

EXPLORING ALTERNATIVE VALUES: THE CAPE TOWN TALENT EXCHANGE

MINOR DISSERTATION PRESENTED IN PARTIAL FULFILMENT OF THE
REQUIREMENTS FOR THE DEGREE OF MASTER OF PHILOSOPHY IN ENVIRONMENT,
SOCIETY AND SUSTAINABILITY (MPHIL) IN THE DEPARTMENT OF ENVIRONMENTAL
AND GEOGRAPHICAL SCIENCE (EGS)
THE UNIVERSITY OF CAPE TOWN



NOVEMBER 2014

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ABSTRACT

The Cape Town Talent Exchange (CTTE) is a Community Exchange System operating locally in Cape Town, while allowing national and global exchanges to take place. Trading activity occurs between members of the community through an alternative currency, Talents. There are numerous incentives driving the participation of the community members. These include various political, social, economic, environmental and philosophical motivations. It is evident, however, that the members' desires meet through the search for an alternative space where social interactions are experienced and social values are formed through economic activity. The construction of the CTTE as an alternative economy, that re-introduces this social dimension into the economic sphere contributes to the movement away from the hegemonic, capitalist economy to one of heterogeneity. There are, however, tensions that lie in the overlapping nature of these systems, restricting the alterity and autonomy of the CTTE and emphasising the power and dominance of the mainstream economy.

CHAPTER 1: INTRODUCTION

There exists a wide range of alternative economies; including informal markets, barter systems, ethical fair-trade markets, underground markets, Local Exchange Trading Systems (LETS), alternative currency systems, community businesses, co-operatives and alternative credit or credit unions (Pacione, 1997). Alternative economies vary according to the underlying institutional, organisational, economic, and moral characteristics (Lee *et al.*, 2004). The fundamental economic activity, actors and identities are, however, commonly positioned as adjunct to or otherwise parallel to the mainstream economy.

Alternative economies are often systems that portray characteristics that intentionally differ from those of the conventional dominant economy (Healy, 2008). These differences allow alternative systems to diverge from the formal economy, creating a space that represents heterogeneous economies of various different formations and driven by multiple incentives. There are various definitions of alternative economies due to the complexity inherent in such systems and the range of characteristics across these economies.

The realisation of alternative economies is driven by various social, political, economic and geographic incentives, many of which indicate a degree of discontent of globalised capitalism. Alternative economies aim to overcome this dissatisfaction by providing individuals a medium through which their social, economic and political needs are met (Healy, 2008; Gibson-Graham, 2006). Alternative economies pose challenges to

orthodox and neoliberal thinking, and aim to occupy space that is positioned as alternative or separate to the formal economy (Berndt and Boeckler, 2009). There are different degrees to which these economies diverge from the mainstream economy. Alternative economies most commonly portray characteristics similar to the formal economy in addition to characteristics that differ from the formal economy.

Diverse economies intend to create an economy that is multifaceted, where multiplicity of economic activity is recognised (Healy, 2008). Diverse economies theoretically shape the economy as heterogeneous or performative of economic difference, one that is inclusive of capitalist and non-capitalist economies, as well as economies that fall between these classifications and incorporate both capitalist and non-capitalist elements (Gibson-Graham, 2005, 2006; Pacione, 1997; Amin *et al.*, 2003). Alternative and diverse economies contribute to the contestation of the homogeneity and hegemony inherent in the dominant capitalist discourse through the recognition and emergence of economies of social and economic heterogeneity.

There is a plethora of literature pertaining to alternative economies, highlighting the range of characteristics that contribute to their varying structures and formations. Broad characteristics of such economies which defines them as alternative to the mainstream include alternative processes of: production and consumption (Healy, 2008); the performance of economic transactions; the reflection of social and cultural norms (Gibson-Graham, 2006); the non-profit-maximising distribution of surplus; the labour compensation, in the form of paid or unpaid, that make use of the national currency, an alternative currency or through time (Gibson-Graham and Roevlink, 2011)

and the labour structure inclusive of employed, unemployed and self-employed participants, unlike the mainstream economy where economic activity is restricted to those who are employed (Pacione, 1997). The extent to which an economy portrays such unique characteristics contributes to its alterity.

Further characteristics constructing alternative economies are the different formation of value, the performance of circuits of value and the value participants attach to money or currency. Money, whether in a physical or virtual form, has a determinant role in the formation of all economies (Pacione, 1997). Seyfang (2000) distinguishes between values of money that are orthodox in nature and those that are alternative. The former refers to money perceived as a measurement tool or a store of value, where social activities do not play a significant role in economic exchanges. The latter includes the value attached to undertaking economic activity that is merely facilitated through the use of currency or money, where money has little or no value and social interactions are experienced and valued by the members (Pacione, 1997). The opposing values distinguish several alternative economies from the mainstream.

It is evident that several participants of the conventional economy experience social and economic marginalisation, thought to be caused by the globalisation of capitalism, resulting in their discontent in the mainstream system (Seyfang, 2000; Pacione, 1997). Alternative economies, and more specifically alternative currency systems, are considered to be a solution to this marginalisation by providing a space in which all members are able to accumulate social and economic capital. The degree to which these economies counter the marginalisation and facilitate social and economic

empowerment of its members differs across economies (North, 2007, Williams, 1996).

Alternative economies are additionally theorised as self-reliant, self-sufficient and autonomous systems that are independent from the dominant economy, sustainable in the long-term and operate within localised spaces (Gibson-Graham, 2003). There are, however, limitations to fully achieving these features due to continuing linkages between the conventional and alternative economies (Lee, 2006; Fickey, 2011; Berndt and Boeckler, 2009).

The community members and the economic activities undertaken within alternative systems are often dependent on the mainstream economy. Many individuals rely on the conventional economy for purchasing necessary goods and services, employment and the generation of income. Other individuals face challenges in altering their mind-set or economic behaviour from capitalist thinking to alternative thinking and doing (Lee *et al.*, 2004; Gibson-Graham, 2006). The reliance on the conventional economy emphasises its dominance, determining the extent to which alternative spaces achieve self-reliance, autonomy and independence, and thus challenging, diverging from or in the extreme case, replacing the capitalist economy (Jonas, 2010; Lee, 2010).

The localisation and socialisation of alternative economies are factors that contribute to their sustainability and their divergence from the formal economy (Gibson-Graham, 2006). Alternative economies are most commonly community-based systems that operate on a small-scale. However, several of these economies extend past the local to national or global spaces. It is essential that a system is neither too localised, restricting

the self-sufficiency of the system, nor too globalised, eradicating the social aspects of alternative economies (Kranton, 1996; North, 2005).

The final characteristic of alternative economies that differs from the mainstream economy is the existence and embeddedness of the social dimension of these systems. The social and the economic are commonly perceived as separate within the capitalist paradigm, where the social is often ignored or classified as non-economic (Seyfang, 2000). Alternative economies recognise and facilitate the socialisation of economies, where social capital is generated and accumulated through social interactions that take place through economies activity (Berndt and Boeckler, 2009). Social capital involves the generation of trust and mutuality between members, creating a sense of community and solidarity (Stone, 2001; Kay, 2005; Dacheux and Goujon, 2011). These elements are highly valued by participants of such systems.

Alternative economies provide space for individuals to shape their beliefs with regard to family values, moral, ethics and the environment. These are aspects that are perceived to be lacking within the conventional economy (Gibson-Graham, 2006). The social aspects are thus paramount to alternative economies, significantly contributing to the atterity of the system and thus the movement away from capitalist economic activity, towards systems that are underlined by social relations and interactions (Neamtan, 2002; Berndt and Boeckler, 2009). To ignore the social dimension of alternative economies would be to disregard the complexity of the systems, deeming an analysis incomplete.

The social dimension evident within alternative economies further contributes to the paradigmatic shift from modernism to post-modernism. Modernism, closely linked to capitalism, encourages rationality, individualism, homogeneity and the exclusion of the social realm from economic activity (Cova, 1997). This approach often results in alienation and isolation within the conventional economy, contributing to the discontent of capitalism (Moulaert and Ailenei, 2005; Seyfang, 2000). The search for a space characterised by socially embedded economic activity opens spaces for alternative economies to emerge, re-introducing social values, morals, beliefs and a sense of community. The presence of such economies ultimately contributes to the deconstruction of modernism and a paradigmatic shift towards post-modernism. Post-modernism includes modernist characteristics such as individualism, liberation and rationality, while reaching further to integrate the undeniable social, economic and political aspects within economies (Berndt and Boeckler, 2009).

This study aims to determine the underlying incentives driving members' participation in a specific alternative currency system, the Cape Town Talent Exchange (CTTE), and the extent to which this system portrays the characteristics often associated with alternative economies and expressed throughout the literature. The incentives driving the CTTE together with the alterity of the system determines the contribution to the broader movement away from the dominant capitalist economy, to a system where there is room for alternatives.

The Cape Town Talent Exchange (CTTE) is a Community Exchange System (CES) that makes use of an alternative virtual currency, the Talent. The exchange system provides

an online platform where members can undertake economic activity in addition to a monthly market where participants are able to physically trade goods and services with other members of the community, taking part in social interactions through trading activity.

There is a gap in the literature regarding the social values that members receive from participating in alternative economies, particularly in South Africa. The presence of alternative economies in South Africa is not widely recognised, indicating the need for greater awareness of the existence of such systems. Gibson-Graham and Roelvink (2011) highlight the importance of the academic realm in facilitating debates in order to recognise and create space for the re-imagining of alternative economies.

The intention of this research paper is to contribute to the literature by exploring the social values underlying the members' participation in a CES, using the CTTE as a case study. The alterity of the system will further be explored through the identification of the characteristics forming the CTTE. The construction of the CTTE as alternative faces several challenges and limitations in diverging from the dominant capitalist discourse. The social values, however, play a pivotal role in re-enforcing the alterity of the CTTE. The CTTE thus has a significant role in the broader context through a movement away from the capitalist paradigm, making room for other alternative economies to emerge and ultimately contributing to a paradigmatic shift to post-modernism.

CHAPTER 2: LITERATURE REVIEW

There exists a plethora of literature surrounding alternative economies, in the form of theoretical framings, empirical findings and critical analyses. There lacks, however, extensive literature pertaining to alternative economies in South Africa.

There is literature regarding the social economy in South Africa, focusing on informal settlements, cooperatives, ecotourism and community-led operations such as accommodation facilities. However, there exists little or no literature regarding alternative currency systems, such as Community Exchange Systems (CES) or Local Exchange Trading Systems (LETS) in South Africa.

Tim Jenkins, a writer, political activist, founder of the Cape Town Talent Exchange (CTTE) and the author of *Inside Out: Escape from Pretoria Prison*, has written several articles on the CES and the associated economic and political aspects surrounding systems. Jenkins has participated in countless interviews, some of which are available online. Jenkins' articles are accessible on the CES website, including "*What Comes After Capitalism? – That is the Wrong Question*", a paper presented at the second International Conference on Complementary Currency Systems in Netherlands in 2013, and "*The Community Exchange System – Reinvesting Money*", a paper that was published in *Digital Development Debates*, in 2011.

Liezl Coetzee, a Master of Philosophy in Organisation and Public Cultures student at the University of Stellenbosch, wrote an unpublished thesis in 2010 focusing on the Cape

Town Talent Exchange. The topic of Coetzee's thesis is "*Local Exchange through Community Currency in an Alternative Gift Economy: An Anthropological Analysis of the Cape Town Talent Exchange*".

There is, therefore, a gap in the literature pertaining to alternative values within alternative economies, and more specifically, within alternative currency systems such as the Community Exchange Systems in South Africa.

The review of the existing literature provides an overview of alternative economies. This begins with defining both alternative and diverse economies. The broader debates surrounding alternative economies are then identified, where characteristics of such economies are determined together with performative differences of these characteristics across economic systems. This includes the role of economic and social empowerment within alternative economies; the formation and performance of values, circuits of value, values attached to money and surplus values across economies and the processes of labour remuneration and transactions within economies.

The subsequent section investigates the critiques surrounding alternative economies, with specific focus on the extent of their autonomy, self-reliance, long-term sustainability and the degree to which alternative economies operate within a localised scale. The final body of literature refers to the social dimension of alternative economies, which investigates the interconnectedness of social relations and values across space and place; the importance of the social dimension and the role of communities, environmental and social values, power relations, social capital, family values,

friendship, trust, and solidarity within alternative economies.

2.1 THE EMERGENCE OF ALTERNATIVE ECONOMIES

The emergence of alternative economies in the twentieth century was driven by various social, political, economic and moral incentives, revealing a consciousness of discontent within the globalised capitalist paradigm (Routledge, 2003). Alternative economies are systems that encompass characteristics that are different from those fundamental to the dominant conventional economy, thus posing challenges to modernism and orthodox thinking (Healy, 2008; Berndt and Boeckler, 2009).

There are several definitions of alternative economies due to the complex and dynamic nature of these systems, which comprise multiple characteristics across different economies. Diverse economies refer to the economy as multifaceted, made up of numerous capitalist and non-capitalist economies (Healy, 2008). Diverse economies do not position economic systems as alternative to the mainstream, but rather eliminates the centrality of the capitalist economy and theorises the economy as heterogeneity and plural (Pacione, 1997; Amin *et al.*, 2003; Oberhauser, 2005; Gibson-Graham, 2005, 2006, 2008). Alternative economies, on the contrary, occupy a space that diverges from the mainstream. The alterity of a system is determined by the degree of the difference from the fundamental characteristics of the conventional economy.

Alternative and diverse economies confront and deconstruct the homogeneity and hegemony inherent in the capitalist discourse through the emergence of viable

economies of social and economic heterogeneity (Gibson-Graham, 2006). The intentions driving the contestation differ for diverse and alternative economies, where the former aims to create a heterogeneous economy, inclusive of both capitalist and non-capitalist systems, while the latter intends to occupy space divergent from the dominant economy. Performing economies as homogenous hinders the emergence of alternatives and ignores the complexities in multiple economic practices (Wright, 2010). The recognition of economies as diverse and alternative serves to critique and delegitimise the dominance of the capitalist discourse, providing space for the emergence of a post-capitalist economy and ultimately a space consisting of capitalist economies, non-capitalist economies and economies which fall in-between.

The emergence of alternative economies was attributed to growing concern for the conventional economy coupled with a lack of available alternatives (Lee *et al.*, 2004). The discontent of the dominant economy was accentuated by social and economic inequalities, uneven development, environmental concerns, economic recession, high unemployment, and unfeasible market expansion (Lee *et al.*, 2004; Gibson-Graham and Roevink, 2011; Seyfang, 2001). This led to the desire for autonomous and alternative economies driven by fair, ethical, environmentally and socially just principles (Seyfang, 2001; Gibson-Graham and Roevink, 2011). The dominance of the mainstream economy places the capitalist discourse as monolithic, singular, central, and all encompassing, thus marginalising the realisation of other economies and restricting the space in which alternative economies can emerge (Pavlovskaya, 2004; Crossley, 2008).

Alternative economies emerged as a platform of resistance to mitigate or overcome the

perceived failures of the conventional economy (Pavlobskaya, 2004; Oberhauser, 2005). These spaces represent a variety of moral, political, environmental, social and financial incentives that differ across individuals and economies (Leyshon, 2005; Lewis, 2007). Moreover, there are personal motivations including practises of self-development, self-recognition and self-transformation (Gibson-Graham, 2006). While these objectives may be conflicting or contradictory, they share a common vision of economic and social change and thus form collective identities through collective action (Routledge, 2003).

The intention of alternative economies is not to replace the capitalist discourse but rather to provide heterodox spaces of alternatives where values and beliefs are shaped through economic and social organisation (Pacione, 1997, Amin *et al.*, 2003). Alternative economies thus challenge the dominance of the conventional economy in a manner that promotes reform rather than radical or oppressive action (Armin *et al.* 2003; Wright 2010).

The organisation of economic spaces and norms are socially constructed, produced and performed, thus the power of transformation lies with economic agents and participants of an economy (Gibson-Graham, 2006). Economic activities of production and consumption, the space in which these activities are performed and the manner in which they are undertaken, contributes to alternative social and economic formations (Mance, 2007).

Gibson-Graham (2006) indicate how transformations of the economy are achieved

through the use of language, the act of re-imagining theoretical consciousness and the performance of practical realisation of diverse economic forms. Post-structural practices and social movements, such as feminism, indicate the power of enacting principles of social, political and economic theory (Oberhauser, 2005; Gibson-Graham, 2006). Gibson-Graham (2006) refer to this as 'ontological reframing', defined as the act of thinking and re-thinking politics of economic possibility. Alternative and diverse economies are thus formed through the collaboration of ontological reframing and the production and re-production of these systems, despite the challenged faces (Gibson-Graham, 2006).

The characteristics defining alternative economies are multifactorial and include various economic, social, political and cultural features, thus there is not one single definition framing these systems. Alternative economies are context specific and cannot be clearly defined within a binary framework. For example, these economies are not distinctly classified as formal or informal systems; within a capitalist or a non-capitalist system; within the private or public sector; within the market or the state; or within global or local spaces. Instead, alternative economies are fluid, dynamic and continuously evolving, thus taking on several different forms and operating within unstructured boundaries (Wright, 2010).

In order to understand the complexities of alternative economies it is essential to recognise the interconnectedness of binaries and to move away from a dualist approach that acts to reduce these economies, towards a more relational approach of radical difference (Amin *et al.*, 2003; Gibson-Graham, 2006). The implementation of an

integrated approach will make room for the transformation of economic activities and open spaces for the emergence of alternative economies (Gibson-Graham and Roelvink, 2011).

Alternative economies are defined as socialised, where it is difficult to separate or reduce markets into definite political, economic or social realms, as these concepts are overlapping in nature (Berndt and Boeckler, 2009). The exchange activities within alternative systems simultaneously generate social and economic capital. The social values restore a sense of community, solidarity and democracy within economies, while meeting social needs that address the dissatisfaction of the mainstream economy. It is therefore problematic and incomplete to analyse the economic aspects of such a system without taking the social or cultural context into account (Amin *et al.*, 2003; Berndt and Boeckler, 2009).

It is necessary to avoid privileging capitalist or non-capitalist economies, formal or non-formal markets and mainstream or alternative systems (Smith and Stenning, 2006). Instead, analyses ought to contribute to an open representation of economic practices and commit to improving the understanding of these systems. Today there is some recognition of the economy as diverse and multidimensional (Gibson-Graham, 2006; Wright, 2010). The acknowledgment of various forms of economic activity makes room for alternative economies to emerge. There is, however, a need to strengthen the viability, awareness and acceptance of alternative economies.

Furthermore, it is important to note that not all alternative economies are socially

progressive or may have desirable effects on community wellbeing. These economies can contribute to adverse experiences such as exploitation, marginalisation, inequality and exclusion of participants (Fickey and Hanrahan, 2014). Analyses of alternative economies of this nature require greater consideration and inquiry than the scale of this dissertation allows. Thus, the reference to alternative economies as an umbrella term in this study excludes negative forms of economies described. It is nonetheless important to acknowledge the existence of such economies and urge further research of these systems.

In order to gain a greater understanding of alternative economies it is essential to analyse the debates within the literature surrounding these systems. The key theoretical themes include broad characteristics forming alternative economies, critiques and evaluations of such systems and the importance of recognising the socially embeddedness of economic activity that contributes to shaping the values that drive individuals' participation in alternative economies. Social and economies practices cross the perceived boundaries between economies (Pavlovskaya, 2004). In order to truly understand the complexity of the economic system, it is necessary to analyse the relationship between the conventional and alternative economic spaces through the analysis (Wright, 2010).

2.2. BROADER DEBATES AROUND ALTERNATIVE ECONOMIES

The broader debates surrounding alternative economies identify characteristics associated with economies and how these characteristics differ across both capitalist

and non-capitalist economies. These include the role of economic and social empowerment as drivers of alternative economies; values and circuits of value; the value attached to money; surplus value and the performance of labour, remuneration and transactions differentiating economic and exchange activities.

EMPOWERMENT EXPERIENCED THROUGH PARTICIPATION

Economic and social marginalisation is a significant contributor to the dissatisfaction experienced in the conventional economy. Individuals are excluded from the capitalist economy, both spatially and functionally, through their lack of access to monetary wealth and credit, through rejection of their talents or skills or through exclusion from the formal job market and social networks (Pacione, 1997; Seyfang, 2001). These experiences may have causation or resultant effects on one another. Social and economic networks are formed and sustained through active participation in the conventional economy and thus the exclusion from such networks leads to social marginalisation and isolation.

Pacione (1997) and Seyfang (2000) identify the globalisation of capitalism as the root cause of social and economic marginalisation experienced by members of society. The inequalities within the capitalist paradigm are argued to result from disproportionate allocation of social, economic and political capital. Uneven distribution is inherent in the capitalist system, where spaces of potential prosperity receive greater inputs and effort than spaces perceived to have less potential to succeed (Pacione, 1997; Seyfang, 2000). Localised areas are commonly viewed as less prosperous in terms of profit

generation in relation to national and global spaces, thus resulting in less developmental focus in localised economies. This produces greater exclusion of these communities from economic and social activities central to the conventional economy. The extent to which local economies were, and continue to be, impacted by globalisation of capitalism is context specific and varies across time, space and scale.

The globalisation of the formal economy furthermore contributes to the division of labour; separating the unemployed, self-employed or part-time employed from the employed (Pacione, 1997; Williams and Windebank, 2000). Pacione (1997) refers to these polarised groups as 'peripheral labour' and 'core labour', respectively. The reference to the prior group as "peripheral" reaffirms the marginalisation of these individuals in favour of the employed, categorising them as less important and marginal thus bordering their acceptance into the conventional economy. Williams and Windebank (2000) emphasise the correlation between employment and social inclusion, and between unemployment and social exclusion, that is deemed evident within conventional economies.

Alternative economies and community-based systems are recognised as avenues that facilitate economic and social regeneration, counter-acting the marginalisation experienced within the conventional economy (Seyfang, 2001; North, 2007; Williams, 1996). More specifically, alternative currency systems are described as cashless economies recognised for their role in socially and economically empowering community members (Seyfang, 2000).

Alternative exchange systems are spaces where individuals can generate social capital through social networks and relationships, while engaging in economic activities, increasing skills and employability and achieving economic stability regardless of employment status (William, 1996). The sense of inclusion, acceptance and social equity within these systems enhances members' self-worth and confidence both within themselves and within the economic system (Williams, 1996; Seyfang, 2001; North, 2007). The degrees to which these systems empower its members vary across economies.

There is empirical evidence indicating that the demographics forming alternative currency systems have transformed from exclusively stereotypical 'alternative' groups towards a representation of individuals who feel excluded from the conventional economy. These members include self-employed, unemployed, part-time or temporarily employed individuals; those from low-income households; women and those who feel as though their paid or unpaid skills are undervalued in the mainstream economy (Williams, 1996; Williams and Windebank, 2000; Pacione, 1997).

Williams (1996) highlights the importance of localisation and bounded systems in preventing income leakage to accomplish community empowerment and local development. According to economic base theory, a generation of income from an external source drives economic growth. Williams (1996), however, argues that internal income generation coupled with the prevention of income leakage from within a locality will facilitate economic and community development. Exchange systems are perceived as platforms that prevent income leakage, encourage local purchasing,

promote the accumulation of social capital and allow members' access to employment and credit, financial tools unavailable to them in the conventional economy (Williams, 1996).

It is evident that income seepage inevitably occurs. Many of the members of exchange systems make use of both the national and local currency in their pricing strategies in order to cover the costs of materials or ingredients purchased in the conventional economy. This results in externally generated income entering the system, inhibiting the full potential of local currency circulation, restricting community development and limiting the self-sufficiency and independence of the system. There are, therefore, restrictions to the extent by which alternative economies are able to independently empower its members.

THE STRUCTURE OF LABOUR AND REMUNERATION

There are several different methods by which labour performance and compensation occurs across economies. The structure and processes of these characteristics determine an economy's alerity.

The compensation methods within alternative economies are inclusive of "paid" and "unpaid" labour, ranging from payment in Rand in the conventional economy, payment in Time in Time Dollar markets, payment in-kind, to payment in a virtual currency, such as Talents used in the CTTE (Gibson-Graham and Roevlink, 2011).

Alternative forms of production, labour structure and distribution of surplus that complement the values and needs of participants contribute to sustainable and ethical systems (Fickey and Hanrahan 2014). Pacione (1997) highlights the way in which localised economies provide members with purchasing power through re-shaping their labour efforts, allowing members to engage in exchange economic activities without being formally employed or owning capital. The members of such system value the ability to partake in an economy, particularly those marginalised within the dominant economy.

The ability to restructure community members' labour dynamics or reform their remuneration processes may be limited by the accessibility of the system and the formation of the economic activities performed within the system (Williams, 1996; Williams and Windebank, 2000). These limitations create criticisms of the alterity of these systems and their ability to meet members' values or needs.

VALUES AND CIRCUITS OF VALUE

The notion of value is complex and continuously changing, thus various interpretations of the concept have been developed over time (Eiss and Pedersen, 2002). Value, in this case, includes economic value, use value, exchange value and circuits of value. These concepts have been studied widely in the realm of political economics, predominantly with reference to the capitalist economy. Adam Smith, Karl Marx and David Ricardo are amongst the renowned classical political economists whose economic doctrines have contributed to law of value and the labour theory of value (Gordon, 1968; Eiss and

Pedersen, 2002). It must be noted that these doctrines are complex and ambiguous, thus an extremely simplified explanation of their work is expressed in this dissertation.

The law of value identifies the value of a commodity produced within the socially necessary time required for production (Yaffe, 1976). Lee, (2006) broadly defines theories of labour as attempts at identifying the origin and nature of value. The labour theory of value relates the way in which a commodity obtains value to the associated value or price of labour, or more specifically to the time taken to produce a commodity or the amount of work or labour power used to produce it (Jonas, 2010; Fickey, 2011).

The exchange value, realised through exchange activity, refers to the quantity of a commodity that can be exchanged for another commodity if trade were to take place (Bryceson, 1983). The exchange value of a commodity does not identically equate the price of the commodity, and is not necessarily expressed as a monetary value. The use value of a commodity is realised through consumption and commonly refers to the utility gained from a good or service, or rather the 'usefulness' of the commodity (Bryceson, 1983).

The performance of forms of values and circuits of values differ across economies (Fickey, 2011; Jonas, 2010; Lee, 2006; 2010; North 2007). Circuits of value refer to the socially constructed circulation of value derived during consumption, exchange and production activities across place, space and time (Lee, 2006).

The theory of labour proposed by Ricardo places the value of a commodity in relation to

the amount or quantity of labour used to produce that commodity (Gordon, 1968; Stigler, 1952; Jonas, 2010). Smith, on the other hand, states that goods are exchanged in proportion to their total costs of production, inclusive of cost of capital, land rent and labour costs (Gordon, 1968). An increase in the price of one of these three factors causes a rise in the price of the commodity (Stigler, 1952). Marx (1976) proposes that the value of commodity is determined by the rate of labour time socially necessary to produce the commodity (Cockshott and Cottrell, 1997; Bryceson, 1983; Mohun, 1984). The surplus time is defined as the difference between the actual time taken to produce a commodity and the extra time taken by the labourer in excess of what is socially required. (Fickey, 2011; Jonas, 2010).

Marx emphasises the role of circuits of value, or more specifically production, exchange and consumption activities, in determining value (Eiss and Pedersen, 2002). Marx proposes that consumers purchase commodities that have a positive use-value, while Ricardo and Smith consider use-value to have no significant economic relevance in this regard (Mohun, 1984; Keen, 1993).

The labour theory of value is controversial, ambiguous and highly contested, highlighting the complexity and diversity of the meaning of 'value' (Gordon, 1968; Bryceson, 1983; Eiss and Pedersen, 2002). The theory is argued not to hold in the 'real world' for a variety of reasons, including the omission of relevant variables such as skilled and unskilled labour; rents and availability of land; the rate of interest on capital and equipment and its depreciation (Stigler, 1952).

The common approach to determining the value of a commodity is through the demand and supply of these goods and service (Stigler, 1952). However, there is empirical evidence to suggest that relative prices and labour values are highly correlated, and thus aspects of the theory are applicable to current conceptualisations of value (Cockshott and Cottrell, 1997). Money is the prevailing commodity exchanged with other commodities in order to determine their exchange value and ultimately their price (Mohun, 1984). This price thus equates the social necessary labour time, divided by the quantity of labour, as described by Marx.

Jonas (2010) and North (2007) call for the reconsideration, rethinking and performance of the concepts of value and circuits of value with reference to alternative economic and political spaces. Lee *et al.* (2004) and Lee (2006) highlight the importance of recognising these concepts as diverse avenues through which economic activity is performed and reproduced within alternative spaces.

Jonas (2010) and Seyfang (2010) suggest the use of time banking as a possible measure of the value of labour in terms of 'time value' or 'surplus time', quality and quantity of labour processes. Time banks place labour time as a measure of exchange or economic activity as opposed to monetary values (Fickey, 2011; Jonas, 2010; Seyfang, 2010). This certainly is a possible approach in determining value within alternative economies.

Bryceson (1983) describes the market as a social institution, where commodities are quantitatively placed relative to other commodities through monetary prices or values. Lee (2006) further indicates how values and circuits of value are socially constructed.

The producer and the consumer interact through the sale or purchase of the commodity. This exchange activity transfers value between the seller and the producer in socially formed, constructed and reproduced circuits or networks of value and thus in terms of social reproduction (Lee, 2006).

In certain alternative economies, such as the CTTE, the seller determines the price of their good or service and the buyer implicitly agrees on this price when a trade takes place. The members of the system thus ultimately socially construct the concept of value. These social relations of value impact the production and consumption activities of the participants and determine the distribution of value within the system (Lee, 2006). In the absence of values attached to commodities, exchange would not take place.

THE VALUE OF MONEY

Money, in various forms, is a fundamental attribute of an economic system, both in defining it and in distinguishing it from another economy (Pacione, 1997). There is value attached to physical and non-physical money that differs across individuals and systems according to its significance.

The value of a currency is commonly transferred to the value attached to goods and services on offer within economies. The value of a currency, the value attached to the exchange activity and the value of the good or service, are worth the benefit gained by economic agents. A localised circuit of value is thus created through consumption and trading activities facilitated by the use of money or currency (Pacione, 1997). The

values circulated through this system are essential to an economy as it drives any form of economic activity.

Seyfang (2000) distinguishes between orthodox and alternative values of money, placing them as competing ideologies that drive economic systems. The orthodox perspective refers to money as a tangible 'store of value', 'medium of exchange' or 'unit of account'. Money is an informative tool for measuring value, however money itself is fundamentally worthless (Pacione, 1997; Seyfang, 2000). The orthodox perspective of monetary value, as described by Seyfang (2000), places economic and social dimensions as separate. Forms of economic activities driven by social, moral or altruistic motivations and are classified as non-economic or regarded as non-existent within economic systems (Seyfang, 2000).

The unconventional value of money is significant in constructing systems as alternative. Nominally, alternative currencies are related to a national currency, where one unit of an alternative currency usually equates to one unit of national currency (Williams 1996). The members within alternative economies, however, value the practice of taking part in economic activity and social interactions (Lee, 2006). The value is not placed on the currency facilitating economic transaction, but rather socially constructed through social, ecological, economic and political activities and norms performed within these systems (Seyfang, 2001; Lee *et al.*, 2004). The flows of value within an alternative system must be of adequate quantity and distribution across both time and space, in terms of what is thought to be acceptable by the members of the system and what is required to sustain the system.

Money is commodified within the formal economy, where it can be bought or sold across time and space through financial mechanisms such as futures (Pacione, 1997). The use of an alternative currency is otherwise symbolic as it functions as a facilitator of social and economic activities. An alternative currency is not a commodity, is not affected by inflation, interest or debt and holds no value beyond a measuring tool enabling trading activity. Alternative currencies are 'scoring systems' that have no value outside the locality (Williams, 1996). The currency can only be used within the semi-closed alternative economy and exchange activities can only occur through direct transactions between members, thus the value is transferring within the system (Lee *et al.*, 2004).

A shortage in the supply of money within the conventional system is a force driving participants towards alternative economies. Individuals' have limited access to monetary wealth in the mainstream economy, where money is described as the tool enabling purchasing activities yet it simultaneously prevents exchange transactions due to supply shortages and limited accessibility (Williams, 1996; Pacione, 1997). The concept of money shortage is eliminated in alternative currency systems where the rate of circulation and the volume of exchange activity within the system determine the supply of an alternative currency (William, 1996). The participants within the economy thus construct the supply of currency within the system.

Materials, resources, metals or alternative currencies are potential replacements of money while economies can function in the absence of money, indicating that money is

neither indispensable nor inflexible (Seyfang, 2000). Alternative currency networks eradicate the use of money, allowing participants holding alternative values of money to meet their needs and overcome the discontent in the conventional economy where orthodox values of money are prevalent.

SURPLUS VALUE

The distributive shares of surplus and how these shares are allocated are of significant importance across economies. There are several distributive theories within the political economy, including Ricardian or Classical Theory, Marxian Theory and Neo-Classical Theory (Kaldor, 1955).

The Ricardian theory is based on two principles: 'the marginal principle' and 'the surplus principle'. The marginal principle refers to the share of rent, whereas the surplus principle refers to the difference between wages and profits (Kaldor, 1955). The Marxian theory focuses on Ricardo's surplus principle, however there are two core differences between the two analytical approaches. Firstly Marx omits the Law of Diminishing Returns from the theory, making no distinction between rent and profits, and secondly, Marx assumes that the supply price of labour, or the cost of reproducing labour, is fixed in terms of commodities. Marx thus argues that the share of profits in output is determined by the surplus of the product per unit of labour above the supply price of the cost of labour, and thus surplus production necessary (Kaldor, 1955).

Marx (1969) defines surplus value as the profit or value appropriated over and above the equivalent price of labour (Fickey, 2011; Jonas, 2010; Keen, 1993). The price of

production is the value of the production process and the surplus value in terms of rent, profit and interest (Yaffe, 1976). Marx states that the realisation of profit is the result of the exploitation of workers occurring at the point of production, not at the point of exchange (Fickey, 2011; Jonas, 2010).

Marx's theory further suggests that commodities are the source of surplus, as labour efforts in the production of commodities extend beyond the socially required time (Keen, 1993). Keen (1993) argues that labour cannot be the only source of surplus value and indicates that the use-value of the commodity is an additional source of surplus value.

The neo-classical value and distribution theory derives from Ricardo's theory of marginal productivity (Kaldor, 1955). The first difference lies in the use of the principle of substitution, where Ricardo places labour and land as substitutes while the neo-classical theory extends the law of substitution to all factors of production. The second difference refers to the variability of the factor earning surplus, where Ricardo suggests a fixed factor will earn surplus while neo-classical theory proposes that the variable factors in supply will obtain surplus. The neo-classical theory propositions that the distributive share between wages and profit depend on the market and the degree of competition. (Kaldor, 1955).

The different organisation of the production and distribution of surplus plays a significant role within alternative economies. Economic relations, inclusive of surplus labour, surplus value and surplus product, are key aspects of alternative economies

(Gibson-Graham, 2005).

Gibson-Graham (2005) refer to the distribution of surplus in alternative or diverse economies as 'liberally distributed' or unattached to specific activities. Participants of alternative economies are commonly in control of resources and the distribution of surplus, realising the various several social and economic possibilities within alternative spaces. The surplus is not denied to participants and varies across place, space and time.

Gibson-Graham (2005) suggests that generating and distributing surplus with intentions to expand productivity, improve standards of living, improve working environments and wellbeing, and ultimately contributing to community development and strengthening capacity of community economy, may greatly benefit economies. Surplus can, however, be invested in such a way that obscures ethical and moral choices of the participants and undermines community economies (Gibson-Graham, 2005). Going forward is necessary to determine the possibility that arise when economic participants are in control of surplus distribution, or when labour is performed in the absence of exploitation (Jonas, 2010).

THE PERFORMANCE OF TRANSACTIONS

There are multiple forms of transactions and exchange activities performed across different economies (Gibson-Graham, 2006). The exchange activities fundamental to alternative economies are embedded with social transactions that reflect cultural

norms. These characteristics differ from those in the conventional economy, where social and economic paradigms are often portrayed as mutually exclusive.

Alternative or non-market transactions, together with market transactions, make up diverse economies (Gibson-Graham, 2006). Berndt and Boeckler (2009) and Lee *et al.* (2008), however, argue that the socialisation of markets makes it impossible to separate the market from the non-market. Social values are shaped through the market and economic activities are significant to the non-markets. There is a need to avoid the classification of economies within the binary framework, but rather to recognise the overlapping nature of transactions across economies.

2.3. CRITIQUES OF ALTERNATIVE ECONOMIES

Alternative economies are theorised as self-reliant, autonomous and sustainable systems that operate within localised spaces. In practice, alternative systems encounter several challenges in meeting these proposed characteristics, most commonly due to the persistent reliance of individuals and economies on the mainstream economy. These systems do, however, face criticisms for lacking alterity and thus restricting the movement away from the dominant capitalist discourse. Alternative economies are open to contestation and continuously changing and thus may overcome these shortcomings by performing alterity through other avenues or by transforming over time (Wright, 2010). Additionally, there is no clear distinction between alternative and mainstream economies. Economies rather fall somewhere in between, portraying overlapping capitalist and non-capitalist characteristics. There will therefore inevitably

be similarities across economic systems.

THE EXTENT OF AUTONOMY

Alternative economies are often classified as independent, separate or parallel to the capitalist economy. Lee (2006), Fickey (2011) and Berndt and Boeckler (2009) however, recognise several linkages between conventional and unconventional economies. The community members and the performance of economic practices commonly remain dependent on the mainstream economy, restricting the autonomy of alternative economies. The dynamic boundaries and overlapping characteristics of conventional and unconventional economies are unavoidable and place alternative economies as divergent to, as opposed to separate from, the mainstream economy (Seyfang, 2001; Leyshon *et al.*, 2003; Mance 2007).

Alternative economies that are formed through influences of the formal economy may undermine the movement away from the dominant capitalist system and contradict the inherent objectives of the system. The formation of a re-established form of capitalism or a system complementary to the economic order of the dominant discourse is considered contradictory and ambivalent within alternative spaces (Lee *et al.*, 2004; Pacione, 1997). The ambiguity may be to the detriment of alternative economies, depending on the degree of similarities across these economies and the values the members place on the deviation of these characteristics from the mainstream economy.

Alternative economies generally intend not to replace the mainstream economy but

rather to pose challenges to its dominance. Fuller and Jonas (2003) refer to these economies as 'alternative oppositional' economies, where something of value is provided that differs from the mainstream or 'alternative-additional' economies, which are positioned in addition to the conventional economy. 'Alternative-substitute' economies, on the contrary, are regarded as a replacement of the mainstream economy (Fickey, 2011; Lee, 2010). Jonas (2010), Lee (2006) and Gibson-Graham (2006) emphasise the role of 'alternative-oppositional' economies in offering social values that differ from the conventional economy, such as a sense of community, solidarity and the performance of social interactions. It is equally probable for alternative economies to achieve autonomy if placed as divergent or substitute to the mainstream.

The reference to alternative economies as 'alternative' or 'diverse' is in itself problematic. This may feed into the action of 'othering', where these economies are considered peripheral, less efficient, irrational, unproductive and relatively powerless against the dominant mainstream economy, limiting the room for viable alternatives to emerge (Healy, 2008; Lee, 2006; Gibson-Graham, 2006; Fickey, 2011). The dependence of alternative economies on the mainstream further accentuates the dominance of the capitalist discourse.

The attainment of autonomy is thus restricted by the monolithic dominant discourse performed through the capitalist system, through the position of alternatives as inferior or secondary to the mainstream and through persistent linkages between the conventional and unconventional economies. The extent to which these consequences are felt is context specific and differs across alternative economies.

ACHIEVABILITY OF SELF-RELIANCE AND SUSTAINABILITY

Alternative economies are commonly defined as self-reliant and sustainable systems of consumption, production and exchange across space and time (Picione, 1997; Lee, 2006). Amin *et al.* (2003) argue that these economies do not necessarily require self-reliance to achieve sustainability, but rather that the dependence of the economy falls over time. Various alternative economies face limitations in the extent to which self-reliance and long-term sustainability is achieved in practice (Williams, 1996; Williams and Windebank, 2000; Samers, 2005; Arthur *et al.*, 2010).

The long-term sustainability of alternative economies is arguably restricted by the perceptions of these economies as utopian, idealistic, unrealistic or inferior ideas that are detached from political or economic realities, while the capitalist economy is portrayed as the established dominant economy or the 'real economy' (Fickey, 2011; Amin *et al.*, 2003; Gibson-Graham, and Roelvink, 2011). The inability to meet these expectations limits the social, political and economic re-imaginary of these economies (Amin *et al.*, 2003).

There are other perceptions of alternative economies as viable practices that confront the mainstream economy and incorporate social, economic, political and cultural dialogues. The recognition of these economies opens spaces for further re-imagining and transforming these economies, contributing to the long-term sustainability of alternative economies (Gibson-Graham, 2003).

There are, however, internal conflicts within alternative economies further restricting the ability of these systems in reaching their full potential and achieving long-term sustainability. Members hold inconsistent understandings of the system and are incentivised by opposing factors (Lee *et al.*, 2004). The ability to transform the mentality of the participants from a capitalist mind-set to one of progression and openness is circumscribed by the persistent conventional attitudes and practises performed within alternative spaces, reaffirming the dominance of the mainstream economy (North, 2005). Diverse perception and considerations of alternative economies may not be to their detriment but rather contribute to their complexity and possibly to a more resistant and sustainable system.

The localisation and socialisation of alternative currency systems is argued to contribute to its sustainability (Gibson-Graham, 2006). Arthur *et al.* (2010), however, indicates how the social aspects are commonly marginalised in favour of business objectives, causing tensions in systems where the social dimension is highly valued by participants. It is essential to recognise the social aims of such economies and to continuously integrate the social aspects with economic and political factors to meet the dynamic needs of the members and thus achieve long-term sustainability.

The criticisms of alternative economies act to challenge previous definitions of such systems while confronting the power of these economies. This has allowed a more detailed exploration of these economies and has resulted in flexible definitions that shape these systems. The contestation and modification of these economies will likely contribute to its long-term sustainability (Fickey, 2011).

SCALE: GLOBAL VS. LOCAL

Spatial discourses and the concept of scale are important in identifying the role of local and global spaces in social and economic processes within alternative systems (Gibson-Graham, 1996; Oberhauser, 2005).

It is of importance to recognise that alternative economies are performed and reproduced across multiple scales, however alternative economies are more commonly known to occupy localised spaces (Gibson-Graham, 1996; Oberhauser, 2005). The local is then transformed through, or in relation to, the national or the global, highlighting the intersection across different scales and thus the unsuitability of a binary approach to scale (Massey, 2004; Gibson-Graham, 2006; North, 2005; Jonas, 2010).

The expansion from a localised to a global space is often thought to question the alterity of these economies. Economies, however, occur at a variety of scale and thus an appropriate scale is constructed for specific alternative economies, complementing their developmental needs and members' desires (North, 2005). The concept of scale has impacts on the transactions, participation and exchange activities within economies. Scale does not represent a hierarchy of space or place and the size of a system does not determine its success, power, dominance or ethnicity (Oberhauser, 2005; North, 2005; Jonas, 2010).

There are, however, values and detriments attached to the polarised concept of local and global (North, 2005). Locality is associated with place and perceived as important

from a community-oriented perspective, whereas actors advocating openness in economic activity and globalisation, value global reach associated with space (Massey, 2004). Locality may improve community wellbeing, enhance local development, maintain traditions, promote ethical behaviour, increase confidence in the system and provide resilience from exogenous factor, such as currency fluctuation, inflation and exchange rates (Gibson-Graham, 1996; North, 2005, Massey 2004). Local places are often associated with minorities and impoverishment (Massey, 2004). The localisation of alternative economies additionally contributes to the contestation of the globalised capitalist discourse (Lee *et al.*, 2004; Pacione, 1997). Locality may, however, conversely limit the volume of transaction and hinder members' access to a wider range of resources. It is important to move away from these generalisations and realise the overlapping nature of global and local or space and place (Massey, 2004).

Sheppard (2002) and Massey (2004) indicate that local places are often portrayed as more meaningful than global spaces, which are often described as abstract. Massey (2004) argues that global spaces are not merely abstract but are characterised by groundedness, realness, embodiment and meaningfulness. These characteristics are therefore not only associated with local places, as often believed.

An alternative economy is more likely to achieve long-term sustainability when it reaches its critical capacity; where there are a significant number of participants taking part in interconnected social and economic networks. Once the system achieves this capacity, the members become more incentivised to create and maintain exchange relationships within the system. The capacity of alternative economies is determined

through the size of the system, the amount and range of goods and services that are on offer and the value that the members place on participation in the system (Kranton, 1996).

Practices performed within economies may succeed at some scales but not at others and thus it may be necessary for a system to alter its scale (North, 2006). The concept of scale is not fixed and therefore the rescaling of a system may face several challenges. The ability to adjust scale is not only dependent on the number of members entering and remaining in the economy but also on the volume of transactions within the system. Economic, social and political processes may hinder rescaling, while powerful actors or other systems and networks may influence the choice of scale.

The place, space and scale in which alternative economies operate are relational concepts that are socially produced through connections, networks and circuits of value within political, social, cultural, economic and geographic paradigms (Massey, 2004; Jonas, 2010).

Massey (2004) further links the spatial identities of place and space to notions of social and political responsibilities and connectivity. Responsibilities commonly lie within local spaces or places that are nearest to us. Here the concepts of home, place and locality are understood as places where one must advocate care and responsibility. These responsibilities tend to diminish as one moves outwards towards regional, national or global spaces (Massey, 2004). Massey (2004) highlights the need to move away from this consideration and open up possibilities of extending these

responsibilities to spaces through connections, relations and interactions.

It is essential to ensure the appropriate scale is determined for alternative economies: one that allows the system to be self-regulating or self-sufficient. The appropriate scale will most likely incorporate aspects of locality as well as sustain global reach, falling somewhere between the distinct or polarised local and global spaces. In order to achieve this, a system must overcome the political, economic and social challenges limiting the construction of the desired scale.

A PARADIGMATIC SHIFT: MODERNITY TO POST-MODERNITY

The transition from a customary approach of socially embedded, self-regulated trade and exchange towards a modern approach of dis-embedded economies is referred to Karl Polanyi's theory of a "The Great Transformation" (Seyfang, 2000, Block 2003; Polanyi, 1944). In a description of the emergence and centrality of the market economy, Polanyi (1944), suggests that reciprocity and redistribution, apparent prior to the Great Transformation, were replaced with economic rationality, competition and profit and utility maximising behaviour. Alienation and isolation succeeded social cohesion and a sense of community. The concept of money shifted from local importance to global dominance, the economy became homogenous and characterised by individualism, distant relations and insufficient interactions.

Modernity promotes liberation, rationality, individuality and complete knowledge. Cova (1997) suggests that the social dimension is regarded to hinder individuals and is

commonly ignored from a modernist perspective. Modernity, closely linked to capitalism, portrays individuals as central and most significant, with social relations and communities as secondary. With the transformation to modernity came discontent with the economy, which led to the emergence of alternative and diverse economies and a paradigm shift from modernism to post-modernism.

The inefficiencies and market failures of the mainstream economy resulted in a shift towards re-introducing a more customary approach, as Polanyi predicted, one that recognised the integration of social and economic spheres in economic activity. A diversity of economies emerged, embedded with social practices and interconnectivity facilitated through money or alternative currencies (Seyfang, 2000). The recognition of the social embeddedness of economic exchanges and the re-introduction of reciprocity, social cohesion, community and mutuality in alternative economies, contribute to the paradigmatic shift.

Post-modernism rose as a response to growing discontent in the dominant economy (Moulaert and Ailenei, 2005; Crossley, 2002). Various philosophies and networks of individuals holding diverse beliefs and opinions drove the shift to post-modernism. There were several power relations at play and available resources. However, the diverse incentives collectively supported the movement through a shared space of contestation of the mainstream economy and a common desire for change. Individuals' desires for social networks of interconnectivity, connections and shared values were amongst the incentives that fuelled a paradigm shift (Crossley, 2002). Berndt and Boeckler (2009) recognise this shift as a social or cultural turn contributing to the

deconstruction of modernity's binaries between the economic and the non-economic, and the emergence of post-modernism.

Post-modernity is defined as modernism that further makes room for pluralism, a movement away from the fragmentation of the political, social and economic. Post-modernism similarly promotes rationality and individualism while re-composing the social and re-introducing of the importance of communities (Cova, 1997). Alternative spaces emerged through the desire to sustain or re-introduce structures of social practices and values, contributing to the movement from a modernist paradigm to one of post-modernism (Arthur *et al.*, 2010).

This approach provides a somewhat distinct comparison of the economy before and after "The Great Transformation" as well as deeming the transition from modernism to post-modernism as smooth or unambiguous. It is important to note that this does not hold in reality. Economies do not fall into a modernist or post-modernist category. Economies are highly complex and vary according to their social embeddedness, while maintaining aspects of both modernism and post-modernism across economies (Block, 2003). New alternative economies are additionally continuously emerging, while the alternative economies have existed for centuries and are continuously changing. There is, therefore, no distinct transition from modernism to post-modernism.

2.4 THE SOCIAL DIMENSIONS OF ALTERNATIVE ECONOMIES

Economic activity is interconnected with social relations and values across space and

between places. The use of a dualistic approach to socialised systems would therefore restrict the powers of these economies (Oberhauser, 2005; Lee, 2006; Berndt and Boeckler, 2009). The social values are shaped through the formation of communities, family values, friendship and trust. The role of these concepts in forming economic activity serves to frame alternative economies as socialised systems. The importance of the social dimension of alternative economies results in re-thinking and re-framing social values and their role in the economic sphere.

THE IMPORTANCE OF 'THE SOCIAL'

It would be insufficient to deny the social aspects of alternative economies, where the social dimension is paramount to the system and embedded in economic activity (Neamtan, 2002). Ignoring the social element of an economy may leave the system powerless in light of capitalist economies, and excluding social values and process from an economic analysis denies the true complexity of the system and limits its geographical and political imagination and transformation (Arthur *et al.*, 2010; Lee, 2006).

Economies diverge through the various ways by which individuals understand values and shape norms (Gibson-Graham, 2006). Marxism suggests that within a capitalist economy, the market determines the significance and formation of values (Berndt and Boeckler, 2009). The market holds power and influence over the social, reproducing the separation of social aspects from economic and political spheres causing tension between the conflicting paradigms.

A socioeconomic approach, on the contrary, describes economies as socialised where it is impossible to separate the economic and the political from the social context. This integrated approach moves towards a framework that eliminates the binary between the market and non-market. All markets are classified as networks where social identities are continuously constructed and communities are formed through economic activity. The amalgamation of the pillars of economic activity are performed and constructed through multiple and complex relations, determining the significance of social relations in economic activity. (Berndt and Boeckler, 2009).

Alternative economic spaces are platforms through which the embeddedness of social and economic factors is inevitable (Arthur *et al.*, 2010). The characteristics underlying alternative markets are socially constructed and are actively reproduced through power relations, economic exchanges and social interactions between the members of the community (Dickens *et al.*, 2001; Hughes, 2005; Berndt and Boeckler, 2009). Alternative economies are relational systems that encourage democratic participation, restore a sense of community and are driven by the desire for trust, connectivity, personal interactions and confidence within a system (Amin *et al.*, 2003; Lee *et al.*, 2004; Williams and Windebank, 2000; Seyfang, 2001; Fitzpatrick and Caldwell, 2001). These social attributes are generated through social capital, of which the opportunity to accumulate is often lacking in the conventional economy (Williams, 1996). Dissatisfaction of the capitalist economy has provided room for the emergence of economies of moral and ethical value, organised around social relations (Arvidsson, 2009).

LINKING TO THE SOCIAL AND SOLIDARITY ECONOMY

The community-oriented and socially embedded nature of alternative economies positions these systems in a similar space to the solidarity or social economy. Alternative economies and the social and solidarity economies are located in the “Third Sector”, which lies between the public sector, the private sector and the civil-sector, while overlapping with all three (Kay, 2005; Lewis, 2007; Moulaert and Ailenei, 2005). There are several definitions of these economies, highlighting the context specific and dynamic nature of such systems. Alternative currency systems are positioned within both alternative economies and within the solidarity economy.

There are several networks, communities and economies within the third sector, connecting and operating in spaces and through processes, encouraging unity through co-ordination, collaborative efforts and sufficient flows of communication. (Fitzpatrick and Caldwell, 2001; Moulaert and Ailenei, 2005; Mance, 2007). The third sector emerged as a result of unsatisfied needs, frustration and discontent in the mainstream economy coupled with a surge of new ideas and theories, a common theme across the emergence of alternative economies (Moulaert and Ailenei, 2005). The key objective driving these economies is to re-establish social values and ecological goals in economic activity, resulting in a paradigm shift towards democratic, pluralistic and inclusive economies that promote community well being (Lewis, 2007).

There are common principles shared among participants of alternative economies and the social and solidarity economies. These include the re-introduction of solidarity,

reciprocity, economic stability, independence and autonomy, bottom-up approach to governance; democracy, full participation, social justice and empowerment of members, collectivity, alternative distributions of surplus and wealth and the movement away from the dualism of economy and society (Neamtan, 2002; Kay, 2005; Moulaert and Ailenei, 2005; Lewis, 2007; Dacheux and Goujon, 2011).

Neamtan (2002) considers the social and solidarity economy to have contributed, and continuously contributes, greatly to the movement of social transformation, democratisation and solidarity in economic activity. This transformation is inclusive of global resistance movements such as the community movement, women's movement, labour movement, environmental movement, cooperative movement, fair trade movement and local development movements. The social and solidarity economy is a platform instrumental to re-embedding social and environmental aspects into economic and political activity, contributing to the re-imagination of economies in a diversity of forms.

SOCIAL CAPITAL: THE ROLE OF TRUST, RECIPROCITY AND COMMUNITIES

Trust, mutuality, reciprocity, like-mindedness, family, friendship and community are key components of social networks and drivers in the accumulation of social capital (Stone, 2001; Kay, 2005; Dacheux and Goujon, 2011). The degree of social cohesion and solidarity within a community is dependent on the extent of social interactions, the trust among the members, the available social networks to the members and the norms or cultures underlying the community.

There are various wide-ranging definitions of social capital. Stone (2001) describes social capital as a resource in which a community member can invest, engage in or save to make use of when necessary. Social capital is multifaceted as it comprises both relational and structural components and differs across space, scale and place. Social capital is enhanced and accumulated by exchange activities occurring through physical and online interactions.

Ethical capital, similar to social capital, is described as the ability to partake in a community characterised by solidarity and a sense of belonging (Arvidsson, 2009). This sense of belonging boosts community members' confidence, contributing to their self-realisation and self-esteem.

Social interactions are open and relational processes constructed and enhanced through the formation of friendships, trust, mutuality, reciprocity and shared ideals, norms and values. The greater social capital used, the more social capital is created, as opposed to the depleting nature of other forms of capital (Kay, 2005). Social capital requires combinations of other forms of capital, as it is limited in its ability to solely enhance community wellbeing. There are thus significant intersections between forms of social, economic, ethical and political capital.

Kay (2005) illustrates that social capital is often noticed when non-existent within a community. For example, community members are more aware when there is a lack of trust and mutuality in a system or when members do not share common beliefs and

values than when these factors are present within a social network. The absence of social capital is more likely to contribute to dissatisfaction within an economy than the presence of social capital is to result in contentment.

Social trust is a norm underlying social relations and is essential for a well functioning society. This trust includes social trust, which is the trust in established relationships; generalised trust, which is the trust of strangers due to shared norms or values; and trust in the system (Stone, 2001).

Kay (2005) found that individuals that share similar values, ideals and desire for a sense of belonging are more likely to form trusting relationships. Trust and shared values and norms contribute to greater accumulation and development of social capital, forming communities and social networks (Williams, 1996). Social networks further contribute to overcoming uncertainties and lack of trust between community members, indicating a cyclical effect of trust within communities (Berndt and Boeckler, 2009).

Reciprocity within communities and networks additionally contributes to the generation of social capital (Dacheux and Goujon, 2011). Stone (2001) refers to reciprocal relationships as norms where members are aware of the requited trade expected to take place. There are norms of reciprocity between family, in kin and between non-family networks, which differ according to cultural norms and values, members' willingness to help each other and the cohesiveness of the community (Stone, 2001).

Trust, mutuality, reciprocity and community are significant in forming the social dimension of alternative economies. These factors contribute to the accumulation of social capital made available for all members of the community, including those who feel marginalised from social networks within the formal economy.

POWER RELATIONS

Political and social powers influence the social and economic structures and processes within economies. Social capital has the potential to result in exclusion, suppression, undermining and overpowering of other individuals, perhaps due to dissimilar values or beliefs (Kay, 2005; Wright, 2010). Solidarity and communities may lead to isolation, intolerability, divisiveness and social stratification from other individuals outside a community (Amin *et al.*, 2003). These power relations may lead to greater inequalities, a decline in the diversity of participants within a system and may hinder entrants into the community. The consequences of political and social power may or may not be desirable for the existing members. However, it is essential to recognise the power relations at play within alternative spaces and understand the ways in which these power relations are implemented through interactions and relationships (Wright, 2010).

The sense of community within alternative economies has a broader power in creating responsibilities for its members. Members develop relationships of reciprocity, where they feel the need to give back to community and contribute to the overall wellbeing of its members. There is an obligation to act in a trustworthy and honest manner and

there exist a set of rules, which are usually unwritten in the form of norms. Those who violate their commitments commonly face penalties that are unlike those in the mainstream economy and impact one's reputation, character or their ability to partake in the system (Arvidsson, 2009; Wright, 2010). This links to Massey's argument, explored earlier in the literature, that responsibilities often lie within local spaces.

Members of the community shape and socially construct these responsibilities, however an imbalance of power may result in some individuals having greater impacts than others. The power in these obligations and responsibilities differ across economies.

BONDS OF FAMILY AND FRIENDSHIP

Stone (2001) and Creed (2000) illustrate the significance of family and friendship in the development of a community. The support and love of family and friends are described as core incentives driving economic participation in alternative economies whereas culture, friendship and love are often removed from the mainstream capitalist economy (Fitzpatrick and Caldwell, 2001; Dacheux and Goujon, 2011).

An individual's family status or circumstance impacts their social, economic and political activities and thus determines their involvement and participation in communities. An economy may comprise of diverse individuals placing different degrees of importance on family values and the impact these have on economic activity. The significance of family additionally varies across cultures, family formations, family relations and economic structures (Creed, 2000).

The role of the family values in economic activity has evolved over time in accordance with dynamic political paradigms and economic systems. Creed (2000) suggests how a rise in the capitalist system shifted economies from cultural and community-oriented to systems driven by individualism. The movement away from the mainstream economy, allowing the re-introduction of social and cultural values into economic activity, has enhanced the significance of family values, specifically in smaller communities (Creed, 2000).

Family structures additionally contribute to the performance of economic activities through gender roles and family relationships (Gibson-Graham, 2006). Alternative economies are platforms commonly driven by social equity. Oberhauser (2005) observed that women's participation in alternative economies is often greater than men's. This could have a significant impact in improving gender equalities across economies. The structure of the economy, the decision-making process and the distribution of surplus contribute to the degree to which social justice is achieved.

THE CONSTRUCTION OF SOCIAL VALUES

Values are normative concepts that are dynamic and continuously changing. Social and economic practices frame and reproduce values within economies (Lee, 2006; Arvidsson, 2009). Values are attached to ideas, norms, relations, practices or objects and are embedded within social relations. These social relations determine an individual's consumption, production and exchange activities, which results in the

circulation of exchange through value networks.

Values differ across social formations, spaces, places and time and are dependent on the individual, the community and the surrounding environment (Lee, 2006). The values, ethics and morals of individuals are not reflected in the monetary value attached to goods and services but rather through consumer behaviour and the social organisation of a community (Arvidsson, 2009).

Alternative economies are spaces where individuals can form and express their values (Seyfang, 2000). Alternative values transform the shaping of social values and the re-framing of these values in an economic domain.

The sustainability of an economy can be achieved if the values produced within the systems attract individuals to the economy while preventing other members from leaving (Lee, 2006). The level of value required is determined by the extent to which individuals' beliefs and objectives are complemented within the system. These beliefs, values and differ across individuals and economies. A system therefore encompasses a variety of different social values and beliefs that exist and are produced simultaneously (Lee, 2006).

THE ENVIRONMENT: SOCIAL AND ECOLOGICAL DIMENSIONS

There are social and ecological motivations driving members' participation in alternative economies. Eco-social welfare is an ideology motivated by social and

environmental justice and sustainability prevalent in alternative economies (Fitzpatrick and Caldwell, 2001). The values that the members form and express within alternative economies commonly reflect their regard for the eco-social welfare.

Alternative currency systems aim to promote sustainability, ecological reform, decentralisation and a sense of community, transforming economic activity in a way that differs from the mainstream. These systems are thus platforms for performing environmentalism and social democracy, attracting members who value socially ethical and ecologically sustainable economic activity Fitzpatrick and Caldwell (2001).

Fitzpatrick and Caldwell (2001) separate members' incentives into four categories, including economic self-interest, economic altruism, ecological self-interest and ecological altruism. They found that most members value the ability to financially support others and receive help in return, while similarly valuing the opportunity to contribute to ecological reform, improving their wellbeing and that of future generations. The values attached to the perceived altruistic behaviour further generate self-esteem, self-confidence and self-worth of members. The incentives and values formed within alternative economies are therefore driven by altruism and self-interest (Fitzpatrick and Caldwell, 2001).

The social elements attached to economic activity are undeniable. Alternative economies recognise and materialise social aspects within economic domains, significantly contributing to members' participation in such system. The members value the accumulation of social capital characterised by trust, mutuality, solidarity and

reciprocity and the ability to form and express social values within economic spaces. Social and ecological values drive economic formations and the performance of economic activity. The extent to which members value the social dimension within economies varies across individuals and economies, however it is undeniable that the disregard for the social denies the true complexity inherent in economies and deems as analysis incomplete.

This literature review has aimed at covering a range of considerations surrounding alternative economies. The broader debates investigated include the role of alternative economies in economically and socially empowering the participants, the formation of values, circuits of value, the value attached to money and surplus value within alternative economies and the performance of labour, remuneration and transactions underlying economic exchange activities within alternative systems.

The purpose of the analysis of broad debates surrounding alternative economies is to determine the position of alternative economies in social and economic reality and to determine the overarching characteristics of alternative economies. In reality, these characteristics do, however, vary across economies and are not specific to alternative, capitalist or non-capitalist economies.

Alternative economies are defined as self-reliant, autonomous and sustainable systems that operate within alternative spaces. The critiques of alternative economies regarding these characteristics are investigated in reviewing the surrounding literature. In practice, alternative economies are ambiguous and do not fall into these defined

categories but rather perform various economic activities similarly to those performed in the mainstream economy. The alterity of these economies are thus questioned through the reliance on the conventional economy.

The final section of literature refers to the social dimension of alternative economies. Alternative economies are socialised, where economic activities are interconnected with social relations and values across space and between places. The concepts of communities, solidarity, family values, friendship and trust shape the social values realised within alternative spaces. The importance of the social dimension of alternative economies results in re-thinking and re-framing social values and the link between the social and the economic.

CHAPTER 3: RESEARCH METHODOLOGY

The Cape Town Talent Exchange captured my attention when I took a Cultural Geography course as an elective for my Masters coursework. My research journey began when I was given an assignment on alternative economies and came across the CTTE through the Cape Town Magazine, an online website. I found the concept of alternative economies intriguing and noteworthy, particularly with my background in business and economics, of which focused on the capitalist paradigm and the orthodox economy.

While being drawn to the economic aspects of the CTTE, it was impossible to deny the social dimension and alternative values the members attached to being part of a community. Through undertaking the assignment, I discovered the depth and complexity of the system: a system that required greater analysis and a more comprehensive understanding. Together with my supervisor, Shari Daya, we decided to expand the project into a Masters Dissertation, allowing for a deeper analysis of the numerous and dynamic forces contributing to the formation of this economy.

My objective is to contribute to bridging the gap between what Fickey and Hanrahan (2014) refer to as the “believers” and the “critics” of alternative economies. This is achieved through highlighting the ideological debates within the academic realm and moving beyond theory into the political, cultural and economic planes of practice to further discover the underlying drivers of alternative systems.

Through undertaking my research project I have noticed that generally there is a lack of awareness of alternative economies and often a degree of intolerance for these systems. This calls for an increase in the availability of information on alternative economies, allowing individuals an opportunity to take part in, or to better understand these systems.

There are additionally challenges experienced in overcoming consumerists and capitalist norms or practices and in imagining and realising these economies. My intention is to contribute towards overcoming these limitations by bringing to light the existence of alternative economies within South Africa, allowing a greater understanding of these systems and contributing to the practical construction of these economies. I hope to achieve this through analysing a specific example of a functioning and present alternative economy, the CTTE. This moves beyond the use of language, rethinking and imagining, as proposed by Gibson-Graham, and towards creating space for greater possibilities for diverse and alternative economies in both theory and practice.

3.1 CONTEXT: THE CTTE

The Community Exchange System (CES) is a community-based trading system classified as a non-profit organization. The Cape Town Talent Exchange (CTTE), a Community Exchange System (CES) based in Cape Town, is classified as a global contemporary trading network that offers an online community-based economy where goods and services are physically traded with use of an alternative currency, the Talent (T).

The CTTE is an initiative of the South African New Economics Network (SANE). SANE was founded in 1994 as a Non-Governmental Organisation (NGO) that aims to support and encourage new and alternative economic policies and practices that promote economic justice within South Africa. The CES initiative was in accordance with the New Economic thinking, which promotes community, sustainability and social equity and justice.

The CES initiative began in Cape Town in 2002 with the formation of the CTTE, but was launched to the public in 2003. The founders of the CTTE were a group of political 'monetary activists', as referred to by Tim Jenkins. The founding team included Tim Jenkins, the main programmer of the system who acts as chief administrator of the CES; Don Northcott, one of the first chairmen of the CTTE; Dawn Pilatowicz, a frequent trader and administrator of the CTTE and Ken Meek, a frequent trader and legal advisor of the CES.

The initiative was considered part of the 'new money movement', which was a response to the realisation that a new form of money was needed due to the instabilities of the formal monetary system. The CES was a complementary exchange system that provided a new way of 'doing' money through a democratic system where its participants control value within the system.

The CTTE experienced quick growth and expansion fairly shortly after its launch. The idea became nationally recognised and requests were soon received from other areas of

South Africa requesting to form CES initiatives. At the end of 2003, there were six systems in South Africa and by 2004 there were eleven. In 2005, eleven LETS groups based in New Zealand joined the CES, altering their exchange platform from manual to online.

Originally, the CES initiatives were unable to trade with other systems due to technical limitations. However, these challenges were overcome and today The Cape Town Talent Exchange (CTTE) operates locally in Cape Town while providing both national and international exchange opportunities through the use of the Internet or the virtual nature of the CES. Remote trading allows members of the localised economy to link to national and global spaces. The CES is the first global network of local exchange groups.

An aim of the CES is to bridge the gap between the needs and wants, bringing these people together and provide a system that does not marginalise participants. The launch of the CES was a mere nine years following the end of apartheid in South Africa. The repression of opposition and racial discrimination and segregation that took place from 1948 to 1994 left the South African economy a polarised system, where more than half of the population were not active in the formal economy as they lacked access to national currency despite their relevant skills or needs. The consequence of past social and economic struggles had left the majority of the population in poverty, while the minority held majority of the wealth. Although the economic structure has begun to shift, there still remain social and economic struggles amongst the minority population.

Another objective driving the CES initiative was to protect the community from

economic downturns and monetary fluctuations experienced in the formal economy. Tim Jenkins suggests that the economic situation in the formal economy is reflected in the activities and membership of the exchange systems. If there is an economic decline, the exchange systems experiences expansion in memberships and trade, however and if there is growth and prosperity in the formal economy, the growth of the exchange system decelerates.

The economic situation in South Africa was unstable due to political, economic and social impacts of apartheid. South Africa saw the rand at its strongest in 2005, after which it continued to decline until its weakest in 2009, partly as a consequence of the 2008 global financial crisis. The growing interest in the CES and the exponential expansion from its launch in 2003 onwards is thus in-line with Jenkin's theory. There remain uncertainty and unpredictability of the formal economy, which may be an explanation for the continuing growth of the CES, particularly in South Africa.

At the time of writing, there are 46789 active user accounts on the CES server. There are 750 active Community Exchange Systems operating in 70 different countries worldwide, as of the 30th of October 2014. Figure 1 below provides a global map indicating the location of these activate CES. 59 of the 750 CES are located in South Africa. The locations of several of these systems are shown in Figure 2.

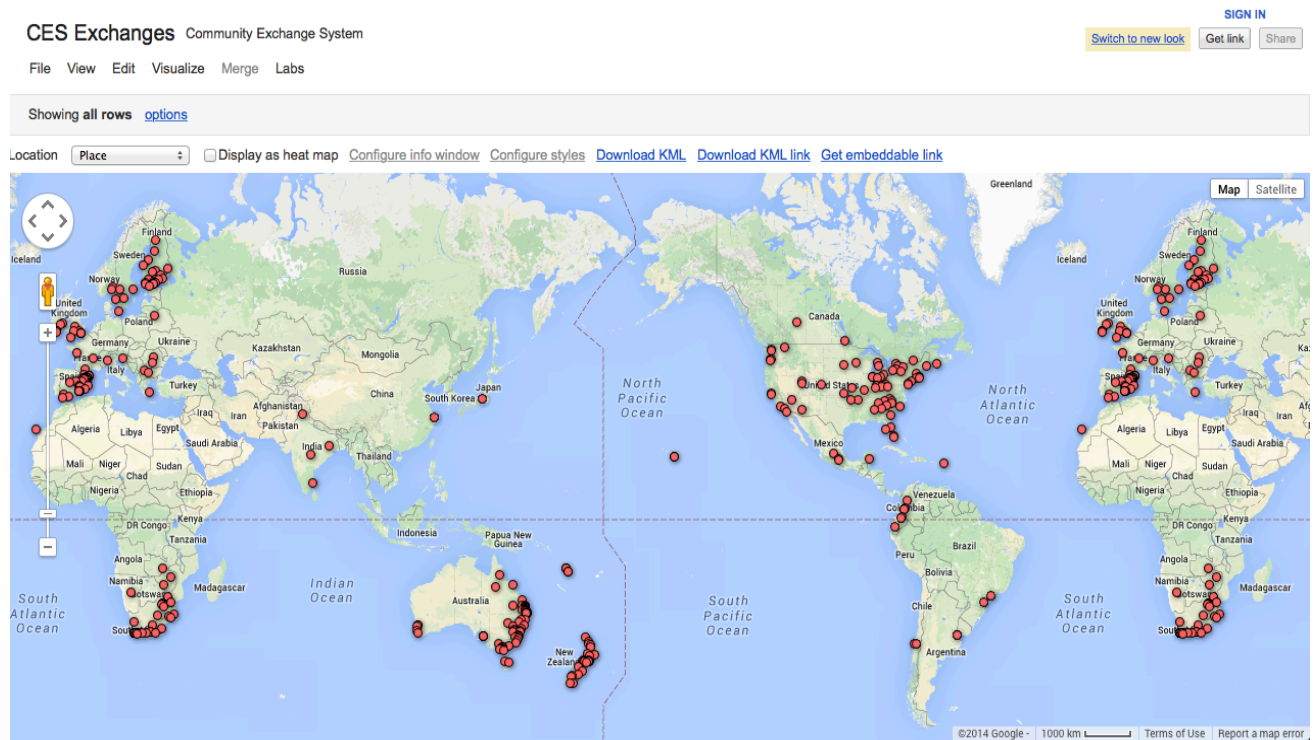


Figure 1: Map of the Locations of the Community Exchange Systems Worldwide

Source: <https://www.google.com/fusiontables/DataSource?snapid=S290109szZi>



Figure 2: A Map Indicated the Location of Several CES within South Africa

Source: <https://www.google.com/fusiontables/DataSource?snapid=S290109szZi>

The CES is an open system and the registration process is simple and accessible. A user can join the Community Exchange System or alternatively register a new exchange as a CES. There is a set of terms and conditions to which the participant must accept before filling in an online application form. In registering, it is compulsory to offer at least one good or service to ensure that every member is able to give back to the system. The offering can be in the form of a gift, an explicit swap for another specified good, a barter offering, a direct exchange or simply an offering valued in Talents or in both Rand and Talents, provided the Rand value is less than the Talent value.

The CES website (www.ces.org.za), through which information is accessed, is merely a medium for exchanging information and managing exchange systems, accounts and transactions. Each individual automated system has its own currency, administration, rules and ways in which they operate.

The homepage of the website, prior to personal login, provides users with information about the CES, an example of a trade, motivations driving the system, frequently asked questions and answers, other articles on the CES and money and links to other alternative exchange systems. The user is able to access news regarding community exchange through the newsletters. There is a demonstration site where users can observe how to use the site to gain maximum benefits from the system. This is, however, fairly out-dated in comparison to the current site.

Beyond the homepage, once the member has logged in to the specific CES page, they

have access to the lists of offerings and wants; the ability to add offerings or wants to the lists; the CTTE terms and conditions; information about upcoming markets; the opportunity to inform and invite a friend to join the CES. There is information about trades; personal records or balances of account; statement of account; full list of member balances; contact details and account details; announcements and groups.

The offerings list is divided into twenty-nine sub-categories, however there is also an option to search through all the offerings at once. There is a search form available to allow a nation-wide search of goods and services. The information on the website is current in terms of the accounting records, stats and offering or wants lists. Members can change their settings or hide their account if they will be inactive for a certain period.

The CTTE has a social media Facebook page and a Twitter account, under the name CES10, where you can access information, news regarding the system, view the goods and services on offer, find out about upcoming markets and socially interact with other members of the Cape Town Talent Exchange.

The members of the CTTE are allocated trading numbers. They each have an online account allowing the community members to regulate the system and track purchases or offers made. Once a transaction has taken place, trading sheets or slips, accessed from the website, are exchanged, debiting the buyer and crediting the seller. The trading is transparent as members are able to view list of offerings, wants lists, account balances, general trading statistics and individual member's profiles. The transparency

and openness promotes honesty and trust while discouraging exploitation of the system.

The exchanges that take place are personal in the sense that offers and requests are a reflection of members' skills, capabilities and desires (Lee *et al.*, 2004). Trading activities are direct and unobligated, as exchange requires consent from both the buyer and the seller, while the buyer is in no way obligated to the seller but rather to the system as a whole. They have committed to offering goods and services to other members within the community.

A market takes place every month to allow physical trade of goods and services, while networking and strengthening relationships within the community. (Coetzee, 2010). There are newsletters distributed regularly allowing members to maintain a sense of community. These provide news updates such as the emergence of new CES schemes, information regarding monthly market and current tips on maximising the use and efficiency of current systems. Members have access to the newsletters associated with other CES schemes around the world. From the website, it seems as though a newsletter from the CTTE has not, however, been distributed since 2012.

There is an absence of authority figures or a hierarchical structure, as money is not created or distributed. Instead, a point-based or score-keeping system is implemented. The system is considered to be independent and automated, as it generally runs itself. There is, however, a committee of people who take on certain roles. The administrative body, referred to as 'watch-dogs', have a role in generating accounts for members who

sign up and regulating the system in search of members who have exceeded their limits.

There is a limit scheme in place where members are technically not permitted to reach a certain level of debit or credit. The restrictions were introduced to avoid exploitation and to encourage a cyclical flow of Talents throughout the system. These levels are, however, flexible to a certain degree allowing members to exceed the limits if need be. The administrators will regulate these particular participants to ensure that they do not violate the limits to the detriment of the system.

The CTTE veers away from the mainstream capitalist discourse that currently dominates the economy. The unconventional system, driven by the motto "*Your wealth is your talent*", is community-based, focusing on individuals' skills and aiming to retain wealth within society, where it is created. The CES is additionally seen as an information-based economy as opposed to the money-based conventional economy. The alternative system challenges the conventional monetary system through introducing an online production and consumption trading structure that facilitates the emergence of a virtual currency and provides means of interactions within the community.

The CES is similar to other trading systems, such as the Mutual Credit Trading System, Trade Exchanges, Time Banks and more specifically the Local Exchange Trading system (LETS). These systems make use of alternative 'hard', physical currencies, time as a currency or a virtual currency, as adopted by the CES.

3.2 A CASE STUDY APPROACH

The research method I undertook was a qualitative case study approach. A case study approach is appropriate due to the small sample size and the context specific nature of the CTTE. The method is complementary to the data collection methods used, specifically interviews and direct observation, while it restricted the ability of the researcher to influence the behaviour of the participants (Baxter, 2008).

Case studies are used for a range of purposes, the principal uses in this dissertation being that of exploratory, descriptive and explanatory research, as explored by Yin (2003). Gluckman (1961) refers to the use of 'extended case studies' for analysing social actors, processes and structures over time in a series of connected events. This approach was adopted in this study through an investigative and illustrative analysis of the social structure and values attached to the members' participation in the exchange system across time. Case studies are additionally contemporary in nature allowing for a current and relevant research study.

The method used in this analysis is a single-case study approach as opposed to a multiple-case study. Single-case studies are investigations of an individual or a group of social actors, whereas multiple-case studies make use of replication, deliberately selecting cases that are likely to have similar outcomes. Given the timeframe of eighteen months, the scale limitations of this dissertation and the multiple data methods used, the single-case study approach was appropriate in allowing an in-depth and focused analysis of the alternative values attached of the CTTE members, while providing the

opportunity to observe the broader context of the system.

3.3 THE DATA COLLECTION PROCESS

I undertook a qualitative data collection process that comprised of relevant primary data from field research, including semi-structured interviews conducted with members of the community and participant observation. Furthermore I made use of secondary data from the CES website, I analysed previous 'You-Tube' interviews with Tim Jenkins and I personally registering with the CTTE and actively took part in trading and exchange activities. These resources allowed for a greater understanding of the exchange system and a more in-depth analyse.

A qualitative data collection approach is appropriate for this case study analysis due to the overlapping social and economic characteristics driving the CTTE. The use of quantitative data collection or economic instruments would overlook the community-based attributes of the economy and the social values incentivising the participation of the members. This would deem the analysis incomplete. Qualitative data collection and analysis was therefore more suitable as it allowed me to provide a description of the actions taken by the social agents, those being the members of the exchange community (Pacione, 1997).

In total, I conducted forty semi-structured interviews, an additional interview with Tim Jenkins, one of the founders of the CTTE, and an interview with Liane Greeff, an administrator and coordinator of the markets. These interviews were conducted at the

monthly markets that took place at the Novalis Ubuntu Centre, in Kenilworth, Cape Town. I attended the markets from April 2013 to April 2014.

I did not undertake any interviews at the first few markets I attended. Instead I purely observed the participants and gained an understanding of the market processes. I learnt how the system worked by asking members informal questions, observing economic and social transactions that took place and registered online to take part in trading activity. I purchased one good and one service; the former being a photo frame and the latter a tarot card reading experience. By joining the system and participating in the exchange activity, I gained a greater understanding of the economy from a member's perspective. The trades I took part in occurred prior to my formal data collection or before I conducted any interviews to ensure that the answers provided by the members were not affected by the potential of trade taking place.

I found the market place to be a friendly and welcoming environment. The members of the community were willing to talk to me, both during my informal visits and throughout the interview process. Initially, I felt like an outsider observing the market from a distance but once I became familiar with the process and the people within the system I became more comfortable and confidence in approaching the members. I did have to take the initiative to talk to the members rather than the members approaching me or initiating conversations, however once I introduced myself the members were friendly and I felt at ease talking to them.

The sample I interviewed were the members of the CTTE who attended the monthly

markets as opposed to randomly soliciting a population from a greater number of participants found on the online medium of exchange. The reason for this lies in the discrepancies between the different forms of exchange transactions and the inconsistency of the incentives driving the online members and those members who physically attend the market. The semi-structured, face-to-face interviews used to collect data from the market goers would have been incomparable to a structured online survey, which would have included pre-determined and methodical questions.

The members who attended the markets varied significantly in terms of race, culture and age. There were young children and teenagers who attended, mainly with their mothers, as well as middle-aged and elderly members. There were very few young adults. The members were mainly women, however there were several men who participated. Through my observation I found that members were not treated differently based on their age, race or gender by other members. The members' behaviour towards me additionally did not vary according to their demographic profile. There were, however, members attending the markets for their first or second time who did not take part in social interactions to the same degree as the members who attended the markets regularly. These members did, however, express that they found the other members welcoming and friendly. Throughout my data collection process I found the atmosphere an upbeat and busy environment, with multiple social and economic interactions taking place simultaneously.

As a foreigner, born in Zimbabwe and raised in Zambia, I felt in no way treated differently than how I assume I would have been treated, had I been a South African. I

have, however, completed my schooling and my tertiary education in South Africa and, without a distinctive accent, it is not immediately evident that I am not from South Africa.

My perceptions of the market may, however, have been different to a South African's perspective due to my disassociation with the social and economic history of South Africa. Due to my age and my upbringing, I did not experience the impacts of apartheid first-hand and was not exposed to the extreme segregation that accompanied the regime. My observation of the social and economic interactions, performed through equal treatment amongst the members regardless of race did not come as a surprise to me. The friendliness and sociability of all the members towards me as well as amongst one another, was welcoming but not in anyway unusual. However, someone who had experienced apartheid or even exposed to its consequences, would likely have had a different experience and reaction than I did.

Before conducting any interviews, I acquired ethical clearance from the Science Faculty. I initiated each interview by introducing myself, explaining my research project and asking permission to continue with the interview. All the members I approached were willing and enthusiastic about participating in the interview process. Several of the members however preferred to remain anonymous in the study. In respecting their confidentiality wishes I made use of pseudo names for these particular members.

I undertook individual interviews with members who had set up a stall offering goods or services and with members who attended the market as consumers. I used a

recording device to capture the interview, while also having a pen and paper ready for supplementary information in the form of written notes. Prior to the interview, I had a general plan of inquiry through the use of some prepared questions, however the informal nature of the interviews allowed the conversations to flow and thus for flexibility in the questions asked and the answers given in each interview. I ensured that the questions were open-ended and allowed the members space to interpret and answer the question as broadly or narrowly as they saw fit. This was in order to ensure that the question and answers provided were not pre-categorised or coding of the data generated was not predetermined.

The interview questions allowed the members to reflect on their incentives for joining the CTTE as well as describing their experience with the system and the implications being a member of the CTTE has on their broader lifestyle. I found the interview process sufficient and appropriate in acquiring the relevant data for my analysis. I thoroughly enjoyed the data collection process where I met people from diverse background who held a variety of beliefs and values, further strengthening my interest in the system, the participants and alternative economies on a broader spectrum.

3.4 DATA ANALYSIS

The data analysis approach was inductive in nature, which involved developing and building on interpretations and theories as opposed to beginning the analysis with an existing theory or hypothesis. I took a thematical approach to the data analysis process, where I transcribed recorded interviews and coded the data while extracting relevant

themes. I organised the data according to the questions I had asked across the participants and thus conceptually categorised the empirical data. I undertook a pattern-matching process, which involved matching the themes found in the data to patterns in theory, enhancing internal validity (Mouton and Babbie, 2001).

I found that the data was saturated to an acceptable point, in that most of the members who attending the monthly markets had been interviewed and the interviews across the different participants had began to become redundant. This was a clear indication of the adequate sample size of forty-two members. It is essential to note that the data collection process cannot ever be purely saturated as there are new members continuously joining and attending the market from one month to another. Additionally, new interviewees more than likely have unique contributions to the data (Josselson and Lieblich, 2003). I ensured that the findings were confirmable, or as a result of the inquiry, as opposed to biases of the researcher and furthermore that interpretation of the data was reasonable and rational in the sense that similar understandings would have been made by other interpreters (Mouton and Babbie, 2001).

3.5 LIMITATIONS AND DELIMITATIONS

There were several limitations and delimitations faced when conducting the data collection process and analysis. The number of members attending the markets was lower than previously estimated, limiting the amount of interviews that could take

place. As previously mentioned, the population was restricted to members who attended the market as opposed to including online members. This delimitation restricted the number of interviews and potentially constrains the generalisation of the results to the greater population.

The choice to participate in the system may have ethical consequences, affecting the data collection. Thus I purposely limited trading activity and took part in the system in the months prior to the data collection. Participating in the system resulted in greater trust with the participants as I was given membership status as opposed to viewed as an outsider. This relationship was beneficial and complemented the unstructured nature of the interviews. I additionally received membership access to the website and received regular emails describing the offers and requests of the members. This was helpful in gaining greater understanding of the system.

Several steps were taken to ensure that the data collected was credible and transferable to a more generalised population in the broader context of community exchange systems and alternative economies. I undertook a judgement procedure where a case study was chosen due to its unique characteristics and to fill a gap in the literature pertaining to alternative economies in South Africa. There exists a plethora of surrounding literature of LETS systems worldwide, which have similar characteristics to the CTTE and thus reliable case studies. This highlights the possibility for reliability and transferability of the findings. Yin (2003) proposes that 'analytical generalisation' is substitute to 'statistical generalisation' in the context of case studies, where pre-existing knowledge and theory is used as a framework to analyse the case

study and determine the results thus achieving linkages, generalisation and plausible replication.

Another step taken to ensure generalisation of the results was to gather data from a heterogeneous group of participants, allowing the data to more accurately reflect the broader population. This was the case in the CTTE where the members of the community varied greatly, indicated explicitly by their demographics and implicitly through their interview responses. The use of triangulation or conduction of multiple methods, such as interviews across time and participant observation, is furthermore significant in enhancing validity and reliability in research (Mouton and Babbie, 2001).

It is important to recognise the various organisational forms across economies, where both capitalist and non-capitalist economies may be undesirable and destructive. There exist alternative economies characterised by illegality, immorality, corruption, illegitimacy and dishonesty, many of which remain invisible and unregulated (Pavlovskaya, 2004).

The size of this study limits the extent to which alternative economies are explored through theory and the depth to which the case study is analysed in practice. There is room for further evaluations of the CTTE, the CES and other alternative economies operating in South Africa or across borders. These studies will contribute to expose existing alternative economies, improving acknowledgment, accessibility and understanding of these systems.

CHAPTER 4: ALTERITY OF THE CTTE

The Cape Town Talent Exchange (CTTE) reflects economic and social characteristics that deviate from those underlying the mainstream economy. The distribution of surplus associated with economic activity within the system, the position of the CTTE relative to the public and private sectors and the localisation of the system help to inform the movement away from the hegemonic economy, meeting the depiction of alternative economies explored by Amin *et al.* (2003), Leyshon *et al.* (2003), Gibson-Graham (2006), North (2007), Healy (2008), Lee *et al.* (2008), Berndt and Boeckler (2009), and Fickey (2011). There are, however, several challenges faced by the CTTE, including several persistent linkages and similarities with the dominant economy that limit the alterity of the system.

While it is essential to determine the position of alternative economies, such as the CTTE, relative to the public and private sector; the state and the market; the informal and the formal market; the capitalist or non-capitalist economies or the market and the non-market, it is again crucial to emphasise and acknowledge that these economies do not fall into one of two binary oppositions but are rather placed along a spectrum between these defining characteristics (Wright, 2010; Amin *et al.*, 2003; Gibson-Graham, 2006). The conceptualisation of the economy as one of radical difference, as opposed to within a binary framework creates room for alternative economies to emerge and transform (Gibson-Graham and Roelvink, 2011).

4.1 LINKS AND DISJUNCTIONS

The distribution of the surplus from economic activity is a fundamental characteristic defining any economy, contributing to labour and community structure and remuneration methods (Wright, 2010; Healy, 2008). Alternative economies intend for surplus to be allocated in an alternative manner, thus contributing to enterprise diversity (Wright, 2010).

CEs, and more specifically the CTTE, are neither profit driven nor make use of a physical currency but rather a virtual debit and credit arrangement facilitated through the use of an alternative currency, the Talents. The method of exchange performed contributes to an input of wealth into the community and shapes the economy as alternative. The distribution of surplus, the use of an alternative currency and the way in which economy exchange activities are performed contribute to the alterity of the system that differs from the output-oriented and profit maximising nature of the capitalist system.

The members of the CTTE are able to participate in the system regardless of their employment status providing them with purchasing power and control over their labour efforts, as explored by Pacione (1997). The members value the insignificance of an employment status; particularly unemployed and self-employed members who are commonly marginalised in the formal economy where they lack control over their economic participation and their position in labour structures.

Alternative economies are perceived to allocate the space between the public and the private sectors (Amin *et al.*, 2003). While it may be the case for some economies, a clear sector binary is not applicable to all systems. The CTTE is classified as a social service, as it is a non-profit organisation. It does not clearly lie between the market and the state but rather in a separate sphere that incorporates aspects from both sectors.

The potential role of the state in the CTTE is recognised by Jenkins (2004), who proposes that if the system grows to a substantial size within South Africa, the state will become a participating member. The state will be able to partake in trading activities and exchanges with other community members. It is emphasised that this will not detract from the values and objectives underlying the system and that no hierarchy will be formed where the state is positioned as superior to other members of the community.

The inclusion of the state may be detrimental to the bottom-up, community-oriented approach to governing the system (Fickey, 2011; Jonas, 2010; Amin *et al.*, 2003). However, if the introduction of the state can be achieved in a manner that does not introduce an authority hierarchy, promote centralised control, facilitate power relations and that the inclusion of the state is not associated with an introduction of economic instruments, such as taxes and interest prevalent in the capitalist economy, then it is justifiable to argue that the state's presence will not be to the detriment of the system. It is essential that the control of the system is not transferred to the state, but maintained with non-state actors or within the community.

The control of the CTTE currently lies with the community and not with private, national or global bodies, as it does within the formal system. The members value the elimination of centralised control and the establishment of a community-controlled system, stating how they experience 'greater freedom' and 'liberty' in their economic behaviour and actions. This bottom-up, community approach allows the community members to construct and transform the underlying characteristics of the system, as explored by Berndt and Boeckler (2009).

The members determine their debit or credit account balances through performing exchange activities and control their consumption patterns and the goods and services on offer, ultimately forming circuits of value and determining the flow of Talents within the system.

A fundamental objective of the system is for its members to achieve a zero balance account in the long term, displaying equitable giving and receiving behaviour. This reciprocity creates a sense of trust, strengthening the social aspects driving participation in exchanges. The zero-balance element additionally eradicates the concepts of rich and poor, which are hierarchal notions that result in greater inequality. A member of the community in credit is not considered wealthier than a member in debit. This lack of economic order and status further reflects the community approach to the system, allowing the members greater influence over their economic activities, remuneration methods and position within the system.

The achievement of a zero-balance by the members is not essential for the operation

and success of the system. Although it is ideal for members to avoid buying or selling too much as this slows down the movement of the alternative currency and thus hinders the circulation of value throughout the system.

Due to the one-to-one debit and credit system, the exchange system experiences a zero balance despite the account positions of the individual members. The system is not jeopardised if a member leaves the system when they are in debit or credit as a members would have been credited when the other was debited and vice versa. There is, however, a clause in the terms and conditions stating that if a member were to leave the system they would have to pay what they owe to the system in the equivalent rand value.

The distinct distribution of wealth, non-profit-maximising behaviour, the use of an alternative currency and community control within the system contributes to the alterity of the CTTE.

4.2 THE IMPACT OF SCALE

THE ROLE OF THE MARKET

The CTTE was the first CES in South Africa and is considered the most successful exchange network in the country, with the greatest number of trades and highest membership volume. Founding and community members perceive the localised and community-oriented market to be one of the main factors fuelling this success. The

Talent Market of the CTTE takes place monthly, providing members an opportunity to materially offer goods and services as well as to expose the members to what is being providing. Other Community Exchange Systems operate purely online without the accessibility of a physical market, whereas the CTTE provides an online medium for exchange in addition to the market.

When asked whether they preferred physically attending the monthly markets to online interactions, most of the members responded in favour of the market. Several members value the physical of being present at the market for trading purposes as it convenient and allow members to take part in quick and simple exchanges. The members are also able to observe offerings and see their purchases prior to buying them. A member, Robin (2014), prefers the market as it involves impulse buying, which is more desirable for the bric-a-brac offerings at his stall.

On the other hand, a few of the members express a degree of dissatisfaction for the online platform due to the repetition of goods and services and the inconvenience involved in arranging the delivery of goods or providing the services. Some members value both platforms indicating that the online medium is preferred for performing trading activities while the market is better for physical interactions, social connections and networking. For example, Robin (2014) expresses his appreciation for both mediums of exchange through the following quote: *“I look online at what there is on offer and what I can buy but it is better to be at the market to physically see what is on offer. There is too much online, although it is useful and convenient to have the online option.”*

North (2005) argues that the scale of a system has an undeniable affect on transactions, participation in the system and exchange activities. The lack of success of other CESs operating across South Africa may be due to the over-localisation of these systems. This may be due to the inability of the system in meeting the critical mass to operate self-sufficiently; the lack of goods and services on offer reducing the likelihood of the meeting members' needs; the greater geographical dispersion of the members in these areas and the perceived exclusive demographics of the members in the system, where the system may be perceived to cater purely for environmentalists, the unemployed or for women (Williams, 1996).

There is hope to introduce more markets around the country to ideally give the existing community members the opportunity to take part in the physical trading aspect of the CES and to expand the exchange systems within these areas. The successes of these exchange systems, however, depend on the scale of the communities, where systems succeed at some scales but not at others. Additionally, North (2006) indicates how the rescaling of a system may be constricted by various social, economic and political factors.

The reasons for preferring the market to the online platform thus varies across individuals, however the localisation and community-oriented nature of the market is valued by the members and thus contributes to the success and the construction of the system as argued by North (2005).

INTERSECTION OF LOCAL AND GLOBAL

It is essential to analyse the importance of the power of the local and of the global while recognising the overlapping natures of these characteristics. The inherent aim of the CTTE is to be sufficiently localised in maintaining a community-based approach, while subscribing enough members to maintain adequate exchange volume and achieve self-reliance.

Locality thus does not indicate parochialism or narrowness but rather community-orientation or local identity (Gibson-Graham, 2006). In addition to the social values attached to this localisation, locality additionally provides resilience from external factors within the conventional economy, such as currency fluctuations, interest and inflation, as explored by Seyfang (2000).

North (2005) and Gibson-Graham (1996) argue that a system cannot be too localised as it will jeopardise its self-sufficiency while it cannot be over-globalised as this may eradicate the sense of community and solidarity achieved through economic activity. The CTTE community can be viewed as having reached its critical mass at which point the requests for goods and services correspond to the available offers, evident in the degree to which the system is self-reliant and autonomous. The system additionally thus meets the community members' wants and needs while generating solidarity, trust, mutuality and providing the members the opportunity to accumulate social capital.

The national and global reach of the CTTE is significant in placing the local in a wider dialogue. The CES statistics state that there are 750 CES schemes around the world, 59 of which are situated within South Africa. Trade activities can thus take place across national and global scales. The operation of the system on a national and global scale emphasises the intersections of different scales and the need to move away from the dualism of global versus local, as emphasised by Gibson-Graham (2006) and North (2005).

The community members have the advantage of using their Talents earned in Cape Town to acquire goods and services in other countries. For example, a member of the CTTE made use of their Talents earned in Cape Town to pay for accommodation and food while travelling to New Zealand, thus depicting the extent of the global reach of the CES.

The possibility to trade globally is valued by the members and thus has importance in the construction of the system. North (2005) describes these members as actors that advocate openness in economic activity and globalisation. The opportunity for community members to travel without the stress of being able to afford it is highly valued by the members. The national and global reach of the system has furthermore broadened their social circles and exposed them to different cultures. Liz (2013) described her experiences using her Talents in both Hermanus and Nature Valley as “an opportunity to make connections and have opportunities outside of Cape Town”.

Most of the members have not, however, used their talents outside of Cape Town.

Numerous members expressed their desire to do so, either outside of Cape Town or during their travels outside the country. Two of the members have already planned their trips, one to Australia and the other to China, where they hope to make use of their talents. Neither of these members has, however, undertaken research to determine which markets or systems exist within their travel destinations. This may indicate a possible difficulty or inconvenience of using Talents outside the CTTE.

There are additionally limitations to the use of Talents during travel, specifically within the conventional system. For example, transportation fares such as air tickets, train tickets and bus tickets are not purchasable with Talents and thus the use of Rand is still necessary. This serves to question the reliance of the system on the capitalist economy, limiting its self-reliance.

Only two of the members interviewed were not aware of the ability to use their talents outside of the CTTE, however both participants showed great interest in this opportunity and further expressed their desire to use their talents elsewhere. Jason, (2014) and Britney (2013) however stated that they had never used their talents outside of the market and had no desire to do so. Local trading is thus much more prevalent within the CTTE than global trading, which corresponds the classification of alternative economies.

THE ROLE OF THE INTERNET

The CES is reliant on the Internet and technology to integrate and connect the members

of the community and to allow both local and global trade. Jenkins (2013) highlights the substantial role of Internet as the platform on which the materialisation of the CTTE occurred. He refers to the mid-1980s, or early 1990s as an era where people could afford personal computers and had greater access to information and connectivity, contributing heavily to a rise and development of the CTTE and an increase in the popularity of the concept of exchange.

Despite the political situation and adverse social effects of apartheid at the time, the South African economy had experienced an economic boom in the early 1990s. This was supported by a perception of a movement towards political stability (Clark and Worger, 2014). The 1980s saw urbanisation of the majority non-white, South Africans along with improvements in the demographic trends for this majority, creating a façade of a movement towards greater social equality. However, in reality the racial segregation and discrimination continued (Clark and Worger, 2014). The early 1990s saw the end of apartheid and economic recovery due to substantial reform and the first democratic elections of 1994.

The racial discrimination left the majority in poverty, while the minority experiencing economic prosperity and access to goods, such as computers. The CES recognised the discrepancies between the access to wealth of the minority and the majority. Jenkins ensured that the internet-based aspect of the CES accommodated those who did not have access to computers through interfacing with the system with the help of local-area coordinators, who are trusted users able to perform economic activities on behalf of other. This gave a range of South Africans the opportunity to access the CES.

The system experienced a significant shift from a centralised, hierarchal system that relied on administration for the organisation of cheques and ledges, towards a more community-run system that was less administrative through its reliance on the Internet.

The CES additionally transformed consumerism from a monetary or price based system to a relationship-based community. This was achieved through the ability to interact with others members online as well as physically at the monthly markets. The impact of the Internet on the CTTE is different to the transformation experienced in the mainstream economy. The use of the Internet in the capitalist economy encouraged a transformation from a system with a degree of personal interaction towards an economy based on impersonal exchanges. The ability to purchase goods and services online allows members of the mainstream economy to perform economic activities with other participants without having to personally meet them. The CTTE, on the contrary, allows members to interact on a more personal level through the online services. The members usually have to arrange a meeting to exchange their goods and services, re-introducing the personal and physical interaction commonly associated with economic activity. The convenience and simplicity of arranging this meeting is improved through the online communication.

Coetzee (2010) highlights the importance of online interactions and relationships experienced in order to create a sense of community. The virtual aspect or the Information and Communication Technologies (ICT) used by the CES therefore enhances, rather than deconstructs, both the global and the local through spaces of

community currency. Gibson and Graham (2006) similarly state the importance of the Internet in the emergence of social economies, promoting greater interactions and connectivity. Online interactions may enhance interconnectivity between individuals or may lead to isolation and alienation from physical connections.

Coetzee (2010) further investigates the role of technology in this social transformation, identity formation and cultural interaction in the modern information society surrounding the CTTE. The social transformation of a web-based community currency emphasises the role of the relationship or social centred approach of the CTTE in providing an alternative to or movement away from the mainstream economy. Coetzee (2010) explores how the Internet and technology can allow for social interactions and construction of identities through social networks. The literature supports the use of the Internet in forming conceptions about one's self and others through conveying online identities, reputations and reciprocity. These aspects ultimately determine trust in and respect for others while impacting user's self-esteem or self-worth.

The online exchanges taking place in the CTTE do not, however, portray the characteristics of an online social network therefore limiting the construction of community members' identities through this platform. There is an option to upload a profile picture on the members' account pages, however the majority of the members do not make use of this feature. Many of the members do not interact socially through the website and purely make use of the online platform for trading purposes. The online aspect of the CTTE is vital in its role in the social transformation, but is limited to the degree to which community members are able to construct their social identities

and interact to build relationships.

The social interactions taking place at the monthly markets allow members to construct these social identities. This highlights the importance of these markets in contributing to the underlying social values attached to the CTTE through the localisation of these spaces. The localisation of the CTTE promotes the community-oriented aspect of this alternative economy, where as the global reach allows for a degree of openness in economic activity and exposure to other communities.

Amy (2014) makes use of the Internet to promote her business internationally through performing what she calls “Soul Pictures” both in the CES and the conventional economy. She feels that there is “no such thing as time and space in spirit”. The only details she requires are the clients’ name and date of birth. This allows her to reach her international clientele. She states that at the time of the interview she had two pictures waiting to be sent to a client in Tanzania and one in China. The use of the Internet bridges the gap between the global and the local, emphasising the elimination of the binary and the de-construction of the concept of place in connecting individuals.

4.3 OPPORTUNITIES AND CHALLENGES

Williams (1996), Seyfang (2001) and Williams and Windebank (2000) indicate that there are several challenges prohibiting the participation in, and success of, community-orientated exchange systems. These include the small size of the schemes limiting the availability of goods and services and the volume of transactions; the

inadequate accessibility of such a system in specific areas, partly due to the dispersion of members; the lack of knowledge of the existence of such a system which links to inadequate marketing and information distribution; the view that these systems are inappropriate for certain individuals; the perception that these systems are exclusive to a certain type of person and the sentiment that individuals do not possess the appropriate skills and offerings or do not desire the particular goods or services offered by the system.

The challenges faced by alternative economies can be overcome through effective and efficient community organisation, community development and policy changes. Policy makers in some developed economies, such as in the United Kingdom and Australia, have recognised the potential scope of alternative currency systems in encouraging local development and local purchasing. Income generated through certain schemes has therefore been incorporated in development proposals and policies through initiatives that grant members a competitive advantage, such as tax exemptions and unaffected benefits, social security or welfare programmes (Williams, 1996; Seyfang, 2001; Pacione, 1997).

Policy applications of alternative currency systems are more applicable to developed economies and are not yet established in South Africa. There does, however, exist a possibility for future impacts of these systems on policies and development in South Africa. A solution to many of the criticisms of these economies is to ensure government and local authorities support of such initiatives across developed and developing economies (Seyfang, 2001).

Additional solutions to the criticisms of alternative economies include increasing the number, availability and accessibility of economies; increasing the size of the system; expanding the marketing schemes and information flow to broader social groups; increasing the diversity of goods and services on offer and improving the recognition and acceptance of a wider range of skills and talents (Williams, 1996; Seyfang, 2001).

A factor further hindering the success of alternative systems is that several members maintain a capitalist mind-set impacting their economic activity and social behaviour within these economies, as explored by Lee *et al.* 2004. For example, Annie (2014) states *"I haven't bought anything with my talents yet. I would buy but I need to earn talents first"*. This approach highlights a conventional economic concept of first having to accumulate monetary wealth or savings before having the ability to purchase goods or services. The capitalist mind-set reinforces the dominance and hegemony of this domain.

The CTTE attempts to alter the mind-set associated with conventional money and introduce a new way of 'doing' money, which eliminate the concepts of accumulated wealth and savings. The CTTE aims to provide its members the ability to freely purchase goods and services without the pressures of needing financial wealth. The aim is to rather achieve a zero-balance account as emphasised by Jenkins (2013), *"There is still this mentality that selling goods equates to making money and saving which is perceived to be good. Instead people should meet the buying and selling balance to make the most of system."* The mentality of the members, and their subsequent economic

behaviour, requires a transformation away from a capitalist influence in order for the system to achieve its objectives and realise its full potential.

The alternative distribution of surplus, the locality and the position of the CTTE are fundamental characteristics forming the system as alternative. The alterity of the system is however limited through certain challenges faced and existing similarities with the conventional economy. Although these linkages are not detrimental to the system, the CTTE may benefit from greater detachment from mainstream economy to further challenges to its dominance, which would moreover create room for the emergence of similar alternative economies.

CHAPTER 5: CHARACTERISTICS OF THE CTTE

An alternative economy can be defined as an economic system that operates separately or independently from the capitalist economy through the use of a substitute currency, the performance of divergent economic activity and the representation of characteristics that differ from those of the conventional economy (Picione, 1997; Lee, 2006; Healy, 2008). The objective is to provide a self-sufficient economy that promotes greater wellbeing of its members. The CTTE portrays a degree of self-reliance and sustainability, however there are apparent contradictory and ambivalent dependencies of the system on the conventional economy. Leyshon *et al.* (2003), Lee (2006), Fickey (2011) and Berndt and Boeckler (2009) explore these linkages with reference to broader alternative economies.

The CTTE is described as an economic system that provides its members with an alternative space to participate in economic activity (Jenkins, 2013). The trading platform that is facilitated by the use of a virtual currency adds to the unconventional nature of the system. This provides a stream of value in the community, connecting the members through its alterity. The alternative characteristics of the CTTE contribute to the self-reliance and sustainability of alternative economic practices through the lens of the movement from a globalised, hegemonic economy within capitalist and modernist paradigm, challenging economic dominance and making room for a heterogeneous economy in a post-modern and post-capitalist space.

The CTTE does not aim to replace the mainstream economy, however it does intend to

challenge its dominance. It is this approach that deems the system 'an alternative oppositional' or 'an alternative-additional' contrary to 'an alternative-substitute' (Fuller and Jonas, 2003). This approach will allow for a degree of dependence on the mainstream system, placing the CTTE as divergent from, as opposed to parallel to, the dominant economy (Seyfang, 2001; Mance 2007).

5.1 SELF-RELIANCE AND SUSTAINABILITY

The CTTE is limited in the degree to which it portrays characteristics such as self-reliance, self-sufficiency and independence. The currency, Talents (T), relies on the South African Rand through a one-to-one exchange rate. The value of the goods and services offered for exchange are based on the monetary value of these products and services within the formal economy, however the price is ultimately decided upon by an agreement by the seller and the buyer. The divergence of the CTTE system from the dominant capitalist economy is therefore restricted.

The CTTE aims to restrict and later diminish the reliance of the rand over time. Jenkins (2004) clearly emphasises that the use of the Rand as a foundation for the Talents is merely a reference and that the CES hopes to deviate from this attachment over time. The CTTE committee constantly attempts to eliminate the Rand from the system through campaigns, however members are persistent in re-introducing the national currency and causing a domino effect where other members feel the need to do the same.

Jenkins (2004) further argues that the use of the Rand as a basis for the Talent value of goods and services provided is merely due to the common understanding of this medium of exchange. Exchange systems such as the Local Trading Exchange System (LETS), the Mutual Credit Trading System, Trade Exchanges or Time Banks value their goods or services using time, a 'basket of goods' or other alternative currencies. Arguably, these exchange systems similarly price their offerings in terms of a universal value that relates to the monetary value in the conventional economy.

Many of the members expressed that they do not and cannot rely exclusively on the CTTE and thus partake in both the conventional and unconventional economies. These members seek employment or currently hold jobs in the formal economy, where majority of their income generation and economic activities take place. The CTTE is perceived as a secondary economy where Amy (2014), a member of the system, refers to her participation as a 'hobby' as opposed to a means for survival. The members remain heavily dependent on the conventional economy, which may be potentially jeopardising to the long-term sustainability of the CTTE, as emphasised by Gibson-Graham, (2006).

Several members offer their goods or services at a price inclusive of both the Rand and Talents in order to cover their costs collected within the conventional economy. Their reasoning that the goods and services they offer within the CTTE make use of ingredients or products purchased within the mainstream economy. For example, members who offer massages or reflexology use products and oils bought with rand, while members offering food purchase their ingredients in the rand economy. The use

of both the rand and talents diminishes the objective of the system and hinders the flow of talents through the system, thus restricting the ability of the system to achieve independence.

Several members did express their disapproval for the use of both currencies within the system. Jason (2014), in particular, is disheartened when members use both the rand and talents as he feels as though they do not have faith in the system. The restrictions of the use of both currencies is therefore recognised by the participants, most of whom desire a movement towards a more independent system.

The members additionally rely on the conventional economy due to financial and economic purposes. For instance, Jason (2014), highlights how his reliance on the CTTE is restricted due to his existing debts within the conventional economy, of which he cannot use talents to overcome. Financial ties or obligations to the conventional economy therefore limits members' full participation in the exchange system and hinders the self-reliance of the system.

The goods and services on offer within the CTTE additionally limit the system's potential for autonomy and long-term sustainability. The system provides a wide range of basic goods and services including accommodation, extramural education, entertainment, business services, labour and assistance, transportation, arts and crafts, second-hand books and clothing, appliances, food and drinks and holistic practices such as reflexology. These goods are referred to as 'random', 'unnecessary' and 'arbitrary' by the members and vary from meeting basic needs to luxury needs. There is a lack of

necessary goods and services to meet the members' every-day consumptive needs. For instance Liane (2014) states that *"you cannot buy bread and milk at the market, but you can get a massage"* while Begetter (2014) highlights the need to rely on the conventional economy for utilities such as electricity, insurance and medical aid. This results in the members turning elsewhere to meet their needs, such as to other alternative economies or to the conventional economy (Williams, 1996).

This reliance of the members and of the system on the formal economy may be driven by the dominance of the capitalist economy or through the shortfalls of the CTTE in meeting these members' needs and the resultant lack of confidence in the system. For example, several members find difficulty in grasping the concept of using Talents in place of the Rand as they feel as though they are 'losing' their money in the exchange system. Lee *et al.* (2004) explores the difficulty members experience in transforming their mentality from a capitalist paradigm to that of alternative economies, emphasising the dominance of the mainstream economy. The mainstream economy holds power as an already established economy whereas members can opt-out from alternative economies.

Jenkins (2013) recognises the limitation of the system in providing a means of survival and explains how many of the members participate in the system for fun, acknowledging that the system does not serve their ends. Importantly, he states that the system does not intend to meet each member's economic requirements but rather to provide an alternative medium for the members to partake in economic activity and social interactions while freely forming and expressing their values and beliefs.

Additionally, Pacione (1997) mentions how economies, such as alternative currency networks, intend to achieve self-reliance as opposed to self-sufficiency and absolute independence, providing room for a degree of dependence on the mainstream economy, which is perceived as inevitable and necessary for an economic system to operate. Several members acknowledge the limitations of the system, adjust their expectations accordingly and thus participate in the CTTE for reasons other than to replace their dependency on the mainstream economy.

Some other members do, however, express their disappointment in the inability to rely on the CTTE. Several members hope to experience growth of the system towards an economy that they can exclusively depend on. This disappointment is not of a pessimistic or negative connotation but is rather forward-looking and optimistic for the future realisation of the system. The members' confidence and belief in the future of the CTTE, together with intentions to remain participants of the system, thus contributes to the long-term sustainability of the system. Fickey and Hanrahan (2014) recognise the members' desires to move away from the outcomes associated with the dominant economy through seeking and constructing spaces beyond capitalism.

The limitations highlighted in this chapter may lead to some disregard of the CTTE as alternative, as it is not classified as purely non-capitalist. It must be emphasised that alternative economies do not fit into bounded or fixed definitions but rather vary across economies, placing these economies on a path of divergence from the mainstream economies while overlapping and falling between the binaries of capitalist and non-capitalist (Wright, 2010). Despite the challenges the self-reliance, independence and

sustainability of the system, the alternative nature of the CTTE contributes to the post-capitalist economy through the degree of confrontation to the dominance of capitalism.

5.2 BUSINESS INCENTIVES

Various community members make use of the CTTE to build connections and networks to start-up or further their businesses and interests. For example, Liane (2014) describes the system as *“a business network where people can expand or create their business. Many of the members have free-lance businesses.”* While the system is a platform for economic activity, some members tend to use the medium as a bridge into the capitalist economy. Berndt and Boeckler, (2009) recognise the link between the economies, which may contribute to difficulty in separation the economic activity performed in an alternative economy from the mainstream. Jenkins (2013) explains how the use of the system as a stepping stone into the mainstream is not encouraged nor in-line with the underlying objectives of the system, however he further states that as long as the members remain active participants in the exchange system, either at the markets or online, then it is hardly harmful to the system as a whole.

Annie (2014) runs her business in both the rand and talent economies but expresses how the market allows her to run her business without having to spend money on advertising or marketing, services she would not be able to afford in the conventional economy and have allowed her to gain a reputation. In this case, the CTTE is perceived to have improved Annie’s business, both within the exchange system and the

conventional economy. The market has additionally provided her with a service that is inaccessible to her in the mainstream economy. The CTTE is therefore advancing her business in the conventional economy as well as providing her with an additional space to perform economic activities.

As long as the community members are trading in Talents and not in Rand, the use of the CTTE to share their goods and services or offer workshops related to their interests or businesses is considered acceptable. The CTTE is seen as a safe and open space in which the members can provide and receive goods and services or share their experiences, interests and occupations. If the system helps to improve a member's position in the mainstream economy, thus contributing to their greater wellbeing, then the fundamental objectives of the system are not undermined.

The close link between the incentives driving the members' participation in the exchange system and the ultimate goal of success and profit in the mainstream economy may however contradict the discontent that they express towards the conventional economy. The forces driving capitalism can be seen to motivate the members' participation in the CTTE. The tension that sits in this space does not necessarily compromise the system but it does further complicate it.

5.3 MODERNISTIC AND POST-MODERNISTIC PARADIGMS

DISCONTENT WITHIN THE MAINSTREAM ECONOMY

There are ideological and philosophical incentives underlying some of the members' desires for an alternative monetary system. Many of the members of the CTTE articulate their discomfort and dissatisfaction with the conventional economic system, ultimately expressing how the dominant economy neither meets their expectations nor fulfils their needs and desires.

A contributing factor to the discontent of the conventional economy is the value attached to money. Several members perceive the capitalist economy to be underpinned by the partisan nature of the conventional monetary system, linking money to corruption and pure profit-making incentives while disregarding social factors. The members suggest that the narrative of the capitalism revolves around the monetary system, as it directs people's ambitions purely towards generating profit as opposed to appreciating the essence and value underlying the offering of products and services.

This discontent contributes to their search for a solution, creating space for an alternative to capitalism, or more specifically, for a cashless society such as the CTTE. Thalia (2014) refers to her desire for a "world where money is not necessary". She further emphasises the following sentiments "*I love a world where people just exchange gifts in talents and this does away with greed and violence brought about by money.*" This highlights her discomfort in the conventional economic, which she perceives to be characterised by negative attributes that are driven by money. This discontent contributes to her participation in the CTTE, a system she perceives to be free of these undesirable aspects.

The discontent of the mainstream economy was heightening by the financial and economic crises evident throughout the twentieth and twenty-first century, across several countries. This has highlighted the need for economic actors to be forward-looking and has resulted in many of these individuals searching for alternatives.

Several members predict that the shortfalls of the conventional economy will be to the detriment of the capitalist paradigm, while allowing alternative economic systems, such as the CTTE, to prevail. There is a lack of confidence in money and the mainstream economy, which is perceived to be on the brink of collapse (Jenkins, 2013). This uncertainty is reassured by the optimism for alternative economies, which will act as 'lifeboats' or 'safety nets' (Jessica, 2014).

A member predicts that, *"When money disappears and the mainstream economy collapses, alternative economies, such as cashless societies and spaces of moral and ethical exchange and sharing will be the foundation for how society works"* (Robin, 2014) and the members of the CTTE will be 'reliable' and 'resourceful' (Emma, 2014). The members perceive the social, environmental, cultural and ethical aspects of the CTTE as key drivers in the future success of this system.

THE PARADIGMATIC SHIFT

The CTTE contributes to the continuous emergence and reproduction of alternative economies and is thus instrumental to the paradigmatic shift away from capitalism to

post-capitalism and heterogeneity and from modernism towards post-modernist thinking. This indicates a transformation from a more structured, rigid and reducible economy to one that is holistic, unorthodox and displays a degree of uncertainty (Cova, 1997; Moulaert and Ailenei, 2005; Arthur *et al.*, 2010).

A modernist approach forms a distinction between economic and social or cultural attributes. This is viewed through a reductionist school of thought, creating a binary of the social and the economic. Marxist theory highlights the isolation and alienation resulting from a modernist and capitalist economic paradigm, where economic activity promotes individualism and eradicates social interactions and connectivity (Seyfang, 2000). This seclusion causes dissatisfaction in the mainstream economy, challenges the dominant paradigm and creates space for alternative forms of integrated economic activity to emerge.

A post-modern approach is a paradigm that allows for the overlapping nature of the social, economic and political aspects of economies, criticising modernity's social and economic binary (Seyfang, 2000; Moulaert and Ailenei, 2005). The modern approach to economic systems restricts the expansion of alternative economies and centralises the mainstream, dominant or capitalist economy while promoting industrialisation and economic rationalisation. The post-modern approach, on the contrary, has made room for the emergence of alternative economies, such as the CTTE, allowing for non-linearity and the elimination of social and political hierarchy across both time and space.

The Community Exchange System (CES) and the CTTE reintroduce an economic structure that amalgamates social and environmental objectives into economic activity. The economic structure of the CTTE makes use of economies where community and social interactions are at the centre of exchange. The members of the system value the movement from a monetary-based economy to the socialised, community-based economy stating that this approach is vital in ensuring social and environmental sustainability.

Several members of the CTTE are discontent in the mainstream economy: an economy existing within a modernistic paradigm, driven by capitalism and rationalisation. This dissatisfaction creates space for the emergence of alternative economies, such as the CTTE, and a movement towards postmodernism, underlined by unconventionality and nonconformity.

5.4 ENVIRONMENTAL INCENTIVES

Neamtan (2002) and Fitzpatrick and Caldwell (2001) refer to the role of the concern for the environment in global resistance movement and the drive towards alternative and social economies. The CTTE website suggests that environmental justice and sustainability are core forces driving the system. The members perceive the growth and development associated with the current economic system to have significant environmental impacts and degradation effects. These include the exploitation of fossil fuels, over-use of water and excessive pollution (Jenkins, 2004). Emma (2014)

expressed this concern by stating: *"We are going to have a serious problem with water and need solar power. We need alternatives, there's just no denying it."* The mainstream economy is perceived by the members as a system that supports over-production and over-consumption, driven by its the competitive and profit-maximising nature.

The re-cycling or rather the re-using of products that takes place in the CTTE is highly values by some of the members whose participation is incentivised by environmentalism.

Several members perceive themselves as 'green', 'environmentally aware' or as 'environmentalist'. They highly value the conservation of resources that is encouraged through re-using and repairing goods. Begetter (2014) appreciates the recycling or re-selling of goods performed at the market, describing it as *"one man's trash is another's treasure."*

The system is further valued for its ripple effect of environmental education from the parents of the community through to their children. Begetter (2014) states that, *"I think it is great to teach children to recycle. To know that people make and bring things to the market is great and this concept is passed on to the children that join their parents at the market."* This emphasises the forward-thinking nature of the members, who place importance on the future of the environment and the role the next generation have in sustaining it. It additionally refers to the importance of the family-oriented nature of the CTTE.

I observed several members offering their unneeded or unwanted goods to re-sell as second-hand goods. The re-sale and re-use of these goods is perceived to eliminate profit-making and financial motivations that are associated with the conventional economy. The members additionally value the ability to bring old or unwanted goods that will provide further use for others. Very few members explicitly made a link between the re-selling and re-use of these goods and the impact it may have on the ecological environment, while many of the members referred to the value gained in providing for others. This may be driven by altruism or alternatively by self-interest due to the pleasures gained through giving and receiving second-hand goods.

Considering the significant role of the concern for the environment in my initial investigation of the CTTE, I expected a greater number of members to refer to this factor as a driving force behind their participation in the CTTE. The website together with the YouTube interviews of Tim Jenkins highlighted the environmental paradigm as being closely linked to the underlying drivers of the system. On the contrary, very few members mentioned the environmental aspect as an incentive for their involvement in the exchange system. The recycling nature of the system, in terms of re-selling and re-using goods, is a factor of the system that is appreciated by the several members, however it does not carry significant weight in their participation and neither did it refer strongly to the ecological environment. A couple of the members referred to themselves as environmentalist but did not further mention how that impacted their desire to partake in the CTTE. This was an interesting finding as the surrounding literature and resources support the link between environmentalism and alternative economies.

One member, Thalia (2014), did however describe the appeal of the ability to use their Talents elsewhere, expanding the reach of the system and increasing its positive contribution to the environment. She expresses her appreciation for the increase in environmental awareness through markets such as the CTTE and other similar alternative market and indicated how she made use of her Talents at the Soil for Life market in Constantia where they teach people how to make compost, gardening and provide toilets that do not use the conventional sewer system.

There is a realisation that the conventional economy cannot continue to operate as it has done so in the past. This has made room for alternative, socially oriented forms of economic activity. The increase in environmental awareness and environmental concerns has increased, even if only slightly, the drive for an alternative market, one where ethical, moral and environmental factors are considered significant to the realm of the economic. The alternative nature of the CTTE and the underlying morally-oriented economic activity undertaken in the system serve to outweigh the limitation to the self-reliance and sustainability of the system, placing the CTTE as a solution to the many discontents within the conventional economy. This contributes greatly the movement from a modernist, capitalist paradigm to a post-modern and post-capitalist world.

CHAPTER 6: RELATIONALITY

The social dimension of the CTTE is significant in driving the system, thus contributing to its alterity. The social aspects of the system can be considered the 'something of value' referred to by Fuller and Jonas (2003), classifying it as 'alternative oppositional'. The members of the system value the social aspects with particular appreciation for the sense of community and solidarity, the trusting and stress-free environment, the family-friendly atmosphere and the friendships formed and maintained within the system. The importance of these concepts is reiterated through the literature surrounding alternative economies, as indicated by Stone (2001), Kay (2005) and Dacheux and Goujon (2001)

SOLIDARITY AND A SENSE OF COMMUNITY

The CTTE aims to re-embed the social dimension and community-aspect into economic activity. The members of the system highly value the interactions with other member of the community, allowing them to gain a sense of belonging and solidarity. The social and economic connections performed within the system are considered significant in unifying the members as a community while allowing members to construct their social identity within the community. Laura (2014), a new member, describes the system as a 'community of friends', highlighting the perception of the CTTE as a space where friendships are formed and solidarity is achieved. There is a strong sense of community and belonging, held by both new comers and frequent market-goers, which is

significant to their participation in the system.

Through my interview process and observation of the members at the market, it became apparent that the same members do not attend the market every month and instead the market welcomes new members monthly. These members have either recently joined the system or are attending the market for the first time, despite having been a participants of the CTTE for a length of time. Additionally, there were several members who only attended one market over the year that I attended the markets, however there were members who did attend frequently.

The frequently returning members took part in substantial interactions with each that extended beyond acquaintances, reaffirming the community-feel of the system. New members were not, however, as interactive with the other members of the system. This observation places tension between the perceived close-knit community and the reality of a system where the members are continuously changing, with new members entering and leaving every month. The reality limits the ability to make stable and sustainable or long-term relationships of a close-knit community.

The social reality of the system does not, therefore, mirror the perceptions of the members. This discrepancy does no jeopardise the system, as there is no change in the perceptions of the members, who continue to articulate the market as community-oriented, a concept that they value and that drives their participation. The friendly environment described by the members or the perception of the system as a space occupied by individuals with similar interests may further contribute to the feeling of

belonging and unity, without necessitating social exchanges with the same individuals every month. The limitations to the closeness of community may either not be realised by the members or it may be regarded as insignificant to their participation as long as their perceptions, beliefs and confidence in the community-sense upholds.

TRUST AND MUTUALITY

The social values driving the members participation in the CTTE are shaped through interacting and sharing with one another, creating a trusting and mutually beneficial system. The reciprocity, together with the personal nature and interconnected of the system, contributes to the camaraderie and solidarity experienced and valued by the members.

The members place value on the trusting environment experienced at the CTTE market. The trust felt within the system is threefold, including social trust, the trust in an established relationship with other members; general trust, the trust in strangers due to their common values and trust in the system, as explored by (Stone, 2001) For instance, Peter (2014) and Kate (2013) highlight the sense of trust within the system by referring to the ability to leave their stalls without feeling apprehensive about theft or untrustworthy behaviour. Through observation it was evident that the members often left their stalls unattended, some to interact with other members and others to purchase goods and services from another stall.

The community-based nature of the system contributes to the trust and the absence of exploitation within the system. The locality and transparency of the system generates

and encourages honesty, loyalty and trust between the members. If a member violates the system, it is likely that their identity will be determined. The small-scale of the markets makes it difficult for dishonest behaviour to go unnoticed, while the online account balances of members are available for other members to view, although specific transactions are not provided. The responsibility to obey the rules of the system therefore lies with the community members, as opposed to an authority figure as with illegal activity within the conventional system.

There are numerous security measures taken to ensure that theft does not occur in conventional shops or malls and there are several steps taken to guarantee that transactions are made efficiently. The presence of the security measures questions the presence of trust within the formal economy. This may be due to the measures that are in place or due to the erosion of trust within the capitalism paradigm.

The trusting atmosphere of the CTTE is, however, a concept that is valued by economic agents of the system. The system operates through the use of online accounts, where every member receives a different account number. When a purchase takes place, the buyer writes their account number and purchase on the seller's slips. The seller later enters the transaction into the online accounting system. There is no requirement for identification to prove that an account number belongs to a specific individual. The members of the community express how this method is efficient and successful due to the trusting attitude of the members.

There have, however, been instances of incorrect transaction. Andrea (2014) explains

how she received an email indicating that she had been wrongfully debited. It was unclear whether another member had used her account number intentionally or whether this was an administrative error. Nevertheless, Andrea expressed that she did not feel anxious about the situation and strongly believed that it had simply been an error, not a wrongdoing by another member. This indicates how the trusting environment includes the act of giving each other the benefit of the doubt. Her account was soon credited and she explained how this situation did not change her sentiments towards the system as a trusting environment of sincere individuals.

The loyalty and community-sense of the CTTE is associated with a degree of responsibility. Members are responsible to trust one another and to act in a manner that is trustworthy. Susan (2014) mentions the responsibility she feels within the system and refers to her participation as a 'commitment to support the community'. The use of the word commitment suggests that there is an obligation associated with participating. These obligation extents to the trusting environment, the mutuality and reciprocity experienced within the system. Wright (2010) recognises the obligations and opportunities, which differ across members within various alterative economies.

STRESS-FREE ATMOSPHERE

The stress-free environment is highly regarded by the members of the CTTE, who make use of the words 'fun', 'happy', 'free', 'stress-free' and 'enjoyable' when referring to their experiences at the market. These sentiments are due to the social interactions among members, the ability to provide or receive something they enjoy doing or having, the lack of stress arising from not having to have physical money to purchase goods and

services or the lack of stress arising from the ability to be financially capable to purchase goods and services.

Several members of the CTTE refer to the importance of the abundance of Talents in comparison to the scarcity of Rand; the accessibility to which is seen as limited in the conventional money system (Williams, 1996; Pacione, 1997). The virtual nature of the alternative currency allows for availability, rendering Talents as plentiful. This is highly valued by community members who often feel stress and anxiety when purchasing goods or services in the formal economy due to the restricted physical money available (Pacione, 1997). On the contrary, community members have a sense of freedom and relaxation when purchasing goods or services through the CTTE due to the exclusion of the concept of debt, the elimination of physical cash and the realisation of the ability to reciprocate the offering to another community member of the community, thus creating an overall balance.

The objective is to achieve a zero balance for each individual and an overall balance for the system. These targets are recognised by the members but tend not to hold the equivalent pressures that are associated with the need to eliminate debt in the conventional economy. Peter (2014) demonstrates this by describing his economic position in debit within the CTTE as "*in the red, which is the negative*". His use of the word 'negative' does not hold undesirable or adverse connotations as he further expresses his lack of stress felt in this situation due to the ability to offer something in return and thus '*make it up*'.

Stacey (2014), on the other hand, describes her position in credit as an issue as it requires her to spend her abundance of talents in order to maintain the flow of value and *'keep the system going'*. This describes the elimination of the concepts of debt and savings as perceived in the conventional economy. The absence of these concepts tends to eradicate the pressures and stresses associated with monetary transactions. The elimination of financial taxation, borrowing, lending and interest further eliminate the stresses felt within the capitalist paradigm while the alternative currency allows members to avoid economic fluctuations, downturns or potential recessions associated with the conventional monetary system.

The stress-free atmosphere of the exchange system contributes to the members' perception of the system as a solution to their discontent and a space that meets their desires. Amy (2014) highlights the value attached to this approach as she states that, *"I am inspired by the idea of a solution for the economy. I like that trade can happen without the worries of the conventional economy."* The relaxing environment described by the members is an aspect contributing to their participation and involvement in the system, separating the CTTE from the mainstream economic system and attributing to the alterity of the economy.

PERCEPTIONS OF LIKE-MINDED PARTICIPANTS

Williams (1996) and Kay (2005) discuss how an individuals who share similar values, ideas, interests and experiences are more likely to connect and form a trusting relationship, creating a sense of belonging and contributing to the formation of a community. Numerous members of the CTTE placed importance on interacting with

members appearing to share values similar to their own. These members perceive the market as a space for individuals that are described as 'like-minded', 'my type of people', 'in the same headspace' or 'alternative thinkers'. The system is thus regarded to support people of a certain criteria or to accommodate a specific type of person; one who has different values and alternative ways of thinking than individuals in the conventional economy.

The members perceive the economic actors of the conventional system to be profit-orientated or consumption-driven. The members identify themselves to hold alternative needs and incentives and perceive the CTTE as a space that accommodates their desires. This approach creates a perceived division between the members who additionally take part in the exchange system and the participants who rely only on the conventional economy. The members are distinguished by their active search for an alternative space while forming connections with other individuals similarly seeking a solution to their discontent with the mainstream economy. These members may be driven by different incentives, however their core values and beliefs are aligned.

Several members of the CTTE take part in a number of different markets, which share similar objectives and attract market-goers with similar interests and lifestyles. These markets include the Holistic Lifestyle Fair in Observatory, the Green Faire Market in Hout Bay and the Noordehoek Earth Fair Market. These markets were referred to as 'a hub for people like us', 'a place where there are the same types of people, who are friendly and trustworthy and have similar interests' or 'a parallel where I can trade and meet people'. These descriptions emphasise that there is a desire to participate in

multiple spaces to meet and interact with people of a similar type or who share similar interests.

The members' perceptions of themselves, not only varies from their perceptions of individuals in the mainstream economy but also from their perceptions of other members within the CTTE. Some members identify themselves as non-conformists but refer to other members of the system as 'bunny huggers' or 'hippies'. The members additionally express how individuals from outside the system share these perceptions. Georgina (2013) was unimpressed when an acquaintance from outside the talent exchange told her she 'looked as if she was from the talent exchange' because she was perceived as 'eccentric'. Some members, therefore, do not wish to be perceived as stereotypically 'alternative' and do not believe that they are, however they perceive other members to meet this criteria. This may contradict the perceived shared interests and values across members.

This desire to interact and exchange with people of similar interests furthermore creates a perception of the system as a socially exclusive economy, excluding those who are not like-minded or considered to be 'alternative', thus decreasing the diversity of the members (Kay, 2005; Wright, 2010). Many of the members joined the CTTE due to marginalisation experienced in the conventional economy and thus the creation of an exclusionary system would contradict the members' fundamental incentives. Wright (2010) indicates how alternative economies neither exclusionary nor inclusionary but are associated with unique experiences. Members of the community recognise the perception of exclusivity in the CTTE and counter-argue the perceived exclusivity

through their personal experience of fitting in and their perception of the CTTE as an open and accepting system. They indicate how a sense of belonging to the system extends to all the members and the system encourages diversity and acceptance to all, regardless of their beliefs or value.

THE FORMATION OF RELATIONSHIPS

Berndt and Boeckler (2009) acknowledge the social aspects attached to market participation, suggesting that economies comprise of social networks that overlap with economic activity. The integration of economic practices and social activity was pertinent when observing the participants behaviour. The members engaged in trade activities while additionally taking part in social conversations and interactions with each other. Several members remained at the monthly market after completing their exchanges to socialise, network and create relationships.

When questioned about their social interactions and relationships made within the market, the members responded with a variety of different experiences. Most of the members heard about the CTTE through a friend or an acquaintance and have maintained that close friendship while meeting other people through the monthly markets.

A number of members socialise with other members at dinners or over coffee, thus indicating how their friendships made within the CTTE have extended beyond the market. Other members restrict their relationships to interactions at the market, some because they do not feel the need or desire to see other members outside of the market

and others due to the sentiment that their friendships have not yet reached the point of closeness. A few of the members saw social interactions as a secondary reason or 'bonus' for attending the markets, while only a couple of members were uninterested in meeting or socialising with the other members at or beyond the market place.

A participant who has been a member of the system since its establishment emphasises the growth in the social aspect of the system, stating that "*now we are friends who are happy to see each other every month.*" While another member states that she attends the market to "*have fun, enjoy, meet people and make friends*". These sentiments substantiate the social atmosphere felt at the markets and the value the participants place on social interactions and forming friendships that extend past economic exchange.

FAMILY VALUES

Family and friendship are considered important in supporting and driving members' participation in alternative economies (Stone, 2001; Creed, 2000). It was observed that family members, some of who were participants of the CTTE, accompanied their loved ones to the markets. Most commonly it was daughters who attended with their mothers or mothers with their children, however there were also husbands who accompanied their wives. During the interview, several community members expressed their appreciation for the family-friendly environment, a factor considered to be missing from the mainstream economy.

Begetter (2014) perceives the conventional economy to be disadvantageous and

unaccommodating to her lifestyle as a mother. Entering into the work place is perceived as undesirable and unmanageable for her as she feels as though her attention and responsibilities are required at home with her children. She perceives the conventional economy to fall short in accommodating these needs. These sentiments drive her participation in the CTTE, which she views to be a more suitable environment for her to earn talents and tend to her responsibilities as a parent. She appreciates that she can bring her children with her to the monthly market while being able to partake in trade activities without jeopardising her motherly responsibilities.

Annie (2014) expresses how the cashless exchange system meets her lifestyle as a stay-at-home mother of three children as it allows her to purchase goods and services without the use of cash and thus save. Other members additionally express the value they place on the ability to provide a meal for their children or husband from the market. Many other members communicate their gratitude for the child-friendly environment of the market, which allows them to take part in economic trading activities with their children in tow; an occurrence that is seldom takes place in the conventional economy. The environment at the market is described as a safe environment for children, allowing the parents to feel at ease with regards to the safety of their children. The CTTE is thus perceived to support members with families and to allow them to undertake activities they would otherwise be unable to perform.

Alternative economies, such as the CTTE could be a potential solution to the negative perception of stay-at-home mothers formed within the conventional economy. Working at home allows women to remain in their chosen career and fulfil their family

and maternal commitments (Creed, 2000). These women, however, fear being perceived as housewives in spaces where it is devalued. The mainstream economy is often viewed as a system that does not support women and their responsibilities such as childbearing, but rather places a stigma on housewives, women who work from home or choose to stay at home to care for their children. This creates dissatisfaction within the conventional economy and a desire to participate in an economy where members value family responsibilities.

Family values are socially constructed within the CTTE and the degree to which it is important varies across members. The recognition of family values and its importance is in accordance with other alternative economic spaces, where the concept of family is becoming of increased significance (Creed, 2000).

SOCIAL AND ECONOMIC EMPOWERMENT OF MEMBERS

The CTTE objectives include bridging the gaps created by the widespread poverty and inequality consuming the South African economy. The intention is to distribute wealth according to members' participation or contribution in the system as opposed to their ability to generate an income. These aspects stem from new economic thinking aimed towards building a sustainable economy that focuses on community wellbeing and resilience through the use of alternative social and economic practices (Gibson-Graham and Roelvink, 2011).

Several members are the CTTE experience marginalised within the mainstream

economy; where money is the main factor driving one's social status or abilities to partake in economic activities and social networks. This causes discontent within the mainstream economy and opens space for a more equitable society. The accumulation of social capital through the CTTE promotes social justice and strengthens the position of vulnerable or previously marginalised members.

The inequalities and marginalisation experienced by the members of the CTTE in the conventional economy was apparent in various responses provided in the interview process. The financial struggles of several members within the conventional economy contributed to their involvement in the CTTE, where they can partake in alternative means of earning. The attractiveness of unlimited currency and the ability to use talents to gain buying power are two attractions members' referred to as incentives for their participation.

Britney (2014) values the money-free system for its ability to help other members and the opportunity to receive help in return. This reiterates the reciprocity and sense of community within the CTTE as the members support one another in overcoming struggles faced in the conventional economy. These members described how the system was accommodating to their financial situations allowing them to regain confidence and an economic position through the CTTE.

Community members additionally indicate how the capitalist system marginalises people not rich in monetary or currency wealth, where as an economic hierarchy does not exist within the CTTE. Several members indicate how their purchases in the CTTE

include goods and services that they would not be able to afford or otherwise would not usually buy in the rand economy, such as massages, books and accommodation, while other members proclaim that they would not be able to get the goods and services found at the market elsewhere. These statements articulate the value the members attach to the ability to purchase these goods and services in the exchange system, overcoming the inability to do so in the mainstream economy.

Many of the members feel that the goods and services they provide or that are on offer within the CTTE are often unavailable, undervalued or inaccessible to them in the conventional economy. This may exclude the members from gaining economic status and taking part in social interactions experienced through economic transactions and within the workplace environment. The focus of the CTTE is around the individual and their skills and abilities, allowing members to offer their goods and services that make use of their talents. For instance, a member's old jewellery containing gemstones were regarded undervalued and out of fashion in the mainstream economy. Instead, she resets the jewellery and offers it in the CTTE system, where she feels it is appreciated. The aim of CTTE is thus to reinforce the self-esteem and self-worth of the individual through providing a platform for the offering of a range of goods and services available to all members, allowing them access to economic activity and social connections.

Moreover, it was observed that majority of the members attending the markets were female. This contributes to the gender roles that are played out through economic activity. The customary approach places males as the sole providers, where as it is evident that within the CTTE, females perform majority of the economic activity. There

is empirical evidence to suggest that women more commonly participate in community-based economic activity than men (Oberhauser, 2005). The transformation from an economy dominated by men to one where women dominate the performance of economic activity challenges the hegemonic discourse of masculinity. Gibson-Graham (2006) explores the gender roles associated with economic practices and the significance of the feminist movement and alternative economies in achieving greater social equity. The CTTE may therefore be a contributor to a movement towards greater social justice.

The financial, economic and social inclusion experienced by members emphasise the role of the alternative currency systems in promoting economic justice and social acceptance as explored by North (2007), Seyfang (2001), Pacione (1997), Williams (1996) and Williams and Windebank, (2000). The inclusionary aspect of the system incentivised the involvement of many of the members in the exchange system who valued the participatory approach while feeling unable to achieve the same extent of participation or involvement in the conventional economy.

The social dimension of an economy is of great importance and to ignore or separate it from economic activity would undermine the complexity of the system and deem as analysis incomplete (Gibson-Graham, 2006; Neamtan 2002; Arthur *et al.*, 2010). The ability to accumulate social capital within alternative economies, such as the CTTE, allows for the generation of trust and mutuality forming solidarity and a sense of community through the formation of friendships and family values (Stone, 2001; Kay, 2005; Dacheux and Goujon, 2001). Alternative economies are more broadly recognised

as a space where individuals can express their beliefs and shape their values (Seyfang, 2000). The ability to form and express social values is highly valued by the members of the CTTE, contributing to their participation in the system and to the establishment of the system as an alternative.

The responses provided by the members of the CTTE demonstrate the act of re-imagining of alternative economies. Their use of specific, discursive language, and heavy comparison to the conventional economy highlights their perceptions and framing of the formal economy and of alternative economies. This relates to Gibson-Graham's conceptual framework of 'ontological reframing', or the re-imagining of politics of economic possibility through the use of language, re-thinking and performance. The members of the CTTE frame the formal economy as dominant and all-encompassing, expressing their discontent and marginalisation. They further frame the CTTE as an opportunity to escape this marginalisation, experience the social aspects and overcome their discontent, thus opening up their own social and economic possibilities. The act of re-thinking, re-imagining and the economic production and re-production of economies thus have powerful potential for economic transformation and a movement towards a heterogeneous economy.

CHAPTER 7: CONCLUSION AND DISCUSSION

The Cape Town Talent Exchange (CTTE) is positioned within alternative economies, defined as systems with characteristic features that differ from those of the dominant economy (Healy, 2005). Participants in alternative economies are incentivised by various factors, however the driving force behind these incentives is commonly discontent experienced in the mainstream economy. Alternative economies aim to provide an open space in which activities are undertaken in a manner that differs from the mainstream, where participants are able to overcome their dissatisfactions within the conventional economy and where members are able to shape and share their beliefs, values and morals which may differ from those expressed in the mainstream economy.

Alternative economies aim to contribute to a movement away from the hegemonic and homogenous capitalist economy towards a heterogeneous economy, where the mainstream economy is separate from alternative economies. Diverse economies, on the other hand, theoretically create a space where systems are not classified as alternative to one another but rather represented as a heterogeneous economy that is inclusive of both capitalist and non-capitalist systems (Healy, 2008; Gibson-Graham, 2008).

The CTTE portrays certain unconventional characteristics, different to those of capitalist nature, which positions it as alternative to the conventional economy. These include the use of an alternative virtual currency to perform economic activity; the

unconventional nature of a non-profit distribution of surplus; a degree of self-reliance, independence and potential long-term sustainability of the system; decentralisation of authority; control of the system belonging to the community members and the localisation of the system together with the overlapping national and global reach to other Community Exchange Systems (CES).

The complexity and dynamic nature of alternative economies make it difficult to reduce these economies to a binary framework to fit one paradigm (Wright, 2010). It is therefore important to analyse the components of the system while recognising the overlapping nature of these characteristics. The CTTE is not clearly positioned in the state or the market, as formal or informal, as capitalist or non-capitalist, in the market or non-market, in the public or the private sector or within a local or global space. The CTTE portrays overlapping characteristics within these spaces and is thus situated along a spectrum as opposed to a dualism.

These characteristics, while contributing to the alterity of the system, face several challenges and contradictions limiting the ability of the system to meet the members needs and move away from the conventional economy. There is a degree to which the CTTE relies on the mainstream economy through the dependence of the value of talents on the rand; the use of both the rand and talents in pricing within the economy; the lack of necessary goods and services provided within the system; the lack of ability to rely on the CTTE for economic stability leading to employment, the purchase of necessary goods and services and majority of income generation occurring within the capitalist economy and the use of the system as a stepping stone into the orthodox economy.

The persisting linkages to the conventional economy highlight the dominance of the capitalist discourse in addition to the shortfalls of the CTTE (Jonas, 2010; Lee, 2010). The members of the community face challenges in altering their mind-set from the dominant capitalist discourse and embracing the alterity of the system.

It must be recognised that alternative economies, such as the CTTE, intend to challenge the dominance of the capitalist system and aim not to replace it. Additionally the system's purpose is to achieve self-sufficiency as opposed to self-reliance, allowing a degree of dependence on the mainstream economy. The members acknowledge the existing limitations of the CTTE and while there is a desire to for the system to gain greater autonomy and independence from the mainstream economy, the lack of complete independence does not hinder the members' participation. The continued involvement of these members and the fulfilment they experience within the economy suggests that their desires for an alternative space reach beyond the need for a system that is unconventional and free from the mainstream economy, placing these concepts as unnecessary but sufficient.

The members highly value the social dimension attached to the economic activity undertaken in the CTTE. The social dimension incorporates various different concepts that are significant to the members participation, including solidarity and a sense of belonging; trust, mutuality and reciprocity between members of the community; the ability to form friendships and relationships through the accumulation of social capital; the social and economic empowerment experienced through participating in the

system; the acceptance and encouragement of family values within the system and the like-minded and stress-free environment which promotes moral, ethical and environmental standards.

It is unmistakable that the social values and relationship-based aspect of the system have a significant role in driving the participation of the members by providing the members with a space to meet their needs, re-enforcing the alterity of the system. This relationality and interconnectivity is not experienced in the conventional economy. The presence and the perception of the presence of the social dimension within alternative economies, such as the CTTE, is significant in the movement away from the conventional economy to an economy that recognises both the mainstream and alternative economies as viable and accredited systems. The integration of the social with economic activity outweighs the shortfalls of the CTTE in meeting defining characteristics of alternative economies and thus further defines the alterity of the system. The social attributes are significant in creating a system that is recognised as different to the mainstream.

The discontent experienced in the mainstream economy and the resultant re-introduction of the social dimension in economic activity play significant roles in a broader movement from a modernist paradigm to a post-modern paradigm. The modernist paradigm promoted the introduction of liberation, rationality individualism and homogeneity while disregarding socially embedded economic activity (Cova, 1997). This led to alienation, isolation and ultimate dissatisfaction within the capitalist economy (Seyfang, 2000). The discontent encouraged participants to look elsewhere

for interconnectivity, shared values, social cohesion and a sense of community, resulting in the emergence of, or a surge of, alternative economies. The integration of social and economic spheres contributed to deconstruction of modernism and the paradigmatic shift towards post-modernism, a more customary approach to economic activity inclusive of concepts of rationality and individualism but further eliminating the fragmentation of the economic, the social and the political (Berndt and Boeckler, 2009).

The social values play a significant role in re-enforcing the atterity of the CTTE and contributing to the movement away from the capitalist discourse to open spaces for alternative economies to emerge. The formation of alternative economies is not without ambiguities, contradictions and contestations, limiting the potential of these systems to differ from the mainstream and occupy an alternative space to the conventional economy. While there has been an increase in the recognition and realisation of alternative economies within the geographic and sociological disciplines, further research is required in this area, as is greater practical implementation of these economies. More specifically, there is a need for greater critique of, and insight into, these economies to bridge the gap between the 'believers' and the 'critics'.

Further evaluations of alternative economies may serve to reveal existing systems and provide greater understanding of such economies. This may increase the universal awareness, acknowledgement and acceptance of alternative economies, resulting in a proliferation of thinking and practice of alternative economies and thus a collective movement away from the dominant, capitalist discourse together with the creation of

space for alternative and diverse economies to emerge.

FUTURE RESEARCH

The lack of literature pertaining to alternative economies in South Africa provides a gap in the literature and the various opportunities for future research. There is space for a more anthropological or ethnographic approach to the Cape Town Talent Exchange, or the Community Exchange System, focusing on the members of the economy. There is additionally room for an economic analysis of the various forms of economic activity within the system and a more thorough analysis of the value, circuits of value and surplus value within the system. These are merely two examples of the many approaches available to the field of academia.

There is a need to make room for future research and thus the realisation of alternative economies in South Africa, and in Africa. Alternative economies appear in various forms and have been in existence over centuries, however they are continuously changing and growing, and thus require greater attention and continuous development of ideas and modification of existing research. Academics are urged to continue the investigation of defining alternative economic spaces, while contributing the awareness and reproduction of these systems in South Africa over time.

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