way that would provide more funding for the currency’s administration.²⁹ One of the currency administrators argued that the Community Way model “gives it all away” (in the form of donations to local community groups) and that the Community Dollar Foundation “can’t afford to be generous.” This new rejection of generosity caused new issues in the system. The most dedicated Community Dollars users and supporters had generally been attracted to the system based on earlier claims about the currency’s intrinsic generosity. To the extent that the new position became known in Nelson—given diminished communication and transparency in the currency organization—it caused some local currency advocates to reconsider their support of the project.

Another more fundamental mismatch between the values most local currency users held and the way Community Dollars were promoted was a basic inconsistency between messages about economic growth and greater environmental sustainability. Although Community Dollars had initially grown out of the Transition Movement, explicit claims about the currency’s capacity to

²⁸ In my documentary and field research I have yet to find an example of a local currency system capable of doing so, even in cases where structural or fundraising elements (like demurrage stamp payments or robust sales of collectibles) provide reliable access to conventional currency.

²⁹ They never provided a detailed explanation for how this would be accomplished, but might have had a plan that was never made public.

promote environmental sustainability were sporadic. They were often tacked on to the more consistent strategy of promoting the currency's capacity to bolster the local economy and increase local production. There is a persuasive environmental case to be made for increasing local production in terms of the carbon impacts of shipping products over long distances. But there was a deeper problem with promoting the local currency on the basis of increased local spending and wealth: the people most attracted to the local currency were generally turned off by the idea of unfettered abundance. Community Dollars supporters tended to demonstrate post-materialist values (Caldwell, 2000) at odds with messages about increased affluence and consumption. These attitudes were similar to the conserver ethic described by Trainer (1985, 1995, 2007), and were sometimes extreme even for progressive and environmentally-conscious Nelson. For instance, one Community Dollars user reported encountering resistance when she ran for the board of a local co-operative grocery store "on a platform of no growth." During a conversation about plans to restructure Community Dollars, one board member responded with obvious distaste when I asked if the group had ever considered adopting a demurrage approach, where currency loses value over time if not spent. He explained that demurrage systems are meant to encourage increased consumption, and the currency group absolutely did not want that. I was surprised by the answer, and the ferocity with which it was expressed, because it seemed to contradict the dominant message of economic growth being communicated by the currency organization.

This contradiction was reflected in the struggles currency users experienced in spending Community Dollars. Somewhat paradoxically, the people most attracted to the local currency were also people who tended to avoid shopping, particularly for non-essential items. Most therefore described struggling to use local currency not only because of limits on its use, but also because of self-imposed limits on spending and consumption due to their chosen lifestyle. The administrator of the earlier Barter Bucks currency described the same problem in that system, which they partially alleviated by organizing an annual Christmas Barter Fair. The fair, where Barter Bucks had to be accepted for

100% of the cost of purchases, jump-started currency circulation on an annual basis, helping to break up blockages and prevent permanent stockpiling. The administrator argued:

Because we attracted a crowd of people who really wanted to get away from the consumer mentality, Christmas is the only time that you really throw that out the door. And so you felt guilt-free, you can buy all you wanted, you could buy, you know, an extra pair of hand-knit mittens or something and not feel like, “oh, I don't really need those.” ‘Cause it's Christmas. So every Christmas for the duration we operated from about 1994 till 1999 to 2000, we had a Christmas barter fair. And that just cemented the whole thing. But we just couldn't seem to—we tried to do it other times—wouldn't work. We had to have that consumer madness buying ethic going on.

This past experience with local currency in Nelson points to a larger problem in the local currency movement. Much of the literature about local currencies suggests that to be truly successful a local currency must achieve a broad base of support by attracting mainstream audiences and formal commercial enterprises. But even the most successful local currency systems have generally failed to do this.

It is not clear that, outside of crisis situations, local currency systems can reliably recruit people holding relatively mainstream values, and conventional retail businesses with a strong profit motive. Unfortunately, the alternative values held by the people who prove most willing to use local currencies can limit the capacity to encourage social change through purchasing decisions when these same people limit their consumption and shopping. Perhaps more importantly, it is not clear how appropriate money is to promoting the specific values the local currency users I spoke with wished to promote through their participation, like generosity, friendship, and sustainability. One of the most general functions of money is to enable consumption by enabling the exchange of goods and services between people who lack durable and trusting social relationships. It is therefore

not entirely clear that money is the best tool for achieving the goals the local currency users I spoke with wished to realize.

9.4. TRANSFORMATIVE MONEY

Of the more intangible goals for the Community Dollars system, the final—and least openly communicated—was the intention that it be a form of transformative money. There were two primary ways this was intended. First, the earliest currency developers hoped that Community Dollars could transform users' understanding of money and the economy. Like many of the goals for the local currency system, there were multiple different motivations underlying this aim. Some local currency administrators and users hoped to enact social change by helping people move past more mainstream understandings of economic exchange and organization, and their role in each. Others were more directed in their intent. Michael Linton, for instance, intends for Community Way currencies to broaden users' understanding of money in a way that specifically makes them more open to LETS systems, and more willing to use them. That relates to the second way Community Dollars were intended to be transformative money. The Open Money approach relies on the idea that local currencies can evolve over time into the system most appropriate for the particular community where they are circulating. This is relevant to the first intention since Michael Linton appears to believe that the most appropriate form of local currency for every locality will be some type of LETS system, if mainstream populations were only sufficiently educated to be open to LETS. Even as the Community Dollars leadership in Nelson increasingly rejected most elements of the Community Way and Open Money approach, they continued to accept the idea that local currency systems can be successfully transformed over time to correct perceived shortcomings.

There were problems with both of these perspectives on the transformative nature of local currencies. One is that many people do not actually want to rethink their understanding of the money and the economy. The other problem is that the local currency users I observed generally did not react well to changes being made to their local currency system after the fact. Many suspected attempts

to alter systems might be some sort of bait and switch, diminishing much-needed trust in the nascent currency system. These issues, and particularly the approach to systemic transformation taken by the last group of currency leaders in Nelson, ultimately harmed Community Dollars and diminished its chance at success. These problems most notably demonstrated a fundamental tension in the system between so-called “mainstream” and “countercultural” values.

While using local currency can inspire people to think more deeply about money, the economy, and how each works, often people demonstrate little interest in doing so. This is another case where I am reminded of the advice of the Barter Bucks administrator that, to get people to use a local currency, you have to “make it easy, make it fun.” For most people, pondering the intricacies of monetary exchange and capitalist social organization is neither easy, nor fun. A more fundamental issue with previously described problems Community Dollars users encountered in not knowing where the local currency was accepted, or whether the cashier working would actually accept it that day, is that people seem more likely to trust a currency when using it is a predictable and routine behaviour that does not require a lot of thought.

The Community Dollars project remained too small and short-term to be able to judge with certainty whether it would have eventually impacted individual understandings of money and economic life. During my interviews and discussions, none of my informants indicated that they felt they had learned anything about either from using Community Dollars. Some did say they had learned valuable lessons about how to organize community organizations and projects (or rather what not to do in future endeavours). That said, I observed that most of the people most willing to try to use Community Dollars gave indications that they already thought about money and economic life in somewhat eccentric ways, based on a variety of personal experiences including political activism, communal living, homesteading, and exposure to alternative educational approaches like Waldorf schooling. They often indicated that the local currency had reinforced beliefs they had developed through other experiences. As already noted, individual interpretations of Community Dollars

tended to be filtered through these types of experiences in highly individualized ways. Given the discussion to follow, it is noteworthy that these individual experiences often involved previous use of other local currencies.

Community Way organizers from Comox argued their currency model is useful as an educational tool to prepare people for using LETS currencies. They believed that the main reason LETS systems have not had greater mainstream uptake, and plateaued or failed in most places, is that the average person is unable to fully understand the LETS approach. Specifically they argued that people struggle to understand or trust the fact that everyday people can create money in a mutual credit system through trading activity. Those proponents therefore argued that people need prior experience with different kinds of local currencies to be able to comprehend and trust individual people's "sovereign right" to create money (M. Linton, personal communication, November 23, 2012). The idea was that Community Way currencies are easier to understand than LETS, so experience with them can serve as a "bunny hill" to gradually induce the deeper understanding of money required for a person to be open to using a LETS currency.

The Community Dollar organizers in Kimberley disagreed with this assessment. Kimberley had a LETS system that operated briefly before being discontinued due to software issues. The suspension of operations was intended to be temporary, but relaunch of the system was delayed when the LETS administrators decided to join the Community Dollars system instead. The organizers in Kimberley argued that education was one of their greatest challenges with Community Way, due to the model's complexity. At least initially, they had far more uptake in the LETS system than they did with Community Way. The organizers argued this was because community members in fact found it far easier to understand LETS. The complexity of the Community Way model also posed problems for Community Dollars organizers in Fernie and Nelson, as they struggled to explain their system to potential users. I did not observe any obvious evidence that experience with Community Way systems made anyone more open to using other local currencies, but also very little evidence it made

them less open. What was clear was that Community Way's complicated structure did not serve as a very effective pedagogical tool. Instead of enlightening people about monetary systems, it more often left people confused.

My conversations and interviews did provide limited evidence that experience with local currencies can have a transformative impact on people's attitudes toward money, or particularly to their role in the economy and their openness to using other local currencies. But this evidence all came from people who had used different types of local currencies in the past. I was surprised to discover just how many Community Dollars users had previous experience with local currencies, specifically Barter Bucks and LETS systems. Many said those experiences had inspired them to use Community Dollars. Notably this was true even for people who had negative experiences with local currencies, for instance business owners who had been stuck with useless local currency after defunct systems collapsed, and someone who had observed unethical leadership in a LETS system.

I was most interested to note that people who had used or been familiar with LETS described and demonstrated the most notable changes in their attitudes toward money and the economy as a result. Specifically, people described LETS participation as having opened their eyes about the different ways they could mobilize labour and resources when they needed something done. One of the Community Dollars administrators from Kimberley, who had previously administered the short-lived LETS system, offered one potential explanation for this. Mutual credit LETS currencies cannot be used in the same way as national currency: users must enter the system as both a producer and consumer. This sometimes causes problems when prospective participants do not feel they have anything of value to offer. The Kimberley-based administrator indicated that a significant part of currency promotion involved helping individuals identify their talents and abilities. Sometimes this was as simple as reminding prospective users that people often need help with basic, unskilled tasks. This change in perspective in seeing oneself as a producer outside of the conventional labour market has the potential for long-term changes in economic

strategies and decision-making. One former LETS user who had been encouraged to offer prepared foods for trade, and who had no prior history of entrepreneurship, later started a food-related home based business during a period of unemployment.

These examples suggest two potential problems with the idea that Community Way currencies help people learn about money and be more open to LETS systems. First, they describe a process of learning about local currency that was social in nature. Second, they show that people are capable of learning about LETS systems by using LETS. While local currency users often described their experiences by comparing them to other currencies, there was no indication that those earlier experiences were sufficient preparation for using a completely different type of local currency. There was similarly little evidence that those earlier experiences were the sole impetus for using local currency again. While people came to Community Dollars citing past local currency experiences, those experiences were sometimes positive, and sometimes negative. The only consistent factor appeared to be the people themselves. I eventually came to believe there were certain personality types and individual characteristics that led people to be more likely to be interested in using unconventional currencies, and willing to dedicate effort to doing so. Typically these people were very social, confident, and interested in trying new and unconventional things. It struck me the job of the currency organization was less convincing people that using the local currency is a good idea than making a wide variety of people aware that the currency exists, and giving them the information they need to be able to easily use the currency if that is something they are interested in doing.

There were further issues with the notion that Community Way currencies like Community Dollars will smooth the way for different types of local currencies in the future. One of the central claims in the Open Money approach is that systems should begin by using the Community Way model and then eventually evolve into something else after the Community Way structure was generated needed administrative funds. The implication that local currency systems can spontaneously evolve or transform on their own is questionable since local

currencies are human creations, not independent agents. Moreover, there does not appear to be any Community Way system where this sort of transformation has successfully taken place, even with direct intervention by administrators. I was not able to locate evidence that any of the earliest Community Way currencies ceased to exist because they evolved into a different kind of local currency. This process did not take place in the most recent Community Way system in Comox, and the Seedstock system in Vancouver appears to have lapsed into dormancy when administrators tried to restructure it.

The Community Dollars case specifically demonstrates a further issue with the narrative of organic and inevitable systemic transformation: it ignores the potential for resistance against changes. As already described, following the leadership change in Nelson the new leaders made gradual changes to the structure and administration of the Community Dollars system. Although the leaders believed the resulting changes were in the best interests of the currency system, they were generally poorly received by people already involved with Community Dollars, particularly representatives of participating non-profits and businesses. Some people saw the changes as innocent, but ill-advised. One such supporter characterized them as an attempt to “change horses midstream.” Others showed more skepticism and anger, like a local currency user who argued the changes amounted to a “bait and switch” scam. The latter perspective suggests a greater issue with Linton’s argument that local currency founders should move forward with plans quickly and figure out the details later. Some institutional currency users felt that it was unethical to have businesses and non-profit groups commit to a local currency program, only to have local currency administrators later change what it is they were committed to. I observed similar problems in Salt Spring Island, where currency administrators had made changes to the system not long before my visit. Business owners chafed against the changes, and many decided to stop accepting Salt Spring Dollars as a result. The situation was more difficult in Nelson as business owners had signed legally binding agreements to accept Community Dollars for one year prior to some changes being made.

Changes in the Community Dollars system and the idea of systemic evolution and transformation in general could have been handled in a less disruptive manner. If the idea that the local currency system should gradually evolve had been openly advertised people may have been less surprised and upset when changes were eventually made. But none of the Community Way systems I studied openly communicated the idea that they planned for their new local currency system to eventually change into something else. This is understandable, since the earliest phases of local currency promotion require convincing potential users to trust and value the new currency. It seems obvious that this sort of promotion could be undermined by accompanying messages about eventually changing the currency structure when it is found to not suit the community's needs. On the other hand, the lack of transparency and consultation about the changes that were eventually made in Nelson struck some community members as potentially dishonest, and antithetical to the collaborative values they previously believed the local currency system to embody.

If nothing else, making changes to a new or even established currency system prevents a level of predictability people value in a money form. When I asked a Nelson resident who was skeptical of the Community Dollars why he did not have the same degree of skepticism toward Canadian Dollars, he replied "I guess that's a matter of faith... [Y]ou grow up with the government, it's just always been there... So faith just comes from that. It's always been there, so you think tomorrow it'll be there, too." For Community Dollars, changes to the system contributed to feelings the currency was unpredictable and volatile, which prevented much-needed trust, or "faith," in the system from developing.

9.4.1. Alternative "Reproductive" Money or Mainstream "Acquisitive" Money?

Beyond contributing to a perception of volatility, a particularly problematic feature of changes in the Community Dollars system was that the new leadership increasingly abandoned features and approaches associated with alternative social values. These decisions provoked debate about the purpose of the local currency, and the limitations of conventional money it sought to redress.

Disputes about the best way to manage and promote Community Dollars exposed deeper disagreements about the nature of money. They specifically revealed a difference between concerns about the capacity for the community—and sometimes humanity in general—to continue to meet long-term collective reproductive needs, versus more immediate concerns that individual wants are not being fulfilled.

As already noted, local currency administrators from various systems informed me that they emphasized financial and economic justifications for their local currencies in a conscious strategy for creating a broad base of support by appealing to “mainstream folks.” Economic exchange value was therefore privileged over countercultural social values to avoid alienating people who did not share those values. Existing studies of local currencies argue that the capacity to recruit a politically diverse user base is a necessary prerequisite for successful local currencies, particularly if the local currency movement is to “scale up” to achieve broader social change (Dittmer, 2013).

Many of the Community Dollars users and supporters I spoke with agreed that it would be beneficial if the local currency was able to “crack through” and attract “the middle-class working person” and “mainstream folks.” In Nelson, Community Dollars were often discussed with reference to the earlier Barter Bucks currency. This was particularly true when it came to discussions about the mainstream versus alternative appeal of each system. One Community Dollars user noted that the earlier Barter Bucks currency was limited in its potential audience because its countercultural nature turned many people off. Comparing Barter Bucks to Community Dollars, she argued:

It was more... alternative. It felt more like an alternative currency put forward by the alternative-slash-underground-slash, you know “other” part of the culture. Right? It was a subculture thing... So I think the Community Dollars has a different kind of face this time. It doesn't look so homegrown, home-cooked... you know, nettle patch, which was beside your pot patch, which was beside your backyard still kind of thing? [laughs] It's not that.

This Community Dollars user had also been a Barter Bucks user, and was personally comfortable with the countercultural elements of the earlier currency. She nevertheless expressed hope that Community Dollars might be more successful than Barter Bucks if able to appeal to a wider audience of people with more mainstream values. Similarly, the Community Way currency organizer in Powell River described consciously deciding to participate in apolitical and mainstream social events like community parades in an attempt to not “preach to the converted.” But the Community Dollars case demonstrates the potential risk to a local currency system if those holding alternative social values—“the converted”—feel they are being completely ignored by the currency organization in favour of the “mainstream folks” they wish to recruit.

Even when they discussed wanting to recruit a large and ideologically diverse base of local currency participants, most local currency users and supporters I spoke with felt that the local currency system lost its meaning and purpose if countercultural values appeared to be abandoned completely. After Community Dollars launched in Nelson, the new leadership felt that downplaying, if not completely abandoning, countercultural values was necessary to enhance the local currency’s reputation. For example, the executive director explained that the group was focusing exclusively on signing up large and mainstream businesses. As a result, he claimed to actively avoid approaching “countercultural” local businesses the leadership assumed would be interested in accepting Community Dollars. The executive director explained his concern that “if we just have all of the hippy stores, then we look like a hippy currency.” For that reason, the leadership opted to dedicate their efforts to only signing on businesses they believed would enhance the currency’s reputation with people holding more mainstream social and political values. The currency user quoted earlier as favourably comparing Community Dollars to Barter Bucks due to its being less “home-grown” and countercultural similarly agreed it was important that Community Dollars not be seen as “hippy money” if it was to recruit a diverse user base.

This perspective went beyond not recruiting stores selling hemp clothing and healing crystals to attempts to fundamentally restructure the local currency organization. The new Community Dollars leadership believed that the best way to enhance the success and legitimacy of the local currency system was to appeal to the business sector and people who are successful in the conventional economy. One of the organizers in this phase of leadership argued “I think you have to approach the mainstream business-oriented world in the mainstream business-oriented way.” In Nelson this meant the local currency organization adopting a corporate governance structure with a board populated by people demonstrating competence and success in the existing financial system. That is, the new leadership was largely recruited from a portion of the population successful in conventional, professional terms, rather than based on experience in community organizing, activism, or the non-profit sphere.

While this strategy was intended to enhance the reputation of the currency with the general population, it increasingly repelled people already committed to the currency. One of the most active Community Dollars users protested:

I'm not sure with Community Dollars... Acting like a bank, you might as well be a bank.... And, you know this is easy money so if they're setting up a bureaucracy that looks like a bank, who are they trying to impress...? I don't care what they look like as long as they're active. They're not just sitting around looking impressive... And that they don't lose the people—like me—who've been active in it.

This same aversion was demonstrated by members of the original currency development group, whose primary interest in local currencies was based on their grassroots nature. During email discussions about incorporating the Community Dollars organization, one development group member noted:

I'm feeling de-energized with the idea of being incorporated, and by the overall direction this project is taking. I feel that we should be seriously asking ourselves whether we're taking the correct path by incorporating at a time when the whole world is railing

against corporations. This isn't just about perception; it's about how we interact with our community. To me, this project has more in common with our informal food buying group than with a corporation.

The new leadership were aware that some supporters were troubled by their professionalized and business-focused approach, but they believed they were acting in the best interests of the currency system. One of the currency administrators argued “I think the goals of our organization are achieved by listening to the needs of the business sector. And I don't think people get that.” On the other hand, one of the most basic metrics for a currency’s success is that there are people using it. In the case of Community Dollars, privileging corporate and professional organization and rejecting grassroots and countercultural elements did not translate into new currency users. Instead, it increasingly alienated the only people who were actually willing to dedicate the effort required to use Community Dollars.

A further issue was that the increasingly professionalized and business-like structure came with a corresponding loss of transparency in the Community Dollars organization. This heightened lingering concerns that the local currency organization might not be trustworthy. As the Community Dollars Foundation adopted an increasingly business-like approach with less open communication, some users speculated that concern with progressive or countercultural values might have been replaced by a drive for personal profit. Several business owners in Nelson independently informed me that they found the organization’s lack of transparency and ambitious economic promises reminiscent of pyramid marketing schemes and confidence games. One local business owner concluded: “[t]here's NO way this thing is going to fly... It's a shell game. There's something going on that we don't know about.” Even those who were less openly suspicious argued that the lack of communication and unclear messaging left them unsure of where the currency system stands. When I asked a Community Dollars user who had also used Barter Bucks about the difference between the two currencies, they answered “I don't know yet. I have to get to know Community Dollars more. Like,

I really knew—I understood the values behind the Barter Bucks.” The limited transparency and collaboration in the currency organization therefore limited trust and understanding of the currency in people holding both mainstream and countercultural values.

In Nelson, Community Dollars were frequently compared to the earlier Barter Bucks currency. Community Dollars were generally—and increasingly as time went on—judged to be the more mainstream of the two. People who had used the earlier currency acknowledged that its intentionally homespun and countercultural nature restricted its growth and popularity to a narrow segment of the city’s population. But they also celebrated the fact that Barter Bucks’ peripheral nature allowed the currency to fill needs that national currency could not, by providing opportunities to those who felt left behind by the mainstream economy, or who wanted an opportunity to do things outside of it. Ironically enough, Barter Bucks seems to have had more success recruiting more “mainstream” businesses providing necessities and professional services than Community Dollars did. People familiar with the system explained that those businesses were attracted by the currency’s alternative values rather than a profit motive. As the Barter Bucks founder explained:

We had one dentist [accept Barter Bucks]... He was just doing it because he liked people and believed that he should be sharing his talent. He knew it wasn't going to take him anywhere. He's still got a bunch of Barter Bucks, I'm sure. But he was a guy who lived in a tipi at a ranch. You know? He had other values besides making money as a dentist.

Local currencies are outside of the norm, and outside of the lived experience of most people. For that reason, while Community Dollars were generally perceived to be more mainstream than Barter Bucks, users who had not used the earlier currency tended to emphasize Community Dollars’ non-mainstream, alternative nature. When I asked a Community Dollars user who had not lived in Nelson when Barter Bucks circulated whether she felt

Community Dollars were complementary or alternative to Canadian Dollars, she replied:

I think it's an alternative. In the way that making local communities and economies sustainable is subversive, I guess it is a bit subversive... But, you know, it's the same thing as growing vegetables in your front yard. You know, it's kind of subversive and weird and your neighbours may not like it but, you know what? You're growing good food and you're feeding your family and it feels good to do something [like] that.

So while Community Dollars users acknowledged that it would be preferable to be able to attract a mainstream audience, this was also a population who were at peace with the fact that their neighbours were often not going to appreciate their lifestyle choices. Having their neighbours on-side was the ideal scenario, but otherwise they were still going to make the same choices. That is to say, the Community Dollars users were people whose countercultural or subversive social and political values were sufficiently deeply held that they were willing to take some social risks in remaining true to them.

Community Dollars users generally demonstrated confidence in their lifestyle decisions, even when those decisions fell far outside the norm. But this confidence was often accompanied by frustration that the majority of the population were living what they saw to be short-sighted and destructive lifestyles threatening the environment and potentially humanity's continued survival over the long term. In their discussions about conventional money and financial systems, most Community Dollars supporters raised concerns about unchecked greed, self-centeredness, and waste. Specifically, many expressed concerns that the social, and particularly environmental, consequences of greed and waste could threaten our future prospects as a species. But they also remained realists in their critique, generally wanting to find a middle path where "regular people" could make doable and even enjoyable lifestyle changes, while still better supporting humanity's long term needs.

At the same time, Community Dollars supporters sometimes expressed doubts about the capacity for local currencies to alter a societal path they saw as heading toward destruction. On the one hand, as already described, some currency supporters were concerned that Community Dollars would serve no useful purpose if they reproduced mainstream values and structures they saw to be threatening society's sustainability. On the other, they expressed concern that in strongly rejecting mainstream values the system might remain so small that it has no notable societal impact. The underlying concern for many currency supporters was continued human capacity for physical and social reproduction, either on a local or global scale.

During my fieldwork, I was surprised to notice a pattern where some Community Dollars users expressed concerns about the way the system was developing and functioning in explicitly reproductive terms, using metaphors of sexual deviance and dysfunction. These Community Dollars users specifically used sexual metaphors to discuss the tension between individuality and collectivity in the local currency system, and its lack of a large and thriving group of currency users.

Community Dollars supporters generally explained that they were attracted to the currency based on their ethical values and political beliefs. While there was a lot of diversity in the specific content of those beliefs, the local currency community almost exclusively considered their values to be outside of the mainstream. So perhaps more important than the individual characteristics of active currency users and supporters was the fact that they represented a very small group and a small proportion of the overall population in each community. While Community Dollars users generally argued that alternative social values and community solidarity were an important component of the system, they likewise implied that those values would have to be constrained—or concealed—to some degree in order to attract a viably large and diverse network of local currency supporters.

Some currency users similarly expressed concern that the Nelson economy was itself not actually sufficiently large or diverse to produce a viable currency

system able to adequately support local reproductive needs. One Nelson-based currency user, who participated due to concerns that local businesses were struggling to yield profits, argued that without external inputs of resources, local economies are not viable. She told me:

You can't grow without money generating more money or without [the] influence of outside money. You will never grow [an] economy if it's not trading with somebody else, because it's not going to bring new money, it's not going to bring any new ideas. It's like, um, you're not allowed to – uh, how to say? Have family between brothers and sisters? [Tonya: Incest?] Yeah. So you will never grow business—you will never grow a city—without outside influence.

Even outside of goals to expand or “grow” the local economy, currency supporters expressed concern that their local economy did not have the basic capacity to reproduce itself. In that case, the insular nature of local currencies risked exacerbating this inability to support local needs without external input. As one local currency user noted:

We do make our own economy already—partly. But that economy is inextricably linked with other economies... I mean, the real reason we're going to continue to be dependent on external economies is because we have no economy here. We don't have a base for economic growth, except for servicing ourselves. And that's just as masturbatory as it sounds. You know, we can have all the body-workers and, um, life coaches and et cetera, you know, and graphic designers to work on our business cards for our body workers and yogis and—don't get me wrong, all those things are good and they all play a role in our economy—but in terms of creating value,... creating wealth, most of what we do in that field is for tourists.

The small and insular nature of the Community Dollars system created further issues when it came to trust. Currency users represented a fairly limited,

homogeneous, and interlinked group, which outsiders not using local currency highlighted as a cause for concern. For example, one local business person in Nelson pointed out deep-rooted links between many of the beneficiary organizations, participating businesses, and individual local currency users, and argued “those people are all related,” and later describing the system as “incestuous.” There was definitely some truth to his judgment. In my study, I discovered numerous close links between people and groups involved with the Community Dollars system. Most connections were innocent and coincidental, but some were more questionable. On the innocent end of the spectrum, I realized toward the end of my fieldwork that two of my interview participants, who had been independently introduced to me by different people, were siblings. Less innocently, some small businesses and social enterprises accepting Community Dollars in Nelson essentially donated money to themselves when registering to participate. In one case, the business component of a social enterprise donated to the non-profit component, and in other cases businesses donated to a co-operative of which they were a member. Less questionably, many local businesses donated to community groups the business owner had founded, or where they filled an important leadership role. The Community Dollars developers, administrators, and board members had similar links with other community organizations as members and leaders. These links led some people to speculate that the local currency project might be a venue for self-dealing. For example, one person I spoke with in Fernie raised a skeptical eyebrow when pointing out that many of the non-profit groups benefitting from Community Dollars donations were actually side projects or initiatives of a larger non-profit the currency development group members were involved with. Many of these links were likely inevitable given the fact that Community Dollars were circulating in very small cities and appealing to small segment of the population active in the community and sharing many values. Despite this seeming inevitability, the small and potentially “incestuous” nature of the currency’s user base raised concerns about the system’s viability and trustworthiness.

There were similar issues with the earlier Barter Bucks currency in Nelson, described in similar terms by a Community Dollars user who had also been a Barter Bucks user and administrator. She noted that the greatest challenge for the earlier system was continuing to bring in new people, arguing:

It's just like a caribou herd or anything else – you've got to have viability. You know I'm not a big fan of “growth is good.” I think sustainability is what we need, but it's true that... [any] group... has to have new stimulus, whether it's new members, different projects, different values: whatever it is, it's got to change. It's not that it necessarily has to grow, but you just get kind of an inbred herd. And then, you know, your genetics get screwed up and that's what we did. We were kind of an inbred herd at the end. And we couldn't crack through. And I really don't know why, because I think it was fun.

She went on to argue that very few people are willing to tolerate the inconvenience of using local currency, so outside of a crisis situation, the audience was necessarily limited to those who would. The Community Dollars system likewise struggled to recruit outside of the small group who seemed instinctively drawn to local currency.

The result was that the viability of the Community Dollars currency was seen to be threatened by the fact that a limited number of people were willing to dedicate the energy required to participate. This problem was exacerbated by the fact that the people who were willing to do so formed a small, fairly homogeneous, and sometimes closely linked minority of the populations of Kimberley, Fernie, and Nelson. This scenario might have been lessened by a more intensive communications strategy and the organizing of social events by the Community Dollars organization. Local currency systems relying mainly on word of mouth promotion have been found to have less diverse memberships (Williams, 1997, p. 6). Experiences from the Barter Bucks system suggest that effective communication and recruitment would still have been limited by the inherently unconventional nature of local currencies.

This brings us to what turned out to be the most fundamental question when it came to whether Community Dollars could truly “go mainstream” and better support basic needs for social reproduction: the extent to which the local currency was seen as similar to or different from national currency. Most Community Dollars users and supporters valued the local currency on the basis that it might help fill unfilled needs in local economy or in society more broadly. In crisis situations, local currencies are created as a stop-gap to fill short-term material needs. Outside of crisis situations, they are created as a political tool to fill broader social and reproductive needs when their proponents feel that national currency is unable to do so.

The case studies in Parry and Bloch’s edited volume (1989) show how conventional currencies were symbolically represented and transformed to meet reproductive needs in several cultural contexts. Local currency advocates appear to sense a danger so great in national currency, and the self-interested and acquisitive values it implicitly encourages, that transformation is deemed impossible or insufficient. Instead of trying to absorb national currency into countercultural value systems, local currencies are created with the intention of rejecting and replacing it to whatever extent is possible. As a result, in my observations local currency supporters broke with the cross-cultural pattern of using alimentary metaphors like eating, drinking, or cooking money to describe processes of transformation allowing money to be safely absorbed into the existing (counter)cultural matrix. Instead, the metaphorical language of the more thoughtful and critical observers of the Community Dollars system went directly to questions of the local currency’s reproductive fitness. Was the local currency too incestuous to actually meet broader collective needs? Was it instead serving the self-interest of an exclusive in-group? Or was it in service of a local economy that was itself too limited to meet local needs on its own?

Community Dollars supporters were therefore faced with a predicament where a precarious balance needed to be struck. They exhibited varying degrees of skepticism about national currency and mainstream values, often judging both to be immoral and damaging. Yet they believed that for Community Dollars to be

viable, and partially rectify these issues, it would need a sufficiently large “herd” of supporters that people not sharing these suspicions would need to become involved. Hopefully through this involvement their attitudes and behaviour might be transformed, but such transformation remained impending and potential.

The need to strike a balance between mainstream and alternative values resulted in the fairly incoherent set of coexisting messages about Community Dollars I observed. Specifically, it resulted in simultaneous arguments that the local currency was “just like” national currency, yet nothing like national currency. In grappling with this inconsistency, another Community Dollars user also resorted to reproductive metaphors. She agreed that Community Dollars were basically identical to Canadian Dollars in form and function, but distinguished between the two on ethical and emotional grounds. The supporter reasoned that this fundamental difference arose based on way each currency was created. Referring to the business donations underpinning Community Dollars, she argued:

Its value starts all at the beginning of it... with gifting. You know, that’s an interesting gesture, hey? I mean everybody—everything, every person—to me—everything that’s created, its birth moment is pretty potent. It carries the seed of the direction and that... it empowers it somehow.

She went on to argue that, despite the similarities between Community Dollars and Canadian dollars, the intention at the moment of the local currency’s conception—its “gifted birth moment,” as she put it—manifests as a different and more positive emotional experience when using local versus national currency. For this same reason, the decision to discontinue the underlying donation structure was perceived by many supporters as removing the only characteristic that was objectively different from conventional currency, and therefore the main reason for using the local currency.

Many of the critics of the Community Dollars system I spoke with shared similar alternative political and cultural values as Community Dollars users, but did not share their deep suspicion of conventional money. They generally located

the source of social and economic issues not in money and financial systems, but in people and the decisions most people make. These critics therefore tended to argue that anything that could be done with local currency—like supporting local businesses and purchasing sustainable products—could be done just as easily with national currency if people were only willing to make the effort or sacrifices to do so. As one local business owner argued:

I already do support local businesses, like a tonne... You know, the world's changed. There's the Internet and there's, um, you know there's cross-border shopping and there's all that stuff and that's not really gonna go away. Like, realistically—not. [Tonya: So you think that the people who are going to use Community Dollars are already shopping locally, so it's kind of a moot point?] Yeah—except we're all hypocrites in our lives anyway... You know people who buy stuff at my store that they know they could get somewhere else for x amount cheaper? A couple of 'em. But, no. We're fickle, you know?... Same like with religion... people draw their lines... Religion or money, you draw your line where you do, where you're comfortable. And you change it when you feel like changing it.

Another Community Dollars skeptic likewise disputed the idea that local currency can be more “social,” mirroring arguments in the anthropological literature that the entire point of money is to enable trade between people without durable social ties. He argued:

If you're going to get paid to do something for someone, then you should just get paid. With real money. And if you're doing something with a friend, or trading with a friend somehow, then... you'll work it out some other way. You don't need this... filler that is neither here nor there, that's not actually worth anything.

Skeptics whose countercultural values were not accompanied by deep suspicion of conventional money simply could not fathom what purpose a local currency is supposed to serve.

Despite their seeming suspicions with national currency, Community Dollars users and supporters similarly acknowledged their own capacity, and responsibility, to “vote with [their] dollars” and make buying decisions that reflected their values. As one Community Dollars supporter explained:

if you wanna see change in the world, stop buying that thing. If you don't want to support one thing or another, don't buy those things. I don't shop at Walmart. Period. And I used to, and it was like, “yeah. I'm waffling in my values”... I have to either... live within my values or not, right? A lot of us don't. And it's—and I'm not even saying that's bad, I mean, everybody does what they can and can't do, right? I prefer to eat organic food but, believe you me it shows up as a lot more on my statement every month than if I didn't. But I make my choices.

The fact that most local currency users already lived a lifestyle outside the norm gives some credence to the concerns of the skeptics quoted earlier.

Studying three local currency systems including Nelson's Barter Bucks, Wheatley found that while 87.5% of local currency users said they actively try to buy from stores and service providers accepting local currency, participating business owners estimated that the local currency only brought in between zero and 4% more customers (2006, p. 91-92, 100). This is likely partially a factor of the typically small user-base of most local currencies. But another factor is that, especially in smaller places like Nelson and Ithaca, it is quite possible that the people most likely to use local currency were already shopping at the businesses most likely to accept it.

This brings us to the crux of the question of whether or not Community Dollars were, or could be, a form of transformative money. If the intention was to transform attitudes and institutions from mainstream to alternative, it required successfully attracting “mainstream folks.” As has been the case with local

currency systems, the Community Dollars administrators tried to entice regular people and mainstream businesses with economically-focused promises appealing to mainstream values. Their hope was that the actual experience of using local currency would then open people's minds to new ideological beliefs and economic practices. One major problem with this strategy is that there were a range of factors that determined whether or not people were willing to use local currency beyond economic exchange value, including logistical difficulties and social risks. As noted, outside crisis scenarios and currency shortages, people need deeper motivations than acquisitiveness to make the effort required to use local currency.

Based on my observations, the people most likely to use local currency, and willing to expend the most effort in doing so, were those holding progressive political values. These values were expressed through lifestyle and consumption choices outside of the norm. Community Dollars users were therefore generally already comfortable doing unconventional things that caused them to stand out from the general population, because they were sufficiently dedicated to their countercultural values that they were willing to face social discomfort to remain true to them. Similarly, in my interviews most Community Dollars users described making difficult choices that were not necessarily economically viable to remain true to their beliefs, including spending extra time and money, and making compromises in their consumer choices in order to source and purchase sustainably, ethically, and/or locally-produced products. In reality, nearly every Community Dollars user already held the values that were hoped to be the result of the process of ideological transformation spurred by local currency use. Although Community Dollars promotion focused on messages of economic growth, and targeted mainstream values, those promotions generally failed to attract a mainstream audience. Instead, its most dedicated users were most attracted by the less prominent messages appealing to their values, and an interest in novel and alternative ways of doing things.

Unless something happens to make local currency the norm, those holding mainstream values will generally opt not to use local currency. This appears to be

true even when promotion is tilted heavily toward this audience. Based on my observations, in the few cases where “mainstream folks” do take a risk using local currency based on promotion focused on economic growth and profit, they typically show less dedication and willingness to overcome obstacles when using the currency. In part, this is because an interest in acquisition and accumulation is inherently short-term: when the currency does not pay off the promised dividends, users are quicker to lose interest and abandon their efforts. The goals of currency users aiming for social transformation are generally plotted over a longer term, so those users demonstrate a bit more patience waiting for results to appear. Even then, not all Nelson residents holding alternative values found Community Dollars appealing. Unless those values were paired with strong negative feelings and skepticism toward conventional money—which they were not always—countercultural values were not sufficient to motivate local currency use on their own. Many researchers have noted that local currency use tends to be limited to a minority of the population ascribing to progressive and countercultural political ideologies. As Jacob et al. (2004b) found when studying Ithaca HOURS, Community Dollars use was further restricted to a small minority of those promoting countercultural values.

The problem of a limited audience of people holding similar, progressive values is common to local currencies. The goal for Community Dollars to evolve into something more progressive after being accepted by the more mainstream population resulted in novel complications. First, the mixed and inconsistent messages about the currency and its aims caused confusion that diminished trust in the system. Second, the coexistence of publically acceptable and expressed, and less publically acceptable, privately-held goals for the currency caused incoherence at the institutional level. The promotional strategy and use of intentionally vague terms like “community” meant that not even the currency leadership were fully aligned in their goals for the currency. This partially enabled the power struggles in the organization. As noted, the Community Dollars development group’s largely “structureless” structure, initially the result of plans for the system to evolve and transform, left it vulnerable to co-optation

and takeover. When this actually happened, it was by someone who was most attracted to the project based on public promotion promoting profit and economic growth. Once in charge, the new leadership then proceeded to restructure the organization in a manner that seemed most appropriate to promoting those goals and values. This brings us to the third issue arising from the intention that Community Dollars transform and be transformed: making changes to the currency after it had launched damaged trust in the nascent system. Several Community Dollars supporters expressed skepticism that it was ethical to make any changes to a currency system once it is in operation. There were wider concerns with the nature of the changes being made in Nelson. Moves toward corporate structure and a focus on mainstream businesses and a profit-motive were not inconsistent with the principal messages being communicated to promote Community Dollars. They were nevertheless upsetting to the majority of currency supporters, who had selectively focused on the less frequent messages that aligned with their values.

9.5. CONCLUSION

Exchange systems must strike a precarious balance that simultaneously enables individual, self-interested acquisitiveness and collective social and cultural reproduction (Bloch & Parry, 1989). Community Dollars supporters and administrators believed the existing local exchange system was lacking, which is why they sought to create and use an additional currency. The local currency was therefore conceived of as a tool for establishing balance and purpose where its proponents saw imbalance and deficiency. As this chapter demonstrates, problems arose because the different parties involved in the Community Dollar system did not necessarily agree about the nature of the imbalances that needed correcting. The specific concerns of Community Dollars users varied widely, ranging from fears of imminent economic collapse to concerns people are not kind enough to one another. When discussing the positive characteristics of local currency systems, these supporters emphasized intangible social goals like cooperation, connection, generosity, and kindness, often using the umbrella term

“community.” The shared characteristic of the most dedicated Community Dollars supporters is that they discussed the currency in terms of working together to achieve collective goals versus focusing on individual needs.

Most Community Dollars supporters believed that national currency and existing exchange systems already provide ample opportunity for individual acquisitiveness and self-interested behaviour. Many expressed concern about what the future will hold if society continues to tacitly encourage indulging short-term individual wants over long-term collective needs. Community Dollars users generally saw local currencies as a more moral alternative to national currency, one that might help support longer-term collective needs like a liveable environment and a fair distribution of resources that allows everyone’s basic needs to be met.

As time went on, the Community Dollars administration increasingly strayed from this position. Unlike the currency users, who sought to qualitatively transform the local community, the leaders in the last iteration of the Community Dollars organization primarily portrayed Community Dollars as an amoral, apolitical tool for increasing the quantity of wealth in the community. In part this incongruity arose because the later currency leaders wished to address anticipated problems resulting from future economic crises and reaching peak oil production, while currency users primarily wished to correct imbalances they saw as already existing. Similarly, most currency users wished to change the nature of the local economy while the Community Dollars leaders after the Nelson launch hoped to find a way to increase community wealth, or at worst maintain the same level of affluence in the face of radical social or environmental changes.

The tension between quantitative, material motivations for local currency development, and qualitative, “social” motives was often discussed in terms of mainstream versus alternative values. In such discussions, mainstream values were associated with consumerism and material acquisitiveness, while alternative, or sometimes “countercultural” or “subversive” values, were associated with broader social and moral imperatives like environmental sustainability, conservation, and generosity. The previous chapter demonstrates

that, when performing a simple cost-benefit analysis of local currency use, most prospective and actual Community Dollars users found the local currency did not serve an obvious economic function in their lives. This chapter shows that, given this cost-benefit analysis, the people most likely to dedicate effort to using local currency perceived it as promoting alternative social values they saw as lacking in the currently existing economy. This sort of deeper motivation was required to overcome the fatigue and frustration that I experienced using local currencies, and observed in other local currency users.

Community Dollars developers and administrators wanted their local currency to appeal to the largest possible audience. As a result, they tended to emphasize local currencies' potential material benefits, and de-emphasize alternative social and political goals they felt would alienate most people. The later organizers felt strongly that the local currency must be seen as professional and mainstream in order to foster needed trust in the system. People whose primary goals were supporting individual acquisitiveness were more likely to be comfortable with the increasingly corporate structure of the currency organization. They nevertheless tended to be skeptical of claims that Community Dollars would create wealth, increase profits, and encourage customer loyalty. Those who did accept these arguments generally became dissatisfied with the results fairly quickly, and ceased actively trying to use Community Dollars. The local currency's most ardent supporters valued the currency based on its alignment with their ethical and political values more than its ability to encourage economic production and exchange. Unfortunately, many of the organizational decisions made to enhance the professionalism and mainstream reputation of the currency system were interpreted as potentially untrustworthy by these people, who were generally skeptical of corporate governance. Even when these changes were not perceived as intrinsically unethical, the choice to adopt hierarchical and centralized corporate power structures alienated the more motivated currency users hoping to promote alternative and countercultural values. When the more dedicated group doubted the local currency was promoting their values, they became increasingly unlikely to actively use

Community Dollars. Admittedly, even when these users did make an effort, their perception of the currency as inherently generous potentially compromised its ability to function as an economic instrument.

The tension between the messages about Community Dollars coming from the currency organizers, compared to those coming from currency supporters led to a generally incoherent understanding of the currency in Nelson, and seemingly in Fernie and Kimberley as well. In the later stages of the Community Dollars project, the local currency organizers' interpretations of the currency were generally based on past study of economics and business management. The supporters' attitudes were generally based on past experiences with local currencies like Barter Bucks and LETS, and experiences with non-profit organizations, activist movements, and with various forms of alternative social organization like homesteading, alternative schooling, and communal living. The result was the absence of a shared understanding of what the currency was, and what it was supposed to do. With time and increased organization of social events where local currency users, supporters, and organizers could meet and interact, a shared understanding of the currency might have been eventually "co-constructed." As it was, the currency remained a blank screen onto which people projected a variety of individual biases, hopes, and agendas.

CHAPTER 10 CONCLUSION

When this research project began, the world was still grappling with the effects of the Great Recession, and the realization that the world economy might not function the way many had previously thought. Financial systems that once seemed inevitable and largely ignorable suddenly appeared unintelligible and unsound. As I finish writing up the results of my research, North American society is grappling with truth in a more direct way, and the feeling that ideological blinders are increasingly preventing society from sharing a basic understanding of reality (Kakutani, 2018). In both cases one obvious path forward is empirically studying our messy and sometimes uncomfortable social worlds to better understand how they, and specifically their economic systems, actually work. Calls to transform the economy must likewise be answered by direct examination of what happens when people actually try to do so. This study provides such an account. Community Dollars was the result of a group of people trying to alter their local economic world using a special form of homespun money. The case study challenges theoretical accounts depicting money as disembodied from social life or as an acid dissolving social ties. At the same time, it confronts the tendency to treat heterodox exchange practices as entirely altruistic. While remaining in dialogue with these important theoretical debates, this study also offers pragmatic lessons for those seeking to engage in projects of economic transformation, particularly using local currencies. It casts doubt on the notion that local currencies are an appropriate tool for widespread economic change, and demonstrates the risks of ideological intransigence in managing heterodox economic projects.

This project therefore directly responds to the need for empirical study of exchange systems and economic experimentation. In doing so, it provides insight into both local currencies and money in general. The thick description of this ethnographic project complements more statistically-based study of success and failure in local currency systems, like Collom's (2005) demographic study, and William's (1996a, 1996b, 1996c, 1996d, 19997) surveys of local currency

administrators and users. Examining the specific motivations and experiences of Community Dollars users and administrators revealed ideological attachments and conflicts often obscured by the use of vague terms like “economy” and “community.” I introduced the distinction between qualitative and quantitative motivations to help disentangle these differences in this case and the local currency movement in general.

The primary goal of this project was to explore the subjective experience of using local currency. My initial objective was to examine what local currency users learn from doing so. To my surprise, in the Community Dollars system I found few people believed they had learned anything from using the currency. The only consistent lessons people recounted learning related to best practices in grassroots community organizing. In the few cases that people felt they had learned something unrelated to the Community Dollars organization’s institutional faults, the lessons were highly idiosyncratic, and related to personal experiences and beliefs pre-dating Community Dollars’ creation. In other words, people used their local currency experiences as evidence to reinforce pre-existing beliefs rather than learning anything new. While I was somewhat disappointed that my intended research question bore so little fruit, I quickly consoled myself with the other compelling aspects of the Community Dollars system, particularly as it related to the system faltering and eventually failing.

The fact that this study examines a local currency which struggled and eventually failed addresses the “file drawer problem” (Rosenthal, 1979) in the local currency literature, where successful cases are overrepresented and unsuccessful cases largely forgotten. That the Community Way currency model was chosen in the Community Dollar case provides an illustration of this problem. As already explained, the complicated Community Way model has repeatedly failed to thrive over several decades of efforts. The absence of a reliable record of these failures allowed the Community Dollars organizers to be misled into believing the model was still new and untested. Access to a more representative historical record of local currencies might have moved those organizers to choose a more viable approach. A more significant version of the

file drawer problem is the tendency for limited theoretical assumptions to narrow the field of study prematurely, limiting our comprehension of the world around us. Many types of money are never studied because they are not typically recognized as money within narrow conventional definitions. Many types of exchange are similarly ignored based on theoretical assumptions that the economy and social life are separate. One of the greatest failings in the Community Dollars system was disregard for the importance of social interaction and shared understandings in underpinning a currency. The failure to foster Community Dollars' sociality proved one of the most significant factors in the project's failure.

10.1. THE GEOGRAPHICAL AND DEMOGRAPHIC CONTEXT

Community Dollars is a concrete example of a particular local currency model being put into practice in a particular context. Although Community Dollars circulated in three British Columbian cities—Fernie, Kimberley, and Nelson—I chose Nelson as my primary research site because it was the primary site for Community Dollars activity at the time of my fieldwork. Following its launch there was almost no uptake of Community Dollars in Kimberley. Although it initially had more success in Fernie, as soon as administrators stopped actively promoting the local currency, it lapsed into dormancy there as well. The same thing happened a year later when the currency launched in Nelson leading currency organizers to eventually shutter the project. This inspired me to consider why Community Dollars repeatedly failed: was it due to the local context, the currency model, internal institutional dynamics, or some combination of those factors?

In fairness, a close reading of the local currency literature suggests that Community Dollars' short lifespan is fairly typical. Even local currency systems cited by local currency advocates and researchers as successful rarely lasted a decade. The original LETS system in Comox Valley, British Columbia lasted around five years, while the depression-era demurrage system in Wörgl, Austria and the more modern Trueque barter networks in Argentina only lasted a year or

two. Even when local currencies achieve more lasting success, like the famous Ithaca HOURS system, their use still tends to remain limited to a small portion of the local population (Jacob et al., 2004b). Nelson, British Columbia nevertheless seemed like the sort of place one would expect a local currency to defy the odds and flourish, at least for a few years. In addition to sharing many of the characteristics researchers identified in cities with successful local currency systems it had already hosted a fairly successful local currency, Barter Bucks, which lasted at least six years before falling into disuse.

All three cities where Community Dollars circulated shared some qualities associated with more successful local currency development. They were originally established as mining camps in the vast British Columbia interior during the late nineteenth century Kootenay mining boom. The region is geographically isolated, with small pockets of dense population within otherwise rural, sparsely populated areas, all qualities associated with successful local currencies (Kim et al., 2016, Williams, 1996d). Proximity to other local currencies has also been associated with local currency success (Collom, 2005). Nelson provided the most pronounced example of these shared geographical characteristics with its denser population, greater isolation (given its distance from major cities and transportation routes), and greater proximity to other British Columbian local currencies concentrated on the Pacific coast.

Local currencies have also been found to flourish in cities whose populations have greater social movement resources, commitment to progressive politics, and past history of economic experimentation (Collom, 2005, Kim et al., 2016). In this regard, it seemed less likely a local currency would succeed in Kimberley and Fernie, since both cities are better known for their mining history than for economic innovation or political progressiveness. Fernie, with its younger, wealthier, and less settled population, provided a more promising site than more conservative Kimberley, though Nelson seemed by far the most promising of the three. Despite Nelson's more encouraging social characteristics and the fact that more businesses were eventually registered to accept Community Dollars in Nelson than in Kimberley and Fernie combined, the local

currency found the most success in Fernie. Fernie's currency organizers were able to attract a small but enthusiastic audience of local currency users and supporters. This initial success was not sustained, however, as volunteer burnout and the leadership change in the Community Dollars organization led to the currency's dormancy in Fernie. Nor was the short-term success duplicated when Community Dollars finally launched in Nelson, despite its theoretically more hospitable environment. My conversations in Fernie a year after the currency became dormant there revealed more community awareness of the local currency, more enthusiasm toward it, and more optimism that it could still find success than in Nelson, where the currency was still active. While it was impossible to be certain of levels of local currency use and acceptance retroactively, my conversations strongly suggested that during the period the currency was being actively promoted, Community Dollars were far more successful in Fernie than in Nelson. While Community Dollars' failure in Nelson was surprising, this discrepancy proposed the additional question of why the local currency fared better in Fernie.

There is not a single, unambiguous explanation for why the Community Dollars system failed. The various contributing factors are nevertheless revealing about local currencies in general. Demographic factors might be sufficient to explain why Community Dollars performed poorly in Kimberley, but less so in Fernie or Nelson. In those cases, organizational and administrative factors played a more significant role. The most fundamental requirement for a local currency's success is that administrators are able to attract and retain an audience of local currency users. Because using local currency requires more effort than using conventional money, these users must feel the currency meets some need in their lives that outweighs the additional effort required of them.

10.2. THE CURRENCY MODEL AND ORGANIZATION

The geographical and demographic contexts of the Community Dollars currency are therefore insufficient explanation for its failure and differential performance in the three cities where it circulated. Internal organizational factors

and the choice of the Community Way model both posed significant challenges to the system's success. North (2010b) identified five major organizational factors contributing to local currency success: durable administrative structures must be established where work is shared by a team; at least one team member must consistently act as a driving force keeping the system going; ongoing and predictable financial resources are necessary to fulfill administrative needs; outreach, education, and events must be used effectively to keep participants motivated and committed; and a sufficiently large and dense network of currency users must be recruited and retained. The Community Dollars organization struggled in all five of these areas, with their struggles exacerbated by ideological inflexibility and certain features of the chosen Community Way model.

In the earliest currency development phases of the Community Dollars project, work was shared by a team, although the group proved too small to effectively manage the volume and pace of work they set for themselves. Despite preliminary efforts, this team failed to implement robust administrative structures, in part due to ideological commitments to consensus and the Open Money philosophy, both of which convinced the group such structures were largely unnecessary. This structurelessness (Freeman, 2013) unfortunately left the group vulnerable to conflict and unable to maintain control over their organization when challenged by external forces. When the group eventually did establish strong structures, the result was so hierarchical that it proved unsustainable given available resources, which further prevented the group from meeting administrative needs.

Financial challenges are common in local currency systems, so organizers have often attempted to establish some form of in-system funding. Unfortunately, the claim that Community Way systems can completely fund themselves without resorting to volunteer labour ended up being completely unrealistic. In accepting these claims, the Community Dollars administrators set their system up to be costly and labour intensive, ultimately dooming it to failure. The group's quest for external funding to address this issue altered power dynamics and led to conflict when certain members of the leadership team

yielded unequal control over needed resources. As has been the case with so many prior local currency systems, funding needs presented a nearly impossible obstacle for the Community Dollars system to overcome.

In my conversations with prior and current local currency administrators, I noted a pattern where most successful grassroots systems were effectively subsidized by surplus resources held by the leadership or their families and friends. In some cases people dedicated windfalls like inheritance money or returns from unexpectedly successful investments to establishing the local currency system. In numerous cases, the reason local currency organizers were able to dedicate sufficient time to administering the currency was due to such windfalls, passive income streams that allowed for a lot of free time, or family members or friends who covered some or all of the administrator's basic living expenses (for example a spouse in a single income household, or someone living rent-free with friends). In other cases the administrator was temporarily unemployed, or retired or semi-retired, and living off savings or credit cards. The reality is that to be successful, local currencies require more volunteer time than most working people are able to devote.

Local currency systems therefore require some sort of external patronage to continue, but this sort of patronage is rarely available long-term without expectations or interference. Some degree of in-system funding can be generated through administrative fees, or rewarding volunteers with local currency, but seemingly not enough to create a self-sustaining system. Realistically, to avoid co-optation and unpredictable funding levels, the most effective strategy seems to be finding administrators who are willing to take the project on as a hobby, dedicate their own resources to keeping it going, and have ample free time to dedicate to the project. When local currencies are promoted as a strategy for widespread social and economic change, this requirement—and dependence on resources from the conventional economy—becomes problematic. This dependence can be constrained if organizers try to keep the system's material demands fairly simple and modest, but as was the case with Community Dollars, many local currency systems have failed to establish this balance.

The need for external support provides one explanation for why Community Dollars fared better in Fernie than in Kimberley or Nelson. Organizers in that city were actively involved with a larger non-profit group focused on environmental conservation and sustainability. While Community Dollars were theoretically independent of this organization, the administrators in Fernie were able to make use of the group's office space and printing capabilities, providing a greater resource base than was the case in the other two communities. Although the relationship between the organizations was informal, Community Dollars had far more in-kind external support in Fernie than in the other communities, which helped them be more effective in user recruitment.

In order to attract and retain users, local currency systems must also have effective communication and marketing strategies (Kim et al., 2016, Williams, 1996a), and employ commitment-building mechanisms like organizing social events, outreach, and mentoring programs (North, 2010b). The earliest leadership in the Community Dollars organization believed it was important to promote their local currency to all categories of currency users, and offer each group support in using the currency. Prior to the currency launch in the East Kootenays, administrators in Fernie and Kimberley prepared individualized promotional guides for each user type, an instructional guide offering specific logistical advice for businesses, and offered multiple public instructional sessions for prospective users in the lead up to the currency launch. Following the launch, those administrators continued to pursue their "three pronged approach" by attempting to identify and address problems different types of currency users experienced, and possible blockages to currency circulation. These efforts were most pronounced, and thus most successful, in Fernie, where administrators additionally worked with non-profit groups to put more currency into circulation. This active and inclusive management appears to have been the main factor contributing to the currency's success in Fernie. Following the leadership change in the Community Dollars organization, however, East Kootenays organizers were instructed to cease their work until the new leadership indicated otherwise.

The new Nelson-based Community Dollars leadership adopted a very different management approach. Embracing a position reminiscent of supply-side economics, the chair and executive director of the renamed Community Dollars Foundation argued the currency system would function best if structured and managed based on the preferences of the mainstream business community. They specifically argued that if owners of large and successful businesses felt Community Dollars met their needs, it would become intrinsically appealing to people outside of the business community, leading to spontaneous demand and making the recruitment of local currency users unnecessary as the currency went “viral” and “promote[d] itself.”

The Community Dollars board was never able to restructure the system to make it more appealing to large, mainstream businesses, so the strategy of focusing exclusively on the preferences of business community did not pay off. There is reason to doubt the strategy would have been successful even if currency administrators had managed to entice these businesses into participating. The vaguely supply-side, free-market approach adopted in Nelson does not align with the historical record regarding the introduction of new currencies. Empirical evidence shows the introduction of new forms of money requires significant effort to foster trust, and to convince—or more often compel—people to adopt the new currency (Gilbert, 2005, Graeber, 2011). The same is true with local currencies, where significant communication and outreach have generally proved necessary for success (Kim et al., 2016, North, 2010b, Williams, 1996a). Given this context, it seems highly unlikely the Community Dollars system would have ever “gone viral” or somehow promoted itself without effort from administrators.

More significantly, this new approach alienated many of the people most likely to use or already using the local currency. Some active and committed currency users felt spurned and neglected by the organization’s new direction. More commonly, the lack of ongoing outreach meant community members simply forgot about the local currency in the absence of any reminders or reinforcement. Most importantly, as these changes occurred in the Community

Dollars system, many previously supportive or intrigued community members felt the system no longer reflected their values.

Conflicts in the Community Dollars system exemplified dialectical tensions seen in all exchange systems. A balance must be established between competing and contradictory logics and motivations to support individual and collective needs. There is a tendency in economic analysis to want to erase such messiness, to make money and exchange seem straightforward, static, and inevitable when they are none of those things. The result is oversimplified dualist analyses treating exchange systems as either socially disembodied capitalist organization based on short-sighted and individualistic self-interest, or socially embedded gift-based organization focused on forward-thinking co-operation and altruism. Close empirical analysis of people's economic behaviour, as in this study, shows that the ongoing—and perhaps unresolvable—tension between individualistic and more collectively focused motivations exists in all contexts. By providing a basis for dialectical analysis of exchange, Bloch and Parry (1989) reveal a grey area where human agents make complicated decisions balancing multiple and shifting motivations including both self-interest and deeply embedded cultural values.

One could critique this study as illustrating the tendency toward simplistic binaries, given the distinction I make between quantitative and qualitative motivations in the local currency movement. What I try to contribute with this distinction is a way of analyzing underlying conflicts that are often masked by totalizing categories like the economic, or the social. Quantitative and qualitative motivations are not discrete categories, but rather in co-exist in tension and competition with one another. The conflicts between quantitative and qualitative motivations are indicative of a more fundamental—and tenuous—balance that must be established (and continually re-established) in every exchange system. Such balance can only ever be achieved temporarily, but trying to find and re-establish it is part of the work of keeping society going. Unfortunately, in the case of the Community Dollars system, the balance was never established, which is a large part of the reason the currency failed to make sense to so many people.

Williams et al. (2001a) noted a pattern where LETS system administrators shifted their focus from economic to community-building goals after systems became operational and the currency proved more promising at achieving the latter goals. This did not happen in the Community Dollars case. As currency supporters struggled to use the currency and questioned its economic value, these users increasingly focused on its non-economic value. At the same time, the currency's leadership intensified their focus on the currency's potential financial impacts and their quest for mainstream support. This caused many actual currency users to feel more and more conflicted about their support.

In most cases, these supporters were not against the prospect of local economic growth. The countercultural community in Nelson had repeatedly discovered that their utopian projects needed an economic base to survive, because the community needed to be able to provide for the basic needs of its population (Rodgers, 2014). The inability to provide this sort of base had led many homesteaders to eventually move to Nelson from the surrounding rural areas. From this perspective, economic production and exchange were seen as means to an ideological end, not an end in themselves.

At the same time, the struggles to find a balance between material and cultural demands points to a larger issue of the difficulties of resisting largely unconscious hegemonic understandings of the world. As countercultural and idiosyncratic as Nelson tends to be, its population's resistance and attempts to "drop out" can only go so far. While they are able to oppose or question mainstream Canadian or North American culture, they are not able to exist completely apart from it. Orthodox economic theory is so entrenched that even when we attempt critique its basic ideas, it can be difficult to appreciate the degree to which our understanding of material life and exchange have been fundamentally shaped by them. Even people who openly wished to supplant national currency and capitalist exchange with generosity and "hippy money" struggled to reconcile their goals with seemingly common sense concerns about inflation, stagnation, and efficiency. They likewise struggled to find the words to describe what it is they were trying to do in their heterodox experiments, given

that our vocabulary for talking about money and exchange comes almost entirely from the field of economics, and incorporates underlying assumptions of socially disembedded capitalist exchange.

There are hints of these ideological and linguistic issues throughout this study, particularly in my descriptions of the Community Way model and Community Dollars' history. It was sometimes hard to know what words to use to describe what people were doing—or attempting to do—with Community Dollars. Were individual currency users exchanging for or buying currency? Were businesses donating, pledging, underwriting the currency, or all three? It was never clear to most people, and our language seemed to lack word to adequately describe these novel economic interactions. One important area for future research is the impact this ideologically entrenched vocabulary has on shaping the possibility for heterodox economic experiments, and particularly for local currency systems. This speaks to a larger question of the extent to which we can reshape our economic systems, or the unexpected difficulties we might face in trying to do so, given the hegemonic nature of economic discourse. Even as we attempt to think outside the box, its contours seem so inevitable that we struggle to fully discern “the box” we are trying to challenge.

These ideological struggles make economic transformation a confusing terrain. In the Community Dollars case the leadership wished to balance calls for economic change with the discomfort of challenging hegemonic structures. But actual currency users' doubts were compounded by the leadership's increasing rejection of the sort of countercultural values and grassroots organization the supporters tended to favour. In trying to attract a different audience for the local currency, and neglecting the audience they already had, the last phase of Community Dollars leadership increasingly discouraged the only people actually willing to use the local currency from actually doing so.

Apart from these ideological tensions, the choice of the Community Way currency model provided a more general obstacle for recruitment. The hybrid Community Way model incorporates the most beneficial features of various local currency approaches, but unintentionally creates novel shortcomings in doing so.

Community Way currencies use tangible tokens like bills whose familiarity has meant more success recruiting formal businesses compared to less familiar digital systems like LETS. Mutual credit currencies like LETS and Time Banks also have barriers to entry as people struggle to understand and trust their unfamiliar structure, or lack the confidence to participate as both producer and consumer. Borrowing the CLC approach, where users can buy their way into the system, avoids this difficulty for those with surplus resources.

Community Way is, by far, the most complicated local currency model I have ever encountered, creating a unique obstacle for user recruitment. While local currency structures like mutual credit systems or features like demurrage are unfamiliar to most people, they can generally be explained to a receptive audience in a few minutes. The same cannot be said of Community Way. Community Dollars organizers struggled to develop simple ways to explain the structure of their system to confused community members, and in some cases to fully understand the details themselves. I observed numerous cases where Community Way advocates gave up trying to explain the model, instead arguing that currency users do not need to understand the way a local currency system works, just as most people do not fully understand the complicated global financial systems in which they play some part. Some Community Dollars users accepted this argument and were willing to adopt the new currency with incomplete knowledge of how it worked, but this was fairly uncommon. More often, the complexity of the Community Way model deterred potential local currency users, and inhibited trust in the system.

Ultimately, in trying to be everything to everyone, and combine too many features of other local currencies, the Community Way model becomes incoherent to most people. The more I learned about Community Way, the less sense it seemed to make. The structure is too complicated to be easily managed, understood, or promoted, making it an impractical choice for grassroots organizations. The real aim of Community Way appears to be as a gateway currency to ease the transition to LETS systems, through its in-system funding, business recruitment, and providing users a more familiar initial experience with

local currency. Based on my conversations with LETS users and observations of Community Way systems I concluded the huge amount of energy required to create and administer a Community Way system would be far better expended taking the time to explain LETS to prospective users, and helping them choose what services to offer. This is particularly true now that Internet access is ubiquitous, making the cost of maintaining a digital LETS database far lower than printing and managing physical currency for an ostensibly self-funding Community Way system.

In the end, I think the wisest advice I have seen about managing a local currency—from an administrator of the Barter Bucks system in Nelson—was that people will not use a local currency unless it is easy and fun to do so. I was reminded of Saul Alinsky's (1971) argument that effective political tactics must be enjoyable so people will continue to willingly participate without constant encouragement. Establishing a new institution like a local currency system will always require significant effort and promotion. Grassroots organizations always lack labour power for marketing, and their work will always be easier if they are promoting something people want and enjoy. This is doubly important for a non-governmental currency system which is inherently optional and voluntary.

Using local currency requires more effort than conventional money, and, in spite of the familiarity of its paper or polymer money format, Community Dollars were very difficult to use. The complexity of the Community Way approach contributed to this difficulty by making the system difficult to understand. The last phase of leadership in the organization aggravated this problem by rejecting the idea that they were responsible for outreach and facilitating currency use for individual consumers. As a result, using Community Dollars was not particularly fun or easy. The complicated structure confused people, often making them feel foolish. The lack of mentorship and communication in the organization made using the currency unnecessarily difficult. The Community Dollars organizers missed an opportunity to address these issues by not organizing social events, which would have helped people understand the currency system in a fun and engaging environment. Social

elements were the most consistent area where previous local currency users praised their prior experiences—an implicit critique of the Community Dollars system.

10.3. MONEY AS SOCIAL

The increasing disconnection between the Community Dollars leadership and its user base, and its negative impacts for the system, suggest the crucial importance of social elements in the local currency movement. While past research about local currencies often implies the significance of social interaction in administering local currency systems, my observation of Community Dollars suggests the importance of a system's more general sociality (Lee et al., 2004) is generally underestimated. Community Dollars administrators' uncommonly strong focus on the needs of the local business community in the latter phases of the project showed a correspondingly unusual level of disregard for individual currency users. Accounts of local currency systems generally describe events like markets, potlucks, festivals, and public meetings where local currency users and administrators are able to meet and interact with one another. Such occasions were all but absent in the Community Dollars system. North (2010b) describes these types of events as "commitment-building mechanisms" that help local currency users remain dedicated past an initial novelty stage. Encouraging such dedication is essential given the difficulty of using a local currency. My conversations with current and previous local currency users in the Kootenays suggests they also have deeper functions that help people overcome more fundamental obstacles to local currency use.

When I spoke to people who had used local currencies other than Community Dollars they almost always praised earlier systems based on their social elements. In those cases local currency use was described in terms of trying new things, having fun at events, meeting new people, working together, and expanding their social network into what one previous LETS user described as "an extended family." Conversely, when people described their experience with Community Dollars, it was generally in solitary terms, describing confusion and

frustration. The little social interaction involved was generally limited to anxious or embarrassing interactions with cashiers, worries about what other people might think about their decision to use local currency, and hopes that promised “warm and fuzzy” social relations might eventually materialize. It seems one of the deeper functions of social events in local currency systems is to provide a low-risk context where people can learn about how a local currency works, and where and how to use it. Such a context might likewise provide a productive environment where hegemonic economic beliefs might be recognized and potentially challenged.

Local currency use is generally limited to a small minority of the general population. A system where there are no mechanisms created for users to identify and interact with one another likewise has no mechanisms in place for a shared understanding of the currency to develop. The lack of sociality in the Community Dollars system meant that what little information about the local currency did circulate tended to be idiosyncratic and contradictory. This created a confused and often frustrated user base, and impeded the development of trust in the currency. Conversely, by encouraging environments where local currency users can meet and communicate organizers can help address the social risks of being an early adopter of a novel economic tool. Those risks likely cannot be eliminated. But providing a context where people can meet others sharing their values and openness to trying new things could help users persevere through difficulties and discomfort doing so. The Community Dollars case shows that in the absence of such social support people are less likely to persist in their participation.

Earmarking (Zelizer, 1994) is a process that allows people to make judgments about ostensibly generic and socially disembedded money to make sense of it, and decide the most appropriate ways to use it given local norms and values. My conversations with Community Dollars users revealed difficulties engaging in such processes when the function and characteristics of the money in question remained unclear. Community Dollars users’ relative autonomy prevented “co-creating” the currency’s value, and developing a coherent sense of

where it fit into individual lives and the social world. It often seemed the prior existence of Barter Bucks was one of the only things that kept the Community Dollars project going in Nelson. The lack of guidance from the new organizers led people to increasingly try to understand Community Dollars through the lens of Barter Bucks, even as the organizers sought to differentiate the two and emphasize their differences. In this way the system unintentionally relied almost exclusively on reflexivity—people’s past experiences and knowledge—for the currency to make any sense. Even so, even people who had previously used other local currencies made frequent references to having to “figure the whole [Community Dollars] thing out” or “wrapping [their] head around it” before they could figure out how to use the new local currency.

Finally, the importance of a social component in a local currency system points to a more basic feature of money: while it is fundamentally social, in that it enables exchange between people, money is generally not seen as a tool for encouraging social relationships or interaction. Local currencies like Community Dollars challenges these ideas, which can be seen in even the most culturally and socially focused analyses of exchange. Graeber (2011), for example, argues that the sort of person-to-person trading money best enables is between people who do not have a pre-existing relationship, and do not want to develop one. As already discussed, many influential analyses of money, for instance by Marx and Simmel, express concern that modern money distorts and deteriorates social relationships. Given this, it seems paradoxical that studies of local currency systems have indicated that they generally have more success at encouraging the formation of social relationships and expanding social networks than at encouraging production and increasing profits (Williams, 1996a, 1996b, 1996c, 1996d, 1997), and that users tend to be most satisfied with these social impacts (Caldwell, 2000, Liesch & Birch, 2000, Seyfang, 1997, Wheatley, 2006). Notably, much of this research focused specifically on LETS systems and Time Banks, which are dominated by informal trading of homemade goods and services between individuals versus formal businesses. They generally provide a context where people can make or do things for one another outside of the formal

marketplace. But struggles in the Community Dollars system also indicate that people are resistant to accept money that is actually socially destructive.

Social life, interaction, and beliefs are what make currencies make sense. And they must make sense for us to figure out how to use them. Our shared understanding of money and communication with one another about it are the only things that make money cognizable, and therefore useful and valuable. This obvious fact is ignored in most studies of money. Even beyond its negligible financial impacts and administrative difficulties, the biggest issue with Community Dollars was that the lack of a social component made the local currency incoherent and incomprehensible for almost everyone. The social risks of using such an unintelligible tool deterred most people from doing so: they balked at the notion of using a currency that might damage social relationships by making them seem gullible, weird, or annoying, whatever economic claims were being made about it.

This all suggests that different kinds of money can have varying degrees of social importance and varying effects on social relationships, but people will resist using a monetary form they cannot understand or fear will have excessive social risks. My conversations with local currency users showed that business-focused, paper local currencies like Community Dollars (and the earlier Barter Bucks) can foster social connection, but more often through related social events than trading itself. While local currencies can encourage such social connection, this still tends to be on a limited basis and small scale given the size of the group involved. It is less clear to what extent they are capable of achieving more ambitious goals of social and political transformation. Given the labour and financial demands of establishing and maintaining a currency system, it is equally unclear to what extent the modest social and economic benefits of local currency systems justify the costs, or if community activists' efforts are better employed on different types of projects.

10.4. WHAT CAN LOCAL CURRENCIES DO?

This project shows that local currencies are contested and complicated utopian projects. They are generally proposed and created in response to perceived shortcomings in conventional money and the way economic life is currently organized. This is particularly true when people feel collective long term needs are being sacrificed at the expense of self-interested and short-term appetites. Community Dollars' failure resulted in part from simmering tensions between its users, stakeholders, and administrators about the purpose of the local currency, and how it should be administered and used. These differences reflected deeper ideological beliefs about how economic life should be organized, and the nature of perceived shortcomings in the conventional economy and money that they sought to correct. These ideological commitments extended into often inflexible approaches to how the local currency organization should be run. Sometimes the shortcomings currency organizers and supporters sought to address related to quantitative concerns with the amount of money available in the local community. Sometimes they related to qualitative concerns with the way people understand and organize the world. The dialectical tensions between these imperatives remained unresolved—and paralyzing—for the Community Dollars group.

Local currencies are used as a stop-gap during times of economic crisis, and as a strategy for enacting social change. Generally they are established in reaction to some existing social or economic problems, but recently local currencies have been proposed as a proactive strategy to prepare for expected social changes resulting from climate change and reaching peak oil production. Local currencies' grassroots and non-governmental nature can be limiting, as it tends to result in small and localized projects, with limited material resources and political influence. Most notably, this lack of power includes an inability to compel use of newly created currencies, meaning users must be convinced there is some benefit to voluntarily doing so. If they are to endure, local currency systems must find and maintain a precarious balance that addresses these limitations.

As noted, the Community Dollars system faced numerous obstacles in becoming established, particularly with recruiting and retaining currency users. The lack of a social element was a strong contributor to its failure. The inability to strike a balance between the ideological beliefs of the last leadership team and the most receptive audience for the local currency represented a more profound contradiction in the system. The currency board's tendency to privilege mainstream values, quantitative motives, and the preferences of the business community increasingly deterred currency users who sought to challenge the status quo and promote countercultural values. Outside of periods of economic crisis and currency shortages, countercultural audiences seeking social change are the most reliable local currency users. They deem the extra effort of using local currency worthwhile if it might promote changes to material practices, making them more supportive of long-term collective needs.

Researching the British Columbian local currency movement suggested an additional dynamic relevant for any attempts at social and economic transformation. While the most dedicated local currency users sought social change, it was change toward a healthy and predictable equilibrium rather than constant and momentous change for change's sake. This suggests potential risks of repeated and failed economic experimentation. Kim et al. (2016) argued that past history of alternative economic movements in a particular community can contribute to a local currency system's success. They did not, however, specify what this history might entail. The impact of past local currency experimentation on future efforts is a key area for future local currency research. After the Community Dollars system was discontinued, its leaders argued the project could still be considered a success if its lessons could be used to improve future local currency systems. Michael Linton's Open Money philosophy similarly promotes a strategy of altering and refining local currency systems over time. The missing element of this strategy is acknowledgement of the negative impacts past experimentation—particularly failed experimentation—might have on future projects.

In Nelson, Community Dollars were consistently compared to the previous Barter Bucks system. In some cases, past Barter Bucks users became Community Dollars users based on the strength of their past experiences. In other cases people chose to not participate due to challenges they had with the earlier currency. This was particularly true for businesses that had lost money due to earlier local currency participation. With repeated local currency developments there is also the risk that more passive observers become confused by multiple or subsequent systems. As Powell and Salverda (1998) reported, when the LETSgo system in Manchester, England faced problems, the resulting confusion caused a significant drop in the membership of the entirely unrelated Manchester LETS. When I was in Kimberley, I encountered residents who had not realized that the Community Dollars system in the city was different from the discontinued Kimbos LETS system. Even in cases where people were fully aware of the differences between different systems I encountered people who reasoned that an earlier system's failure meant a newer system would inevitably collapse or lapse into dormancy as well. In that case, they asked, why should they bother wasting time on something that was doomed to fail? Open Money innovator Ernie Yacub speculated that the reason the Comox Valley Community Way system was generally unsuccessful was that there had been so much prior local currency experimentation in the region that it had become "scorched earth territory" (personal communication, December 12, 2010). He suggested there was so much skepticism resulting from failed past experiments that the region might no longer be able to support local currencies. If local currencies are promoted as a venue for social and economic change, it is vital to know what impact ongoing experimentation has on the viability of future efforts.

Ultimately, the Community Dollars case challenges the idea that local currencies are a viable strategy for widespread social and economic transformation. This reinforces previous studies that challenge claims that local currencies can encourage economic reorganization at the local level (Cato & Suárez, 2012, Dittmer, 2013). Efforts to do so can be particularly problematic when co-opted by neoliberal policy regimes seeking to download social services

onto civil society (Dittmer, 2013, Williams, 1997). That is not to say that local currencies cannot have positive impacts. It is just that, as was the case with Community Dollars system, in terms of quantitative cost-benefit analysis the effort and resources required to establish and keep a local currency going generally outweigh the benefits (Dittmer, 2013, Seyfang, 1997). It is possible that Community Dollars might have eventually produced more tangible benefits for participating individuals, businesses, and non-profit groups. As it was, the costs of using Community Dollars far outweighed the benefits for most participants, leading to increasingly passive or totally discontinued participation. This was particularly true for currency administrators. Unfortunately, they dedicated huge amounts of effort to the local currency program, and often personal financial resources in addition, with no real payoff when the currency did not turn out as planned. In the end, the Community Dollars system failed to operate when the administrators could no longer justify dedicating their personal time and resources.

Whatever their potential benefits, most local currencies are promoted on wholly unrealistic grounds, and cases like Community Dollars urge caution for potential local currency developers. While creating and managing a local currency can provide a rewarding if time-consuming hobby for some people, they would be well served to enter into the project with realistic expectations. If their goal is genuinely to change the world or re-shape the economy, their efforts might be better applied elsewhere.

Researchers can contribute to efforts for social and economic change by providing more representative and contextualized records of local currency efforts, as I have done with this project. The tendency for the local currency literature to focus on highly unrepresentative successful examples gives an inaccurate impression of the state of the local currency movement, and prevents learning from past mistakes. The unreliable and incomplete historical record can also encourage people to make uninformed decisions about local currency development and participation. In the case of the Community Dollars system, it is

not clear the organizers would have made the same decisions they did if they had been aware of the Community Way model's spotty track record.

Inadequate contextualization of local currency examples in the literature also results in inaccurate perceptions of how local currencies work, and what they are able to do. I included a chapter providing detailed historical and economic context to correct for this tendency. Failing this, local currency case studies must be approached with skepticism. For example, when encountering an account of a successful local currency system, it is worth asking whether or not the system was developed during a period of uncharacteristic economic scarcity, as was the case with the Argentinean Trueque barter networks. Was there a person willing and able to tirelessly promote the currency on a volunteer basis for nearly a decade, as was the case in the Ithaca HOURS system? Did the system receive significant government funding, as was the case with many British and Australian systems at the height of LETS' popularity in the 1990s? Such context is often omitted in the literature, and rarely highlighted when it is present, but it is essential for accurately assessing the relevance and applicability of a particular case. The depression-era emergency currency in Wörgl, Austria, for example, is frequently cited as evidence of local currencies' economic potential. Accounts of the system generally downplay the fact that, as a government program used to pay municipal employees' salaries and usable for the payment of back taxes, use of that local currency could be compelled in a way that grassroots community organizations cannot duplicate. These caveats become obvious after sustained study of local currencies, but they are far less apparent to people less familiar with the topic. Most local currency systems are not started by the government during economic crises, and do not have access to continued government funding or boundless amounts of volunteer energy. As such few systems are likely to achieve the same success as the above systems.

As noted, there are things that can be done to improve a local currency's chances of success. Some places and economic conditions provide a more productive context for local currency development than others, and local currency developers would do well to evaluate whether a local currency is wanted

by their community before dedicating significant resources to developing one. Certain local currency models are easier and less costly to manage than others, and better suited to achieving particular goals. Potential local currency organizers should carefully consider structure from the outset, since the local currency systems I studied demonstrated difficulty trying to restructure once already established. Numerous administrative factors also contribute to a currency's success, like an adequate resource base, and incorporating effective communication and social elements into the system. Currency administrators must ensure a local currency is as simple and easy to use as possible, and serves some sort of obvious function in the lives of prospective users. Even more than any of those qualities, successful local currency organization requires organizers have expectations for their currency system that are rooted in reality.

Politicized local currencies have been developed since the nineteenth century, with a flood of modern examples beginning in the 1970s and 1980s. There has been little evidence to support grandiose claims about local currencies' capacity to reshape the economy and change the world over that time. In periods of economic crisis, local currencies can provide a needed stop-gap solution to help people provide for themselves until things stabilize. Outside of crisis situations, local currencies can have positive qualitative impacts on a limited and individualized level. In large part the success of a system requires organizers to be sufficiently satisfied with such results to continue their work. If they have more ambitious goals and standards for success, their efforts are likely better dedicated to a different sort of community project or political strategy.

To end, I do not wish to give the impression that I believe local currencies are completely without value or ill-advised. Although very few people were happy with their Community Dollars experience, I nevertheless met numerous people who had been very happy with their experiences in other local currency systems. They described having fun, making friends, and gaining access to unique local products and services they might not have otherwise. Some local currency systems directly resulted in the establishment of new community endeavours and organizations. Given increased concerns about an "epidemic of loneliness" in the

modern world (Franklin, 2009, Hafner, 2016), the social benefits attributed to some local currency systems should not be completely discounted even in the face of disappointing quantitative cost-benefit analysis.

Local currencies also show some modest potential for ideological transformation on an individual level. Several participants from more unconventional systems like LETS gave indications their participation had changed their perspective on their economic role and decision-making. Even the largely disappointing Community Dollars system did seem to inspire some users and proponents to begin to recognize long-held assumptions about money and the economy, and wonder about their accuracy. When one such user was discussing her frustration that the system was not working, she bemoaned the fact that the currency organization could not just give a bunch of currency away due to the risk of inflation. “But wouldn’t it be great if you could just print more money if you need it?” she asked. In that moment she paused, no longer sure of her position. “I wonder if maybe you can. Isn’t that what we’re doing? Maybe the economists are wrong.” So while Community Dollars users generally did not feel they had learned anything from using the currency, the system still inspired new questions, or revised old questions, even if it did not provide any answers.

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APPENDIX 1 POST CURRENCY LAUNCH QUESTIONNAIRE

Have you received any currency? Yes or No

If no: End of questionnaire, note comments if volunteered

If Yes:

How much?

How many transactions?

How do the cashiers handle it when they receive it?

Why?

How do account for it in your bookkeeping?

Why?

What have you done with the money you received?

(or What do you plan to do with it?)

Have you had any problems with the money?

How can the system be improved? How can we help you?

Of people handling money, is there anyone interested in being interviewed?

APPENDIX 2 INTERVIEW SCHEDULE ONE: FOCUSED LIFE HISTORY

Main Open-ended Question:

Starting with your earliest memories, can you describe to me your experiences with and attitudes toward money over your lifetime, including using community currencies?

Further Probing Questions (as needed, or appropriate)

A. Formative Experiences

- What are your earliest memories concerning money?
- Did you have your own money growing up?
 - o What did you do with it?
- Did you use “play” or “pretend” money as a child? What sorts of games did you play with it?
- Do you recall wanting money when you were younger? Why did you want it?

B. Changes

- Do you recall a certain point where you distinguished between “real” and “pretend” money?
 - o How could you determine which was which?
- Do you remember particular points in time where your experience of money or attitude toward money changed?
 - o Why do you think the change occurred? OR
 - o What was the source of the change?

C. Stages of Life

- When you were a child, was money important to you or something that you thought about often?
 - o Did it factor into significant life decisions?
 - o How did you manage or organize your money (ex. rolling, counting, saving, spending, tracking/recording)?
- Same questions, as appropriate, :
 - o Teenager/Young Adult
 - o Early adulthood
 - o Midlife and older
 - o Retirement

D. Exposure to Community Currencies

- What was your first experience hearing about community currency?
- What was your first experience using community currency?
 - o Can you remember your initial reaction to the idea?
 - o Why do you think you reacted that way?
- Do you have friends or family members who have chosen not to participate in the local currency system? As you understand it, why have they opted out?

E. Experience (practices, ongoing use)

- Do you use a community currency currently?
 - o If not: Why have you chosen not to use it or to stop using it?
 - o If so: How do you use the local currency? What do you use it for?
- Do you plan to continue using it?
- Where do you keep your community dollars and how do you organize them?
- If you keep a budget, do you incorporate the community dollars you spend into the budget? How do you do so?

F. Ideals and Value

- Do you think of Community Dollars/community currencies as being valuable?
- What sort of value do you think community currencies have?
- What sort of value do you think Canadian dollars have?
- Do you consider Community Dollars to be important? Why or why not?
- What do you like about local currencies?
- What do you dislike?
- What do you like about Canadian dollars?
- What do you dislike?

G. Context + Comparison

- In what ways are community dollars similar to national currencies like Canadian dollars?
- In what ways are they different?
- Are you familiar with other kinds of money similar to community dollars?
- Have you used other community currencies?
 - o How did they compare to Community Dollars?
- What role do you think Community Dollars play in the economy?
 - o In the social life or history of the community/area?

H. Wrap up

- What literature have you read about money or community currencies?
- Do you know anyone else who might be interested in being interviewed?

APPENDIX 3 INTERVIEW SCHEDULE TWO: CRITICAL REFLECTION

Open Ended Questions:

1. How would you define “money”?
2. What do you think about money and how it works?
3. What about your life experiences do you think has had the strongest influence on how you think about money?
4. Have you learned anything from using a community currency? What?
5. What meaning do your experiences with local currencies serve for you?

Further Probing Questions (as needed, or appropriate)

A. Money

- What purposes do you think money serves?
- How does money work?
- Do you think that there are problems with mainstream monetary systems?
 - o What are they?
 - o How do you think you came to that conclusion?
 - o Can you think of any solutions to these problems?
- How have your thoughts about money changed over time, and why?
- In what ways do you think money is significant in society?
- Do you think most people think about money too little or too much? Why?

B. Community Currencies

- Do you think that there are problems with community monetary systems?
 - o What are they?
 - o How do you think you came to that conclusion?
 - o Can you think of any solutions to these problems?
- What are community currencies’ greatest strengths?
- What are community currencies’ greatest weaknesses?
- Do you think community currencies are a viable alternative to mainstream monetary systems, or are they complimentary to them?

APPENDIX 4 CONSENT FORM

[On Department of Sociology and Social Anthropology Letterhead]

CONSENT FORM

Research Study:

“Listen to the Money Talk”:

Knowledge and Meaning in a Community Currency Project

My name is Tonya Canning and I am a Phd candidate at Dalhousie University. I am conducting a research project to learn more about how the Community Dollars currency works, and how people who are familiar with community currencies think about and have experienced money. In order to achieve these goals, I will actively participate in the Community Dollars program while observing how it works, and interview between 15 and 20 adults who are familiar with Community Dollars.

I would like to invite you to be interviewed as part of my research. As an interview participant, you will be asked to talk about your personal experiences and thoughts about money over the course of two interviews. The first interview will take between 45 and 90 minutes, and the second interview will take between 30 and 45 minutes. The reason for having a second interview is to give you time to further reflect on your answers in the first interview, and to give us both an opportunity to follow up with any questions and information we might have missed discussing.

The interviews will take place in a quiet location where you feel comfortable talking. While risks associated with this study are low, it is possible that you might experience some emotional discomfort discussing your personal experiences. Your participation in this study is voluntary and you may withdraw

at any time, or decline to answer questions which you find uncomfortable. Participating in this research might not directly benefit you, but we might learn things that will benefit others, or help with the development of other community currency systems. If you have any questions about the study, I would be happy to answer them for you.

Your interview responses will be treated as confidential and you will not be identified in any reports or publications unless you specifically request to be. I will protect your identity by removing any identifying personal details, including your name, from interview write-ups. Despite these precautions, because the research location will be revealed in these publications, there is some risk that people you know well might be able to identify you based on things you say. Only I will have access to interview recordings and transcriptions, which will be stored on a password protected computer or in a locked filing cabinet, and destroyed after all final research reports are completed.

Tonya Canning

Phd Candidate, Department of Sociology and Social Anthropology, Dalhousie University

tonyacanning@dal.ca, (XXX) XXX-XXXX (will have local phone number in BC)

Research Study:

“Listen to the Money Talk”:

Knowledge and Meaning in a Community Currency Project

- Please check as applicable:
- I consent to having my interviews audio-recorded.
- I consent to having direct quotes from my interviews appear in research reports and publications.
- I request a copy of the final research report

All of your interview responses will be treated as anonymous unless you specifically request that your identity be revealed. If you choose this option, quotes will be

verified with you prior to publication, and you are free to change your mind and remain anonymous.

- I prefer that quotes from my interviews that appear in research reports and publications be directly credited to me.
- I consent to having my business or organization identified in research reports and publications

I have read the explanation about this study. I have been given the opportunity to discuss it and my questions have been answered to my satisfaction. I hereby consent to take part in this study. However I realize that my participation is voluntary and that I am free to withdraw from the study at any time.

Name (please print): _____.

Date: _____.

Signature of participant: _____.

Signature of researcher: _____.

If applicable:

Email or mailing address (for sending the research report):

_____.

_____.

_____.

Telephone (to verify quotations): _____.

If you have any difficulties with, or wish to voice concern about, any aspect of your participation in this study, you may contact Patricia Lindley, Director of Dalhousie University's Office of Human Research Ethics Administration for assistance at (902) 494-1462 (you may call collect), or patricia.lindley@dal.ca

APPENDIX 5 IMAGES OF LOCAL CURRENCIES

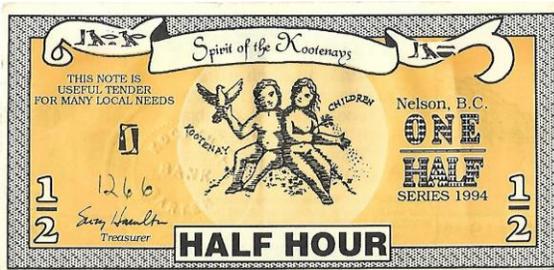


Figure 4: Barter Bucks Half Hour Bill (Hemp paper)



Figure 5: Barter Bucks Half Hour Bill (Reverse)



Figure 6: Barter Bucks One Hour Bill (Hemp paper)



Figure 7: Barter Bucks One Hour Bill (Reverse)



Figure 8: Barter Bucks One Hour Coin (Ceramic)



Figure 9: Seed Coin Five Dollar Coin (Laser-cut wood)

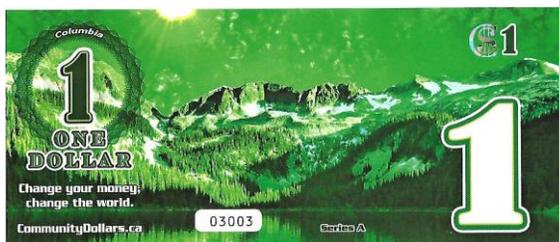


Figure 10: Community Dollars One Dollar Bill (Polymer)



Figure 11: Community Dollars One Dollar Bill (Reverse)



Figure 12: Community Dollars Two Dollar Bill (Polymer)

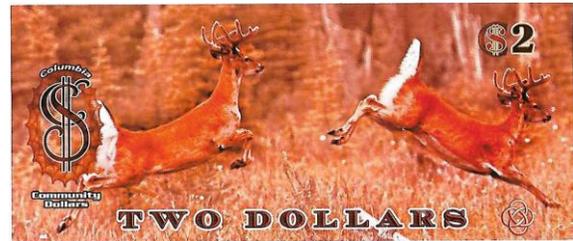


Figure 13: Community Dollars Two Dollars Bill (Reverse)



Figure 14: Community Dollars Five Dollar Bill (Polymer)



Figure 15: Community Dollars Five Dollar Bill (Reverse)

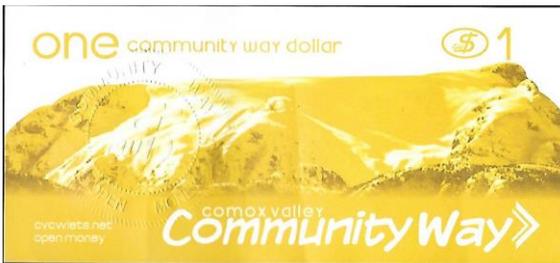


Figure 16: Comox Valley Community Way One Dollar Bill (Polymer – no design on reverse)

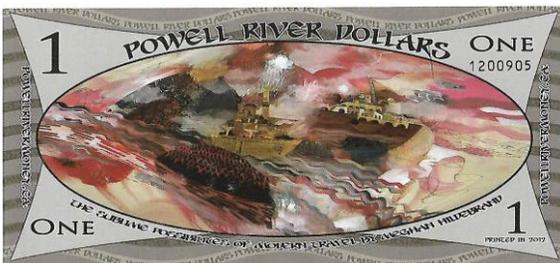


Figure 17: Powell River Dollars One Dollar Bill (Polymer)

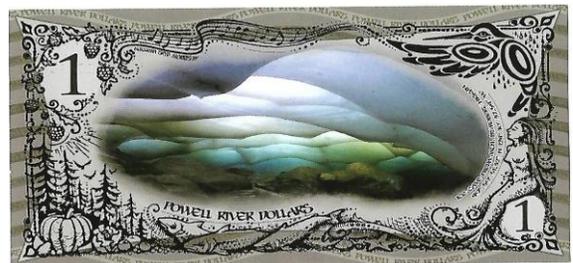


Figure 18: Powell River Dollars One Dollar Bill (Reverse)

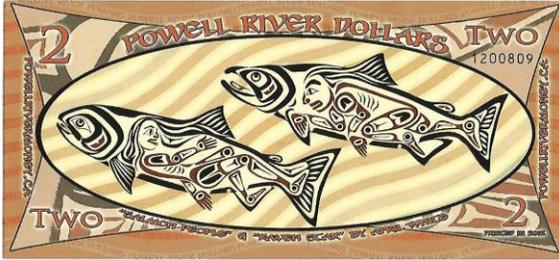


Figure 19: Powell River Dollars Two Dollar Bill (Polymer)

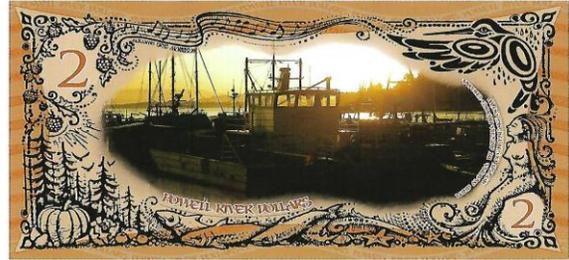


Figure 20: Powell River Dollars Two Dollar Bill (Reverse)

APPENDIX 6 COMMUNITY DOLLARS TIMELINE

Phase	Timespan	Major events
I. Planning and Preparation	May 2010 to March 2011	<ul style="list-style-type: none"> • May 2010 – Community brainstorming event leads to creation of informal currency group in Nelson. • Summer 2010 – Michael Linton begins mentoring the group. • September 2010 – Representatives from Fernie and Kimberley join the project. • October 2010 – Michael Linton gives promotional talks in all three communities.
II. Implementation and Conflict	April 2011 to June 2011	<ul style="list-style-type: none"> • April 2011 – CBT grant application approved. • Original launch date missed. • May 2011 – Group forfeits grant money.
III. East Kootenay Launch and Circulation	June 2011 to Sept. 2011	<ul style="list-style-type: none"> • June 2011 – Money received from printers. • Community Dollars launch in Fernie and Kimberley.
IV. Leadership Change and Restructuring	Sept. 2011 to June 2012	<ul style="list-style-type: none"> • Fall 2011 – Group misses proposed Nelson launch. New leader takes control of group. • November 2011 – Michael Linton stops mentoring the group. • Spring 2011 – Executive director brought on as new volunteers are sought in Nelson.
V. West Kootenay Launch and Circulation	June 2012 to Sept. 2013	<ul style="list-style-type: none"> • July 2012 – Community Dollars launch in Nelson. • August 2012 – Community Dollars Foundation officially registered with new board structure. • Unknown 2013 – Group receives CBT grant.
VI. Dissolution and Reflection	Sept. 2013 onward	<ul style="list-style-type: none"> • September 2013 – Board discontinues project at first annual general meeting • October 2013 – Public event held to celebrate end of the project.

Table 2: Overview of Timeline for the Community Dollars Project