

## 12

### **Economic alternatives as strategies**

One fruitful way to develop strategies is to work out components of the goal and then turn them into methods. This approach has the great advantage that the goal is built into the method, so that there is less chance of the strategy serving the wrong ends.

Nonviolence itself exemplifies this approach of using the goal as a strategy. The goal is a society without organised violence, in which conflict is dealt with using nonviolent methods. To achieve this goal, a key method is nonviolent action. This gives experience in using nonviolent action, refines understanding of nonviolence as a goal, and helps overcome reliance on violent methods.

For a nonviolence strategy against capitalism, turning goals into methods means working out a nonviolent economic alternative to capitalism and then turning the alternative—or a component of it—into a method for change. This can be a highly effective approach.

One economic alternative is promoting cooperatives, which are collective enterprises in agriculture, manufacturing, retail, services or any of a number of areas. In cooperatives, workers and users are in control, without bosses. Decisions are made participatively, typically by consensus or voting. Cooperatives are enterprises run by workers' control, a strategy that was analysed in chapter 7. As a strategy, cooperatives are more commonly built from scratch by a group of people committed to a collective, self-managing approach, whereas workers' control can occur by workers taking over an existing enterprise.

Here three other economic alternatives<sup>1</sup> are considered: community exchange schemes, local money systems and voluntary simplicity.

#### **Community exchange schemes**

A well-known community exchange scheme is LETS (Local Employment and Trading System), a not-for-profit, cooperative

information service to coordinate local exchange of goods and services.<sup>2</sup> Individuals who produce goods or undertake services receive “credits” that can be used to obtain goods and services from others who are participating. Unlike the anonymous market, formal barter systems such as LETS promote direct connections between people, fostering a more cooperative approach. LETS supplements the money economy but also challenges it, causing difficulty for the state to exercise its power through taxation.

LETS has been introduced in hundreds of communities in various countries. Usually the schemes are small, but some are quite extensive. Some governments tolerate LETS operations, while others obstruct or harass them. Government regulations and harassment limit the expansion of LETS, but at least as important is the attraction of the regular money economy for most people.

Setting up and running LETS schemes can be interpreted as a strategy against capitalism. In the questions in the check list, the word “campaign” should be interpreted as “building a LETS scheme.”

1. Does the campaign help to

- undermine the violent underpinnings of capitalism, or
- undermine the legitimacy of capitalism, or
- build a nonviolent alternative to capitalism?

LETS challenges the legitimacy of capitalism because it is based on barter rather than currency, because it is non-profit and because it is mostly exchange between individuals, without large corporations. It also helps build a nonviolent alternative because it is based on cooperation rather than exploitation. LETS in its present forms is not a full-scale alternative to capitalism. For example, LETS participants gain many of their skills and tools of work through the conventional economy; LETS-based communities seldom run entire education systems and computer chip manufacturing. But LETS certainly can be a component of a wider nonviolent alternative.

2. Is the campaign participatory?

Definitely. In as much as people engage in LETS, they are participating in the alternative. However, it is typical for just a few people to be responsible for setting up and administering LETS schemes, so there can be inequalities at the level of design and operation.

3. Are the campaign's goals built in to its methods?

Yes.

4. Is the campaign resistant to cooption?

Coooption occurs mainly through the attraction of the money economy. Since LETS normally operates as a partial alternative, with many participants also being involved in the money economy, which is far larger and offers much greater choice, there is a constant pull away from LETS as a full alternative.

### **Local money systems**

Related to community exchange scheme are local money systems.<sup>3</sup> Both LETS and local money systems are challenges to the construction of markets by states.<sup>4</sup> Local money is planned, issued and controlled locally, rather than being imposed by a central government. Local money is directly connected to people in a community, greatly restricting the power of national governments and large corporations, especially major banks. It helps to make people aware of the social role of money, challenging the idea that it is a neutral exchange medium.<sup>5</sup>

In a number of cases, local money systems were introduced in desperation by communities during economic depressions, as an attempt to get the local economy moving. Sometimes the currency automatically depreciates with time—for example losing one percent of its value each day—so that people have a strong incentive to spend it quickly. Local money is a direct challenge to central government monopolies over currency, and central governments typically shut down local money systems as soon as possible.

1. Does the campaign help to

- undermine the violent underpinnings of capitalism, or
- undermine the legitimacy of capitalism, or
- build a nonviolent alternative to capitalism?

Local money systems challenge the legitimacy of capitalism, but here distinctions between types of capitalism become important. What can be called “actually existing capitalism” is based on central government control over the money system, in alliance with banks and the largest corporations. Local money systems challenge the power of central government managers, bankers and corporations.

However, local money is compatible with local capital. So it might be said that local money systems challenge the legitimacy of “monopoly capitalism” while supporting the legitimacy of “local competitive capitalism.”

The same can be said of local money as an alternative to capitalism: it substitutes a different—namely local—version of capitalism for current national and global capitalisms. Whether this will help to build a full-scale nonviolent alternative to capitalism is difficult to judge.

2. Is the campaign participatory?

Experience suggests that many local people may participate by using local money. The actual setting up of local money is usually the initiative of a small number of individuals, but it is possible to imagine a participatory process of establishing and running a local currency. One model for this is demarchy, discussed in chapter 5.

3. Are the campaign’s goals built in to its methods?

Yes.

4. Is the campaign resistant to cooption?

Governments find local money threatening and usually try to shut it down: repression is more likely than cooption.

Thinking a bit more broadly, there are cases of corporations that set up something like *de facto* currencies, especially for their own workers. This includes company loans, housing, cars and other services. In classic company towns, dominated by a single large corporation, employees may have few major economic interactions except with company-owned or sponsored enterprises.

This suggests that a key to the challenge offered by a local money system is the question of who controls the system. If the local money is the initiative of or dominated by a few local capitalists, there is little genuine challenge to capitalism. But if there are elements of local community control over the money system, this is potentially a major challenge.

### **Voluntary simplicity**

One of the driving forces behind capitalism is ever-increasing consumption. If people always want better clothes, larger houses, fancier cars, more sophisticated computer software, and any number of other goods and services, there are ample opportunities for making money by providing for these desires. Much advertising is designed to make people feel inadequate and stimulate them to buy products to overcome this perceived inadequacy, whether it is soft drinks, kitchen cleaning products or holiday cruises. If most people want more than they already have, they are more likely to work hard in order to make money to spend.

However, if lots of people decided that they are satisfied with a few basic, long-lasting possessions, the economy would suffer. The voluntary simplicity movement aims at cutting back on unnecessary consumption.<sup>6</sup>

- Instead of seeking a large house or apartment, a lesser scale is preferred.
- Instead of two or three cars for a family, there is only one, or perhaps none with bicycles instead.
- Instead of buying lots of new clothing, a smaller amount of clothing is kept, which may be obtained second-hand.
- Instead of purchasing large collections of books and recordings, libraries are used instead.

There is a great flexibility in the ideal of simplicity. It might mean keeping only a very few possessions, or just a reduction from the norm to something a bit less.

The term “voluntary” is important. This is not poverty that is forced on people because they have no option. Rather, it is a choice to live simply, without the usual array of appliances and services.

There are various motivations for voluntary simplicity, including concern about the environmental impacts of production, a personal preference for an uncluttered and less hectic lifestyle, an escape from the treadmill of working to earn money in order to consume, an expression of solidarity with those who have less, and an unwillingness to support the ever-expanding capitalist system.

For millennia, some individuals have opted for voluntary simplicity, which is always relative to current standards of consumption. It takes on special significance in affluent societies and in affluent subcultures, since it challenges the prevailing ethos of consuming as

much as one can afford. Voluntary simplicity gained some visibility in western countries in the 1970s. It remains a preferred option for some individuals and in some communities, but has not become a major movement.

1. Does the campaign help to

- undermine the violent underpinnings of capitalism, or
- undermine the legitimacy of capitalism, or
- build a nonviolent alternative to capitalism?

Voluntary simplicity undermines the legitimacy of capitalism as a system of ever-increasing production and consumption. It is a threat, then, to the conventional picture of capitalism. Of course, capitalism does not always work well, and in periods of depression there is drastically reduced output, which may cause widespread “involuntary simplicity.”

Voluntary simplicity contributes to building nonviolent alternatives to capitalism, in as much as these alternatives are based on satisfying needs rather than pandering to unlimited wants. This applies especially to sarvodaya (see chapter 5). Establishing a culture where people are modest and realistic about their needs is a helpful step towards an economy based on cooperation and helping those with greatest needs.

2. Is the campaign participatory?

Participants are those who opt for voluntary simplicity. There might also be some who advocate voluntary simplicity but, for the time being, do not participate as fully as they might like.

3. Are the campaign's goals built in to its methods?

Yes. Voluntary simplicity is an ideal example of “living the alternative.”

4. Is the campaign resistant to cooption?

Voluntary simplicity can be marketed as a consumer option, with special products designed for those so inclined. However, this form of cooption has not been prominent compared to tempting people to become conventional consumers. Advertising becomes ever more sophisticated in targeting insecurities and selling goods through the promise of fulfilling fantasies. Consumerism is ever more convenient.

Many goods are produced so that, when they break down, it is cheaper and easier to buy new ones rather than undertake repairs. As prices drop and product convenience increases, voluntary simplicity may seem a pointless form of self-deprivation. In addition to this, the influence of peer pressure is very great. It can be extremely difficult to be an isolated individual who practises voluntary simplicity, living among others who do not question consumer culture. For this reason, voluntary simplicity thrives in communities of like-minded individuals. It can even become a matter of pride and prestige to be seen to live a simple life.

Voluntary simplicity can be taken up without much obstruction: state coercion is unlikely to be used to force people to consume! It is part of a constructive programme that mimics the desired alternative, namely a system which caters for people's needs but not their greed. The greatest weakness of voluntary simplicity as a strategy is its susceptibility to cooption. The promoters of consumption have developed sophisticated means of enticing people to join the consumer society. If a few people decide to opt out for a simpler lifestyle, that is not a fundamental threat to consumerism. Voluntary simplicity would be a greater threat if it became a popular option and was linked to other strategies for directly challenging and replacing capitalism.

### **Conclusion**

Turning economic alternatives into strategies is a powerful approach. The biggest challenge is to do this on a significant scale. It is comparatively easy to take small initiatives, but these are also easy to marginalise or coopt.

For an individual to adopt voluntary simplicity is a useful step. A much bigger challenge is to turn voluntary simplicity into a social movement, with so many converts that it is mutually reinforcing.

Setting up a small cooperative enterprise may not be too hard though, to be sure, there can be great difficulties. The larger challenge is to set up a network of cooperatives so that they support each other, rather than having to battle for survival alone in a hostile environment.

Promoting sarvodaya in individual villages in India and Sri Lanka is one thing. It is a much greater challenge to turn this into a global movement.

It is possible to become a voluntaryist and to survive, as much as possible, through voluntary economic exchange while refusing any dealings involving the government. This is difficult enough. To make this an attractive option for lots of people is much more difficult.

Thus, whatever nonviolent alternative is envisaged, the biggest challenge is to develop it beyond local initiatives.

### Notes

1 A useful review is Gary Moffat, "Building economic alternatives," *Kick It Over*, #29, Summer 1992, pp. 4-12.

2 Richard Douthwaite, *Short Circuit: Strengthening Local Economies for Security in an Unstable World* (Totnes, Devon: Green Books, 1996).

3 Douthwaite, *Short Circuit*; Thomas H. Greco, Jr., *New Money for Healthy Communities* (Tucson, AZ: Thomas H. Greco, Jr., PO Box 42663, Tucson AZ 85733, USA, 1994).

4 Also important here are microfinance systems serving the poor, such as the Grameen Bank in Bangladesh: see Muhammad Yunus with Alan Jolis, *Banker to the Poor: Micro-Lending and the Battle against World Poverty* (New York: PublicAffairs, 1999).

5 On the non-neutrality of money see Nigel Dodd, *The Sociology of Money: Economics, Reason and Contemporary Society* (London: Polity, 1994). On the psychology of money, see Dorothy Rowe, *The Real Meaning of Money* (London: HarperCollins, 1997).

6 The Simple Living Collective, American Friends Service Committee, San Francisco, *Taking Charge: Achieving Personal and Political Change through Simple Living* (New York: Bantam, 1977).