International Journal of Community Currency Research. Vol 10, pp 43-55

Argentina in the Red: What can the UK's Regional Economies Learn from the Argentinian Banking Crisis?

Molly Scott Cato
11 Prospect Street, Aberystwyth, SY23 1JJ
01970-639316; molly@gaianeconomics.org

Acknowledgement: I would like to acknowledge the assistance received from Heloisa Primavera and Carlos Louge in the preparation of this article, and the efforts of Margrit and Declan Kennedy at whose symposium and open-space workshop entitled Money Moves—Away from Greed and Scarcity, at Lebensgarten, Germany I was fortunate enough to meet them.

Argentina in the Red: What can the UK's Regional Economies Learn from the Argentinian Banking Crisis?

Abstract: This paper explores the growth of community currencies in Argentina following the financial collapse of 2001 and draws lessons for local economies in developed economies. The paper begins with a brief profile of the Argentinian economy, which is seen to be highly sophisticated and successful. The reasons for the banking crisis of 2001 are then explained, focusing especially on monetarist IMF policies and their disastrous effect on the real economy of Argentina. Information is then given about the nature of the *Red Global de Trueque* (global barter network), its link to the ecological movement, and its development into a fully fledged system of alternative currencies following the monetary crisis. Problems facing the system as it expanded, and its relationship with local political authorities, and their own alternative currencies are described. Links are then drawn between the problems facing the Argentinian economy in 2001 and those facing many local economies in the UK facing long-term recession, particularly in terms of low levels of monetisation and the low value of the local multiplier. The paper concludes that a local economy with a functioning currency under its control is in a strong position to withstand potential crises in the functioning of the global economy.

Argentina in the Red: What can the UK's Regional Economies Learn from the Argentinian Banking Crisis?

You Never Give Me Your Money
You Only Give Me Your Funny Paper

John Lennon and Paul McCartney, Abbey Road

What caught my interest about Argentina, aside from the obvious appeal of the music and the short stories of Borges, was the prospect of one of the world's best endowed economies apparently nearing bankruptcy. How had an economy with a positive trade balance possibly reached such a dire economic situation? And how would its highly educated and cultured population respond? Would the economic crisis lead to a political crisis, throwing Argentina's people back into their authoritarian past? What I have discovered while researching the country's economic story is that, far from causing depression, it has the power to inspire. For many of us concerned about the need to regenerate our own failing regional economies within the UK there is much to learn from Argentina's example.

For those not familiar with the recent economic history of Argentina I provide a brief summary, together with an explanation of how and why the financial crisis occurred at the end of 2001. I then outline the popular response in the form of so-called 'barter clubs', which were already well established but expanded rapidly after the crisis. Next I explore similarities between the Argentinian situation and the situation facing depressed local economies within the UK. Finally, I attempt to find lessons for the empowered development of local economies within the UK.

ARGENTINA'S DANGEROUS DANCE WITH THE IMF

In spite of its colourful culture Argentina suffers from an image problem with most observers from developed countries who know three things about Argentina: tango, Evita and Maradona. This is rather like characterising Britain as consisting of tea-drinking, Princess Diana and David Beckham. So to challenge this unfortunate and undeserved stereotype I have reproduced some figures indicating the level of Argentina's human development, as measured by the UN, in Table 1. It occupies the 34th position in the ranked list, with only two other countries from the South Singapore and the Republic of Korea preceding it. Its adult literacy rate is 96.8 percent, some five points higher than that of Portugal; life expectancy is 73.4, two years more than in Hungary. It is important to grasp at the outset that we are not dealing here with a third-world economy. Argentina is the star performer of Latin American economies, largely thanks to its excellent endowment of natural resouces and its comparatively small and highly educated and talented population. Argentina perceives itself as the cultural leader of the sub-continent and comparisons between Buenos Aires and Paris are frequently made.

Table 1. *Human Development Indicators and Index for Various Countries, 2002*

Country	Rank	Life expectancy	Adult literacy (% above age 15)	Human Development Index[a]
USA	6	77.0	□[b]	0.939
UK	13	77.7	□	0.928
Greece	24	78.2	97.2	0.885
Portugal	28	75.7	92.2	0.880
Argentina	34	73.4	96.8	0.844
Hungary	35	71.3	99.3	0.835
Chile	38	75.3	95.8	0.831

[a]An index based on quality-of-life indicators and GDP, hence disadvantaging countries with a large informal sector that will not feature in the GDP measure.
[b]Most developed economies do not report on a figure, on the rather shaky pretext that the rate is as close to 100 per cent as is not worth quibbling about.

Argentina's history of high inflation and political and economic instability during the period since the return to democracy in 1983 was abruptly ended in March 1991 with the linking of the peso to the dollar at a parity valuation. This was plank of the Cavallo Plan of autumn 1991, named after President Carlos Menem's economy minister Domingo Cavallo. The most important aspects of the plan are outlined in Box 1. It is clear that this was a conventional neo-liberal package, buying stability in the domestic economy at the price of dependence on the USA and vulnerability to the international capital market. The high levels of international investment moving into Argentina are an indication of the reaction of global capitalism, which treated Argentina for some years as its favoured child.

The seeds of the subsequent monetary crisis were apparent in the objectives set for the domestic currency, the peso. Pang (2002) quotes a domestic source as stating that the peso was intended to act as a store of value and unit of account, the two functions it was failing to perform with high levels of inflation, but its role as a means of exchange (for working people the most important role of a currency) was overlooked. This oversight helps to explain the failure of liquidity in the economy explored in a later section.

Box 1. The Cavallo Plan for Argentina's Economy, Autumn 1991

- PesoDollar Parity: Argentinian currency pegged to the value of the dollar; central bank prevented from printing money unless backed by gold or dollars.
- Privatisation of state-owned enterprises: $29bn was raised during the 1990s, with the money being used to pay the external debt. The most significant state-owned companies sold were the airline and the telecoms company.
- Building up of a financial market to encourage the repatriation of assets: Argentina's rich had always played safe by storing their capital in foreign, especially Swiss banks. $40bn. worth was repatriated during this period.
- Attraction of foreign investment: the boom year of 1992/3 saw $10bn. enter Argentina from overseas.
- Deregulation of the economy: control passed from the government to the foreign corporations who bought the privatised state assets. This made control of economy impossible when the collapse came.

The inflexibility inherent in the dollar peg became apparent once the dollar's value began to rise on the foreign exchanges from 1995 onwards. Since the peso had to match this rise Argentina's exports became more expensive and less attractive than those of competitor countries whose currencies could devalue against the dollar. The financial crises in Mexico in 1994, followed by those of the Asian Tigers, Russia and Brazil from 1997 to 1999 undermined confidence in Argentina's ability to pay her sizeable external debt. In late 2001 members of Argentina's wealthy class began to take fright. The US was having difficulty repaying its foreign debt because of an over-valued dollar; this was true of Argentina in spades. The peg that had seemed to be Argentina's salvation was translated into the final nail in her coffin. Those who could withdrew their pesos, exchanged them for dollars and sent them overseas. This led to a classic bank failure on a national scale in December 2001. The government froze bank accounts leading to severe political instability, with five different presidents in a fortnight (see Elliott, 2002).

At this point it is worth presenting the economic fundamentals of the Argentinian economy. As Table 2 shows, it was only during 2001, the actual year of the crash, that Argentina exceeded the 60 per cent debt-to-GDP ratio that is the debt limit the ECB imposes on members of the Eurozone. Claims of Argentina's disastrous dependence on external credit have been exaggerated, but they are also a self-fulfilling prophecy, since the more apparently unreliable a debtor, the more s/he will be forced to pay in interest on renegotiated debts. As Ollier (2003: 181; citing Corrales) points out: 'Towards the spring of 2001, problems of governance and/or the fall in solvency indicators forced Argentina to pay 12 per cent interest on a significant amount of its debt, even when in many ways its situation was no worse than that of Brazil.'

Table 2. Indicators of the Health of Argentina's Economy, 1996-2001

Indicator (US$bn.)	1996	1997	1998	1999	2000	2001
Exports (FOB)	23.81	26.43	26.44	23.33	26.41	26.68
Imports (CIF)	23.76	30.45	31.38	25.51	25.24	20.32
Trade balance	0.05	-4.02	-4.93	-2.17	1.17	6.36
International reserves	18.10	22.32	24.75	26.25	25.15	14.53
External debt	111.9	130.8	144.1	144.7	158.0	170.0
Debt/GDP ratio (%)	41.1	44.7	48.2	51.0	55.6	63.3

Source: Business Monitor International, *Argentina Quarterly Forecast Report*, Feb. 2003.

This makes it clear that Argentina's crisis was not a fundamental economic crisis at all. It was a financial and banking crisis resulting from US political pressure, direct and via the IMF, and speculative pressure from financial markets. Such economic problems as there were resulted from the artificial link between Argentina's economy and that of the USA via the parity peg, which made trade virtually impossible for Argentina. The result has been the same for the USA, but since its currency is the base currency for international trade it can support the debt.

THE GROWTH OF LOCAL ECONOMIC NETWORKING

The consequence of the financial collapse was a chronic shortage of cash. Vast quantities of Argentina's currency had been sent overseas as dollars, while the IMF strictures prevented the government from printing more. This resulted in a monetary vacuum which there was, by chance, an alternative waiting to fill. This was the so-called 'barter clubs', first set up by three ecological activists in 1989 (for more details of the establishment and early working of the scheme before the monetary collapse see De Meulenaere, 2000). The *Red Global de Trueque* (RGT: global barter network) aimed to 'utilise resources and knowledge according to principles of sustainability' and promote 'the exchange of goods and services without being restricted by access to money' (Pearson, 2003: 216). It began as a LETS scheme but reluctantly moved to the creation of *arboles* (trees) as a form of paper currency for the purposes of flexibility and convenience (a note is reproduced as Figure 1).

Figure 1. Trueque ticket for the value of 0.5 *creditos*

For the pioneers of this and similar systems of local complementary currency the principles of locality and membership were important in maintaining control over the currency and ensuring its benefit for the local economy. The systems ceased to be 'barter' once the currency was produced and became fully-fledged alternative money systems.

The provincial governments had an independently powerful role and did not support the monetary restrictions imposed by the centre. They began both to engage with the community currencies and to create state-level currencies of their own. Practitioners in the field of economic regeneration will recognise the process of political takeover in the example of Eduardo Hekker, Secretary of Economic Development for Buenos Aires city government, who was interviewed by Pearson (2001): 'He argued that the state should support [the network] with technical assistant including credit and training which would allow it to become a large scale incubator of small enterprises seeking an insertion in the formal market and transforming themselves into successful competitive businesses (Pearson, 2003: 226)' This is a starkly patronising position to adopt towards a grassroots organisation that has functioned effectively for five years, undermining the suggestion that any technical assistance is required. It also imposes a certain view of the path of economic development—towards larger scale and greater profits—which may well be in opposition to the values of those involved in the scheme. The state involvement was consolidated with the signing of an agreement by the Secretary of Small and Medium Industries of the national government to offer training, technical advice and funding in December 2000.

This incorporation has been opposed by many of the originators of the RGT, who argue that the community currency should be used as a tool of the solidarity economy (so-called to distinguish it from the social economy now colonised by the state) and that it needs to keep its place outside the formal economy. A prominent critic is Heloisa Primavera, who established the new grassroots *Red de Trueque Solidario* (RTS), which operates in the Capital region and the northern zone of Buenos Aires. She argued that the centralisation both undermined the principle of exchange based on social relationships and lost the local link which is required for ecological as well as practical reasons. A community currency no longer linked to a community is vulnerable to fraud and consequent lack of confidence (Primavera, 2000; 2001).

Support from state organs was unsurprising as the financial situation deteriorated, since the various alternative money systems were ideally placed to take over the role of medium of exchange that had been vacated by the peso following the 2001 collapse. The RGT spread into the high-income suburbs such as Buenos Aires's Barrio Norte. However the expansion threatened both the ethos and the reliability of the new currency as forgery spread.

As the liquidity crisis in Argentina deepened local authorities began to create their own local currencies. The IMF saw this as a threat to the stability package it had negotiated with the government, but Argentina's provincial governers were more responsive to the needs of citizens for hospital and school services. One example is the province of San Luis, which created a regional currency of the same name (*ambito nacional*, 2002; the regional currencies became known as *patacones*). The San Luis was guaranteed at parity against the peso, with its value backed by a basket of currencies including the dollar, the euro, the Brazilian *real*, the Chilean peso and the Argentinian peso. The provincial government in La Rioja issued bonds as a way of paying its staff which became known as 'Evitas' because they carried the image of Eva Peron (Heredia, 2002). The local authorities also issued bonds promising to pay their staff at some future date with a small rate of interest; these also became circulated as money known as *kapones* or *Lecop*.

As the lack of currency became more intense people resorted to genuine barter. Sainz (2002) reports that building firm IRSA was accepting grain as payment for luxury apartments. By November of 2002, a year after the crash, the global corporate GM was prepared to accept cereal crops in payment for its pick-up trucks under an arrangement known as the Chevrolet Harvest Plan. Ford rapidly followed suit. Acceptable crops included soya, maize, wheat and sunflower (*Ambito financero*, 2002). Accompanied by a picture captioned 'harvesting dollars', Longoni reported in October of 2002 that banks were prepared to lend farmers money to buy trucks, machinery, agrochemicals or seed in exchange for grain, which never left the silos but was sold on directly for export. A similar report from December of that year ran under the headline 'Soya will be money' and explained how this crop would be acceptable as payment at a major agricultural show in Junin (Persolglia, 2002). For citizens of a sophisticated and developed economy this situation was as farcical as it was humiliating. And yet it also represents a valuable case-study of how people respond to a lack of cash.

LOCAL ECONOMIES IN THE UK CAUGHT IN THE NET

The central problem facing the Argentinian economy was a low level of liquidity. Part of the 1991 agreement with the IMF had been a link between the domestic money supply and foreign exchange earnings. This led to the exacerbation of the low level of monetisation of the economy that is typical of less developed economies, as shown in Table 3. These figures indicate a historical under-monetisation, since they relate to a period of relative stability before the period of financial crisis. The strictures imposed by the IMF to guarantee emergency loans in 2001 included even stricter controls on monetary policy, apparently to counter a non-existent inflation threat. There are two links here to the problems we experience in local economies within the UK.

First, such economies are also marked by low levels of liquidity. If we think of the liquid as oil, this leads to inadequate lubrication of the economic machine, leading to inefficient functioning and poor performance. Various commentators have commented that similar problems face depressed local economies in the UK (see e.g. Douthwaite, 1996; Boyle, 2002). A report from the New Economics Foundation called *Plugging the Leaks* gives details about how this process comes about and what policies can be used to reverse it. They offer a picture of a 'leaky bucket', which certainly has plenty of money going into it from sources like welfare payments, exports, business investment and tourist income, but because the bucket is full of holes the money leaves again immediately, to pay for goods bought in supermarkets or utility bills. The basic point to understand is that poor economies are not poor because they have no money in them, but because once it arrives in the local economy, often as a result of government transfer payments, it is immediately sucked out. One important strand in revitalising these economies is to keep the money in the local economy for longer, a process that is called 'increasing the local multiplier'.

Table 3. The relative level of monetisation in the Argentinian economy in 1996

Country	GNP ($m.)	M2 ($m.)	M2/GNP ratio	Index
Argentina	280,000	53,800	19.2	1.0
Japan	4,704,000	5,428,414	115.4	6.0
France	1,567,000	1,059,388	67.6	3.3
USA	7,246,000	4,239,100	58.5	3.1
UK	1,034,000	1,001,920	96.9	5.1
Spain	574,000	465,316	81.0	4.2
Germany	1,922,000	1,355,049	70.5	3.7

Source: *Boletìn del Banco Central de la Republica Argentina*, 24 Oct. 1996.

Secondly, these tight monetary policies are exactly the sort of economic straight-jacket that has been created by the ECB to ensure low inflation within the Eurozone. To move closer to convergence the Chancellor has agreed that the UK will follow a similar route. Just as in Argentina this obsession with monetary policy meant that the clear signs of deflation were ignored, so European policy-makers seem to have their eye on the wrong ball and may stifle economic activity in Europe's local economies even further. In Argentina during the height of the crisis the IMF recommended cuts in public-sector spending, exaggerating the vicious cycle effect of the deflationary spiral. These cuts were deep: a reduction of around 23 per cent in the country's budget deficit (Palast, 2001). The ECB is imposing exactly the same sorts of policies on Germany and France in an attempt to force them to meet the conditions of its Growth and Stability Pact.

Local people in the UK's regional economies have responded in similarly creative ways as those adopted by people in Argentina. LETS (Local Exchange and Trading Schemes) have been operated in up to 400 regions of the UK since 1985 (Mayo and Boyle, 2000). The system as it operated in Argentina appears to be similar to some of the more active LETS scheme in the UK. As Carlos de Sanzo, one of the founders of the RGT explains:

It does not seek to do away with formal money but rather to complement it. Although some of the RGT members live exclusively from the trueque *system—especially those who are long term unemployed—others have temporary or part-time jobs.*

One of the participants in the network, a middle-aged woman, comments that:

It helped me in every way . . . I started to see more clearly and to see that I did have possibilities to change things. I realised that I was capable of . . . . For example I baked cakes for the trueque *market and then I also sold some to friends and neighbours for cash—so I had money as well as credits for barter.*[1]

This is exactly the sort of confidence- and capacity-building that proponents of LETS have lauded in the context of depressed regional economies in the UK (e.g. Mayo and Boyle, 2000; Seyfang, 2001; Williams *et al.*, 2001). Such commentators see these systems as what Williams (1996) has called 'local purchasing' initiatives, which promote local economic development by increasing the local multiplier effect. However, others have noted that they are not particularly effective in the low-income areas where they have been proposed as regeneration tools (Williams *et al.*, 2001). The explanation appears to relate to a confused motivation on the part of the organisers. LETS have tended to thrive in middle-class, higher-income areas as a political statement in favour of a more ethically, just and locally based economy, amongst those who themselves have the opportunity to flourish within the conventional money system because they have tradable skills.[2] For those who live wholly within deprived communities and face very few economic options, LETS does not seem a realistic alternative to the conventional money system. What appears to have happened in Argentina is that the mainstream money system began to exclude more and more of the better-educated and more skilled members of that society, so that in the end they became of practical use to the middle classes who were the main victims of the financial collapse.

The Time Banks system is the next step along the path towards a full alternative currency. It begins from the principle that balancing the absence of liquidity in depressed economies is a surplus of time, amongst people who are unemployed. At the national level, about 28 per cent of men older than 50 are now economically inactive; in 1975 this rate was only 7 per cent. The rate of inactivity for men as a whole are is 8 per cent, compared with only 1 per cent in 1975 (Dickens, Gregg and Wadsworth, 2000). These rates of inactivity are particularly high in areas that have suffered industrial restructuring, such as the coalfields areas. The concept of Time Banks is to create the money necessary to link up the inactive people with the work that needs doing in their communities. So far there are 55 such projects in the UK, with another 31 in development. Over 1500 participants are involved whose combined earnings are more than 100,000 hours. Since people are paid in time, rather than money, everybody is valued equally, which both supports the egalitarian ethic of the system and also builds the confidence of those who have lost self-esteem because of their low valuation by the mainstream economy. The proposal to establish such a system of currencies as part of the regeneration of the South Wales Valleys is being funded from the EU under the West Wales and the Valleys Objective 1 programme.

Concern has been expressed by commentators about the effectiveness of alternative currencies in the context of depressed local economies. What the Argentinian example demonstrates is that sophisticated economies need money; if there is nothing official available a range of alternatives will be used, so long as there is confidence in them. This suggests that a local currency backed by a local authority would pass into circulation if there were a need for it. If not, it would gradually disappear from circulation. There is thus a sort of in-built Darwinism to these community currencies.

CONCLUSION

In conclusion, what can we learn about how complementary money systems function in a sophisticated economy when conventional financial and monetary instruments fail? First, it seems important to distinguish between a range of alternatives to the national currency, all of which flourished in Argentina:

- genuine *barter* systems, where valuable commodities, in this case agricultural crops, were exchange for goods;
- *LETS* systems, based on the exchange of labour, but without the existence of paper currency;
- *community currencies*, organised on a local scale, supported by networks of trust and using paper tokens to facilitate complex exchanges;
- *alternative currencies*, a term I am using to express complementary currencies that have some official status with either political or financial backing by a political authority.

So far, in the UK context, we have only seen a significant development of the second category.

As discussed earlier, there are two motivations for proposing the establishment of complementary currencies in the UK: the poor level of liquidity in depressed local economies; the need for an alternative system in an increasingly insecure financial context. To achieve the first aim, the ideas of Silvio Gesell may be of interest. He proposed the introduction of 'free money' to address the problems of under-liquidity that he and other economists believed lay at the heart of the 1930s recession, which saw work that needed to be done alongside unemployed people, a situation that those who work in regeneration find equally frustrating in the UK's regions. As well as proposing this new currency he introduced a mechanism whereby it would 'rust' at a slow rate, a process know as 'demurrage', to increase the velocity of circulation (Gesell, 1958).

Many observers of ecologists' experiments with local money systems have seen them as marginal, but developments in the global financial market may lead to a more than academic interest in these apparently amateurish activities. In 1996, Douthwaite identified the need for 'strenghtening local economies for security in an unstable world'. Since then the debt overhang in the global economy and the expansion of speculative exchanges which have led to a situation where 'making money out of money is easier than making money out of enterprise' (Mayo and Boyle, 2000), have made our financial system even more insecure. To engage in the use of a complementary currency is an empowering and educational experience. LETS schemes have demonstrated many social benefits, and their economic shortcomings have led to refinements and the development of new systems.[3] This capacity to find original ways to facilitate exchange at the local level may prove to be of great value as the conventional money we all rely on comes under pressure from speculation and from the confines of the ECB. The local economy that has its complementary currencies in place, and has a range of people who are confident in their use, is far better place in terms of money security, however limited the immediate economic and social gains may be.

Notes

1. Quotations are taken from participants in the research project carried our by Ruth Pearson and reported in her 2003 article.
2. For more on the political and sociological theorising behind LETS see North, 1999.
3. I am aware at this point of the need to remember the warning from Gill Seyfang (2000: 237) that the distinction between 'economic and non-economic spheres and values' where the creation of money is concerned is a 'Western conceit'.

References

Ambito nacional (2002) Es ley ya moneda provincial: el San Luis, 4 Oct.
Ambito financiero (2002) Por mejora del campo, venden mas pick-up', 7 Nov.
Banco Central de la R.A. (1996) *Boletin*, Oct.
Desai, P. (2003) *Financial crisis, contagion and containment: from Asia to Argentina*, Princeton University Press: Princeton, NJ.
Dickens, R., Gregg, P., Wadsworth, J. (2000), New Labour and the labour market. *Oxford Review of Economic Policy*. 16/1: 95-113.
Elliott, L. (2002), Do cry for us, *Guardian*, 7 June.
Gesell, S. (1906) *The Natural Economic Order*. 1958 edn., Peter Owen: London.
Heredia, L. (2002) Argentines swap peso for 'Evitas', BBC news online.
Longoni, M. (2002) En el campo prefieren el canje, *Clarin Economica*, 7 Oct.
Mayo, E. and Boyle, D. (2000) Let a thousand monies bloom. *Local Economy*. 14/4: 290-4.
DeMeulenaere, S. (2000), Reinventing the market: alternative currencies and community development in Argentina. *International Journal of Community Currency Research*, 4.
North, P. (1999) Explorations in heterotopia: local exchange trading schemes (LETS) and the micropolitics of money and livelihood. *Environment and Planning D: Society and Space*. 17: 69-86.
Ollier, M.M. (2003) Argentina: up a blind alley ince again. *Bulletin of Latin American Research*. 22/2: 170-85.
Palast, G. (2001) Time to cry for Argentina, *Observer*, 12 Aug.
Pang, E.-S. (2002) *The International Political Economy of Transformation in Argentina, Brazil and Chile since 1960*. Macmillan: Basingstoke.
Pearson, R. (2003) Argentina's barter network: new currency for new times?' *Bulletin of Latin American Research*. 22/2: 214-30.
Persoglia, S. (2002) La 'moneda' sera la soja, *Clarin Rural*, 7 Dec.
Primavera, H. (2000) La moneda social: la Red Global de Trueque en Argentina. *LOTE*. 4/4, Apr.
Primavera, H. (2001) Social money: well timed permanence or a break from normality? http://money.socioeco.org.

Sainz, A. (2002) Despues de tres anos, IRSA Relanza Proyectos Inmobiliarios, *La Nacion*.
Seyfang, G. (2000) The euro, the pound and the shell in our pockets: rationales for complementary currencies in a global economy. *New Political Economy*. 5/2: 227-46.
Seyfang, G. (2001) Money that makes a change: community currencies, North and South. *Gender and Development*. 9/1: 60-69.
United Nations (2002) *Human Development Report*. Oxford University Press: New York.
Williams, C. C. (1996) Local purchasing schemes and rural development: an evaluation of Local Exchange Trading Systems. *Journal of Rural Studies*. 12/3: 231-44.
Williams, C. C., Aldridge, T., Lee, R., Leyshon, A., Thrift, N. and Tooke, J. (2001) Bridges into work? an evaluation of Local Exchange and Trading Schemes. *Policy Studies*. 22/2: 119-32.

[1] Quotations are taken from participants in the research project carried our by Ruth Pearson and reported in her 2003 article.
[2] For more on the political and sociological theorising behind LETS see North, 1999.
[3] I am aware at this point of the need to remember the warning from Gill Seyfang (2000: 237) that the distinction between 'economic and non-economic spheres and values' where the creation of money is concerned is a 'Western conceit'.