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# Alternative Economies and Spaces: Introductory Remarks

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*Sebastian Hillebrand and Hans-Martin Zademach*

## MOTIVATION

Addressing alternatives is popular these days – most likely more than ever. This holds true for everyday life where one might feel that thinking, talking, and performing alternatives to mainstream capitalism has simply become mainstream itself, and possibly even more for academia. In this vein, also in human geography a strand of literature has developed in recent years that puts its emphasis on recognizing and explaining the large variety of alternative modes to the organisation of social and economic interaction around the globe. These alternative modes are varied; they include cooperatives and other forms of associative production, non-monetary currencies, fair or ethical trade, credit unions, local exchange and trading schemes, and the so-called social economy (Daya and Authar 2012), i.e. strategies of production, exchange, labour/compensation, finance and consumption that are in some way different from mainstream capitalist economic activity and give occasion for rethinking the economic system in itself.

Contemporary geographical research on alternative economies explores the diversity of these modes of exchange at various sites in a context-sensitive manner and exposes the dynamic relations between them at multiple scales and spaces. A particular focus is put on alterna-

tive economic means of living that are – out of necessity or sympathy – to a greater or lesser extent distant from capitalist patterns of economic behaviour. In many cases, these practices are more than marginal ideological projects: In addition to practices that render people’s lives meaningful, there are practices that secure livelihoods and provide distinct solutions for those less capable to cope with the challenges of the capitalist economic system in developed and less developed societies. In this respect, the search for and enactment of alternatives to mainstream economic practices seeks to relocate power from the imperatives of capital and its imposed ideologies to individuals and collectives.

Furthermore, this research is concerned with developing an alternative conceptualisation of ‘the economic’ itself. That is, it not only regards the afore-mentioned variety of practices but develops a conceptualisation of the economy that is aware of the relationship between the mainstream and its alternatives and acknowledges the coexistence and interrelatedness of both ‘dominant’ and ‘less powerful’ – thus less recognised – modes of economic coordination. By means of demonstrating that alternative modes of exchange play an important role for understanding and sustaining the economic, this scholarship possesses the potential to reconfigure scholarly thinking in a broader sense and provides vital grounds to fundamentally challenge current forms of capitalism and a transition towards a more sustainable economic system.

The volume in-hand entails pieces of work associated with both lines of thinking in the discourse on alternative economies and alternative economic spaces. Evidently, this discourse has become impassioned in an unparalleled manner by the most recent global financial and economic crises. Its origins can however be traced back to times long before the first credit default swap contracts burst in Wallstreet in 2007. This chapter intends to sketch the most basic cornerstones in this field in human geography and to introduce some key notions and concepts. In doing so, the chapter seeks to establish an elementary context for addressing the variety of ways in which economic alternatives and alternative economic spaces might be approached and examined.

## SETTING THE GROUND: CAPITALISM(S)

Speaking an 'alternative' economy into existence implies, first of all, that there is a mainstream economy against which the alternative is defined and qualified (Healy 2009). In large parts of the developed world, grand narratives have established a hegemonic vision of capitalism in association with progress and modernity. Put in a very simplistic manner, this vision regards neoliberal capitalism as the sole reference for any economic activity; Margaret Thatchers' well-known "There Is No Alternative" (TINA) is a particular telling manifestation of this view. By means of free trade agreements and structural adjustment programs, the capitalist ideology was spread beyond the confines of the developed world, and with the collapse of the Soviet Union and its satellites, the colonisation of formerly 'uncontrolled' spaces and societies seemed to confirm the strong narrative surrounding the expansion of neoliberal principles. This logic of market-based coordination was seen as a system that is, in its very nature, detached from society (Mingione 1991); in other words, it was claimed to establish an economic system that represents a quasi-neutral object outside the social.

In course of the worldwide expansion of the neoliberal model and the totalizing and normalizing effects ascribed to capitalism, alternative modes of economic coordination have been rendered invisible or meaningless. This can be regarded as the result of a discursive process by which capitalism has been established as the predominant set of economic and social coordination (in discursive terms 'the self'), a set that pervades all life so thoroughly that the system itself appeared to have no outside (Gibson-Graham 1996). Alternative forms of economic coordination, on the other hand, have been constructed as 'others', or as North (2007: xxii) puts it as "precapitalist holdovers or doomed utopian experiments", unable to compete with capitalism and only possible within certain forms of social organisations. The other/alternative was thus actively separated in the realm of difference while, at the same time being an integral part of (the identity of) the same/capitalism.

Important contributions to a more differentiated understanding of capitalism have been provided by studies in comparative political economy dealing foremost with the identification and differentiation of national and macro-regional models of capitalism (Rossi 2012). A particular popular approach in this field is the ‘varieties of capitalism’ (VoC) framework by Soskice and Hall (2001). This approach seeks to offer an institutional explanation for cross-national differences in micro-behaviour, especially that of business firms. By means of comparing capitalisms / production regimes along different institutional domains (e.g. financial systems, industrial relations, education and the training systems), this approach employs a vision of capitalist diversity opposed to the orthodox representation of a global, unitarian capitalism. Specifically, it distinguishes between two basic types of capitalisms – liberal market economies and coordinated market economies – as polar opposite ideal-types along which developed economies such as the United States, Germany, Japan, Sweden and others have been arrayed and categorized.

The argument of capitalist diversity put forward by the VoC school has been developed further within various scientific disciplines, among them political economy, new economic sociology and human geography. With regard to the debate of alternative economies and spaces, two intertwined developments may be highlighted. First, economic systems became increasingly thought beyond the territory of the nation state. As Fuller et al. (2010a: 21) put it: “[T]here has been a shift away from the fixed hierarchical thinking and territorial fetishism associated with concepts of the state, territory and geopolitics.” That is, in contrast to the VoC approach’s penchant for ‘big picture’, geographical work opts to work closer to the ground – at the subnational scale or through transnational networks (Peck and Theodore 2007).

Second, various conceptualisations have emerged that challenge the afore-mentioned idea to regard the economic as a neutral object outside the social. One key informant of this line of reasoning is Polanyi’s well established concept of embeddedness. Other approaches have been predominantly influenced by neo- and postmarxist, feminist,

and postcolonial approaches, which call to conceive the economy as a transformable social process and not a force of nature. In this vein, contemporary theorizations of the economic in human geography emphasise the sociocultural bases of capitalism(s) and highlight that the economic and the social are co-constitutional entities. Put in a slightly different manner: Economies / economic geographies are now widely acknowledged being not only something 'out there' subsumed under the dictate of neoliberal markets, but as socio-political constructions which are both constituting and constituted of a complex range of social relations at various scales.

## KEY CONCEPTS

The just sketched differentiated and systemic micro view on capitalism can be regarded as common ground on which the key concepts applied in the contemporary discourse on alternative economies and alternative economic spaces are based upon. Quintessentially, the relationship between alternatives and mainstream is at the heart of a first important strand in the literature on alternative economies and spaces – a strand referred here to as the political economy approach. In short, this work deals with alternative economic practices *in relation to* capitalism. Parallel to this, a second strand has developed which takes into account non-capitalist practices that permeate peoples' everyday life. This perspective, labelled here as the poststructuralist account, breaks with circulating around notions and norms of capitalism; it is concerned with the recognition and enactment of diverse economies *beyond* capitalism.

### **The political economy approach: addressing alternative economies in relation to capitalism**

The political economy perspective *relates* alternative economic practices to the conditions and contexts within economic constellations,

networks, organisations or individuals. Scholars in this field take into account that many economic practices considered alternative still center on the production, exchange, and circulation of commodities: “Few are so alternative that they eschew the circulation of capital in commodity form altogether” (McCarty 2006: 808f). In fact, many alternative economic practices still focus on profit and growth, as conventional business do, and operate well within the mainstream. The key issue is thus not so much the distinction between alternative and the mainstream economic practices and spaces, but to understand how alternative and mainstream come to be defined, practiced, and reproduced in distinctive ways across space and time.

The political economy scholarship on alternative economies and spaces puts a particular focus on the deconstruction of meanings and relations of economic formations. In so doing, alternative economic practices are not merely regarded as being subject to mainstream capitalism, but as already indicated as both constituting and constituent elements of the economy and vice versa. Hence, the perspective acknowledges that the economy as an object is evident for economic efficiency and material success necessary to sustain people and society; yet, life-sustaining value is not merely esteemed in terms of economic success, but also in terms of social beliefs, objectives and values (Lee 2006). Accordingly, research on alternative economies is attentive to those involved in creating and promoting alternatives in relation to mainstream spaces of economic and political activity and the strategies that are deployed in the name of alterity (Jonas 2010).

An important analytical tool for this purpose is provided by Williams et al. (2012) who established a typology of economic practices by means of accounting for their market-orientation on the one hand, and distinguishing between monetised and non-monetised modes of exchange on the other. In this typology, the following modes were identified on the side of the non-monetised practices, arranged in the order from market towards non-market: (1) formal unpaid work in private sector; (2) formal unpaid work in public sector; (3) off-the-radar non-monetised work in organisations; (4) one-to-one non-

monetised exchanges; and (5) non-exchanged labour. The spectrum of monetised practices spans, if arranged in the same logic of order, (6) formal paid jobs in the private and (7) public sector, (8) informal employment, (9) monetised community exchanges, and (10) monetised family labour.

This framework has been developed in a research project on transition economies in post-soviet Ukraine. The results of this work demonstrate that the transition to capitalism has been paralleled by development and preservation of a number of alternative and informal practices, some of them holdovers from state socialism. A large majority of the Ukraine population came to the fore as being excluded from market economic practices. It is therefore concluded that uneven development is more characterized by affluent populations that are ‘work busy’, participating in diverse economic practices and usually out of choice, and deprived populations more ‘work deprived’, conducting a narrower range of economic practices and out of necessity in the absence of alternatives (Williams et al. 2012: 229). Resolving socio-spatial inequalities can accordingly be seen as the struggle to foster engagement in the full range of economic practices that secure a livelihood rather than purely participating in the market economy.

In sum, the political economy perspective acknowledges the complex combinations and powerful interrelations of values by means of exploring the genealogies and spatial contexts of alternative economic spaces and practices. Put in discursive terms, the progressive line of thinking in the discourse on alternatives intends to transform the relation between the self as knowing and the other as object of knowledge to a view according to which both self and other constitute each other and there is no primacy for any dominant formation in a given spatial context. This reveals the possibility for various forms of economic coordination and political contestation, including the possibility to address alternative economies not only in terms of the control of economic resources, but also in terms of the control of the discourses, territories and policy paces where alternatives can find a space for themselves.



## **Taking diverse economies beyond capitalism – the poststructuralist approach**

Key concern of scholars following the poststructuralist performative strand of reasoning is to advance the discourse on alternative or ‘diverse’ economies – in this line of thinking, the expression diverse is in actual fact more common – beyond capitalist notions. For this purpose, a transformative ontology of difference is projected that aims to empower those distant others rendered invisible within the capitalist hegemony. In contrast to the “dead-end time-space of capitalism as it was usually theorized” (Gibson-Graham 2003: xxi), economic activities are regarded being located in the ‘everyday economy’. That is, poststructuralist thinking takes into account and aims to unveil the multiplicity of economic relationships that are already present within the economic landscape.

Centre stage to this approach is the work of the feminist economic geographers Julie Graham and Katherine Gibson, also known as J.K. Gibson-Graham. With their work *The End of Capitalism (as we knew it)*, published 1996, they produced for many one of the most innovative and startling re-interpretations of the economy in the last decades. Two elements are particular decisive for what Gibson-Graham call a post-capitalist politics. First, they propose developing a new, more inclusive economic language:

“Our language politics is aimed at fostering conditions under which images and enactments of economic diversity (including noncapitalism) might stop circulating around capitalism, stop being evaluated with respect to capitalism, and stop being seen as deviant or exotic or eccentric departures from the norm.” (Gibson-Graham 2006: 56)

Second, Gibson-Graham aim to encourage forms of subjectivity and collective agency that are open to trying new economic practices. This combination of language politics and everyday practices incites a means of imagining and enacting a politics of possibilities (Engel

2010). It constitutes space for a heterogeneity of economic practices, which do not take the logic of capital and maximizing profit for granted, and does not present them as inescapable.

An integral part of Gibson-Grahams's approach is the diverse economy framework (Table 1).<sup>1</sup> This framework acknowledges that many of the goods and services we rely on are obtained via exchanges in alternative and/or non-market transactions, among them local exchange trading schemes, barter and fair / ethical trade, alternative currencies, credit unions (alternative market), household flows, gift-giving, indigenous exchange, state allocations and also theft (non-

*Table 1: Diverse Economies Framework*

<b>Transactions</b>	<b>Labour</b>	<b>Organisation</b>	<b>Property</b>
<b>NON-MARKET</b> <i>Household flows, Gifts / donations, Indigenous exchange (Theft, Piracy)</i>	<b>UNPAID</b> <i>Volunteer, Housework, Family care, Self-provisioning</i>	<b>NON-CAPITALIST</b> <i>Worker cooperatives, Community enterprises (Feudal, Slave)</i>	<b>OPEN ACCESS</b> <i>Atmosphere, Open source IP, Outer space</i>
<b>ALTERNATIVE MARKET</b> <i>Local exchange trading systems, Barter, Fair trade, Alternative currencies, Credit unions (Underground market)</i>	<b>ALTERNATIVE PAID</b> <i>Cooperative, Self-employed, Reciprocal labour, In kind, Work for welfare</i>	<b>ALTERNATIVE CAPITALIST</b> <i>Environmental ethic, Social ethic, State enterprise, Non-profit</i>	<b>ALTERNATIVE PRIVATE</b> <i>State-managed assets, Community land trusts, Indigenous knowledge (Intellectual Property)</i>
<b>MAINSTREAM MARKET</b>	<b>WAGE</b>	<b>CAPITALIST</b>	<b>PRIVATE</b>

*Sources: CEC 2001, Gibson-Graham 2006: 71, Healy 2009: 340 (modified)*

1 Note that Gibson-Graham consider the boundaries between the various alternative modes of coordination as fluid and dynamic; a dichotomist thinking as indicated by the table might induce oversimplifying interpretations. The binaries are thus to be read rather as objects to be deconstructed.

market transactions). Similarly, the framework accounts for alternative forms of labor (e.g. volunteering), alternative and non-capitalist forms of economic organizations (worker cooperatives, non-profit organisations) and different forms of property (open source, community land trusts). According to Gibson-Graham (2008), the framing is not to be regarded as a window on a transcendent ontology. In other words, it represents simply one technology for bringing into visibility a diversity of economic activities as objects of inquiry and activism.

The diverse economies framework is regularly used for the identification of economic activities in a particular locality and for approaching the relatedness of different elements in any given practice or social location (Healy 2009). It challenges hegemonic visions of normative capitalist development and opens up the possibility for alternative localised development pathways. Gibson et al. (2010) exemplify this potential by drawing on the case of socioeconomic change in rural areas in developing countries. Most approaches addressing this change connect it to processes of unifying capitalist development for fast economic growth. If, however, the diverse economies framework is applied in cooperation with local community researchers, different insights can be gained: First, it comes to the fore that certain diverse economies are already at work at local scale that provide social and habitat maintenance, economies that could be developed further in order to achieve an increased well-being. Second, it becomes obvious that the discussion on diverse economies with local actors itself already activates participation and local experimentation and thus fosters processes of endogenous sustainable development.

As this example demonstrates, research on diverse economies is, as active intervention, not only capable of releasing positive effects of hope and possibility, but also generating alternative discourses and increasing the viability of experiments to imagine and create different futures: “What we believe, what we say, how we speak and act and see may be able to constitute new realities, new futures” (McKinnon 2010: 259). This argument builds on feminist understanding that ‘the personal is political’, an understanding which has fostered ways of living that

have opened up a variety of politics of becoming. Feminism itself constituted a global movement that did not need to form global institutions or parties in order to be politically influential (Von Osten 2010). This suggests that against a background of an already existing vital economic and social diversity, it is possible to challenge dominant systems – an aim which is vital for people who may live in very different geographic or cultural circumstances but who share the experience of patriarchy and domination.

In sum, the poststructural scholarship focuses on the post-capitalist self as a political subject that is able to constitute new economic realities through political engagement. It intends to reveal the various forms of economic practices that already exist in the everyday economy. Instead of creating new distinctions within dominant conceptions of capitalism, the concept of diverse economies focuses on what makes our common ground for new political and economic imaginaries. By this means, it terms an epistemic break in challenging modernist conceptualisations of the economy and shows how personal efforts might play a powerful role in demonstrating the possibility of alternative economic futures.

## **OUTLOOK ON THE PAPERS COLLECTED IN THIS VOLUME**

The five chapters in the remainder of the volume illustrate the just outlined ways to approach alternative economies and alternative economic spaces in a more comprehensive and substantially more nuanced manner. Collectively, the chapters shed light on the specific realms of inquiry into the exploration of alternative economies and spaces. In doing so, they highlight the potential of performing alternative economies in different contexts and open up a range of avenues for further empirical and conceptual work.

In detail, the next chapter by Andrew E.G. Jonas makes the case for applying a relational framework to the analysis of alternative economic

spaces. Starting point of the chapter is the observation that binary thinking about alternatives has often prevailed to the detriment of knowledge of underlying social relations and territorial structures. In order to isolate some of the salient properties of alternative economic modes of exchange, Andrew Jonas suggests a set of concrete conceptual categories, namely, 'additional', 'oppositional', and 'substitute'. These conceptual categories are then applied to a case study of the British credit union movement in Hull. This case strikingly exemplifies to what extent the credit union movement in the UK is entangled in a tension between mainstream and oppositional economic and political forces around the national and local scales; in sum, a stark illustration for the point that we need a way of thinking about alternatives as evolving processes rather than fixed taxonomic categories.

In the following chapter, Peter North and Katinka Weber are concerned with alternative currencies in a political economy perspective. In a nutshell, the chapter challenges the Marxist critique of alternative economic practices being merely utopian practices by demonstrating that regional currency schemes are sustainable economic systems and valuable vehicles for strengthening local economies. This argument is developed through an in-depth analysis of the *Chiemgauer*, a rather well-established alternative currency in the south east of Bavaria. According to the results of this study, the Chiemgauer can be regarded a case in which the potential benefits of regional currencies are realized to their greatest potential. It is stressed, however, that this currency circulates in a particularly wealthy part of Germany with a distinct regional identity and strong social capital, factors that turned out being crucial for the scheme's success. Against this background and a range of further lessons to be learned from the Chiemgau (e.g. the importance of the involvement of local banks and the dedication of single persons), Peter North and Katinka Weber also elaborate on the question to what extent regional currency schemes can generally be acknowledged as factors contributing to improve local resilience.

In the next chapter, Roger Lee builds on the ideas developed by Gibson-Graham and reflects on the potential of economic difference

and otherness to transform capitalist societies. At the core of this chapter is the concept of the 'ordinary economy'; this frame of the economy acknowledges that many of the social and economic relations usually termed as other or alternative represent integral parts of both our everyday social life and economic systems, i.e. it recognizes the always hybrid realities of contemporary capitalist economies. Central to this reconciliation are the complex relationships between material value and moral values (including mutuality, social justice, sustainability) that guide and shape economic activity. Applying this concept and a number of further, foremost theoretical arguments, Roger Lee develops a presumably rather realistic account of the political significance of diversity/otherness on economic change.

Subsequently, Michael Goodman and Raymond Bryant assess alternative retailing by means of a comparative investigation of Oxfam charity shops and independent worldshops (also labelled 'one-world shops') as two examples of retailers that promote the idea of more sustainable consumption. Acknowledging the aim to make a difference by helping the poor through equitable trade and access to lower cost consumption, the chapter explores the various ethical ambiguities surrounding alternative retailing – in particular, its environmental record, but also in terms of the 'spaces of intention' charity and worldshops attempt to create. According to this analysis, these ambiguous spaces of intention in Oxfam's shops, through the resale of donated goods, have resulted in the propagation of what Michael Goodman and Raymond Bryant call a 'second-hand ethics' that is unable to address the more exploitative relations under which resold clothes were originally produced. In contrast, a strict focus on fair trade at worldshops prompts a 'first-hand ethics' where the often nasty conditions of original production are indeed fully banished.

In the final chapter, Benjamin Huybrechts delivers valuable insights into the role and potential of social enterprises as agents of systemic change. As hybrid organisations at the intersection of the market and the civil society, social enterprises connect various types of stakeholders in and against the market. Using the cases of renewable energy

and, again, fair trade, the chapter makes the point that social enterprises may – precisely because of their hybrid nature – contribute in a threefold manner to social and economic change: as developers of new goods and services; as pioneers in conceiving organisational models; and as creators and leaders of local and trans-local networks devoted to pursuing a transition of our economic system towards a more sustainable one. Benjamin Huybrechts however also highlights, largely in line with the previous chapters, that social enterprises cannot build and sustain systemic change alone, but are only one among a multiplicity of necessary pillars on which a socio-ecological transformation of our contemporary economic system can be conceived and built.

Taken together, the chapters make clear that addressing alternative practices of economic/social exchange and rethinking the economic is a vibrant intellectual strand in contemporary human geography. As holds true for the discipline in general terms too, the field is marked by both controversies and shared concerns. It is thus best seen as a diverse project itself, i.e. a set of approaches and schools of thought rather than a united front. As Leyshon et al. (2011) argue, precisely this lack of a canon of thought presents a massive advantage trying to come to terms with the profound challenges, both material and moral, to the functioning of the economy and thinking of alternatives. A common concern of the chapters is to exhibit the distinctive significance of space and difference in economic cultures and practices in our uneven world. Withal, they do not deny the hope that an improved knowledge about this difference and diversity provides a key to tackle the extensive economic, social and environmental dilemmas which strike at the heart of the sustainability of human life. This concern is undoubtedly worth to be sustained and carried further, not only in the academic discourse on alternative/diverse/ordinary economies, but also outside academia and the very everyday lives of all of us. There is a lot more to do – evidently, with plenty of space for economic alternatives.