

# Economies, Alternative

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## Glossary

**Alternative Economies** (1) Processes of production, exchange, labor/compensation, finance, and consumption that are intentionally different from mainstream (capitalist) economic activity; and (2) an alternative representation of economy as a heterogeneous and proliferative social space.

**Class Process** The form in which surplus (in labor, value, or product form) is produced, appropriated, and distributed. Class processes theorized by Marx and Resnick and Wolff include slave, feudal, capitalist, independent (ancient), and communal.

**Community Enterprise** A market- or nonmarket-oriented economic organization concerned to improve community well-being.

**Diverse Economy** Theoretical proposition that economies are intrinsically heterogeneous spaces composed of multiple class processes, mechanisms of exchange, forms of labor and remuneration, finance, and ownership.

**Economic Difference** A representation of economy as radically heterogeneous.

**Performativity** Theory that discourse participates in constituting the reality it purports to represent.

## Introduction

Contemporary economic geography has seen a theoretical centering of the relationship among neoliberal governance, economic globalization, and capitalist development. The question within this research program is whether to see neoliberal capitalism as a single force defined by its regularities, or as a referent that describes a variety of relations between the state and the economy (see Harvey's *A Brief History of Neoliberalism*). Against the backdrop of this larger conversation about neoliberal capitalism, a small but growing number of geographers have turned their attention to a variety of economic activities and sites that can be described as alternative in one of two ways. In the first approach, the alternative economy is simply imagined to be something other than a presumptively dominant capitalism and its associated systems of governance. The term 'alternative economies' describes an array of processes of production, ownership, labor, exchange, and consumption that differ from those of the mainstream economy. A second understanding of

the alternative economy coalesces around an epistemic break which posits the economy as an always already and intrinsically heterogeneous space. This second approach not only represents the economy as a field of difference but possesses the potential to reconfigure scholarly research within economic geography.

While there has been considerable excitement around the idea of alternative economies, and especially non-capitalist economic activity, the alternative economy remains a marginal concern because of the underlying and frequently unspoken spatial ontology that governs its academic (and popular) representation. In many representations, alternative is synonymous with self-consciously intentional efforts undertaken on a local scale. This association renders what it describes as peripheral and relatively powerless, vulnerable to cooptation or even state repression. From the outset the alternative economy is seen as socially insignificant and thus unworthy of scholarly attention. What is required to combat this double marginality is a theoretical framework that diverges from the conception of the alternative economy as local and intentional. The first step in developing such a framework is to recognize that the marginality of the alternative economy comes from defining something as alternative in the first place. The second step is to produce an ontology of economic difference that highlights the ubiquity (in place) of nonmarket and non-capitalist practices alongside the variety of capitalist forms.

## The Trouble with Alternatives

The term 'alternative', by its very nature, underscores a foundational insight from modern linguistic theory – that no term derives its meaning self-referentially. The existence of an 'alternative' economy implies that there is a dominant or mainstream economy against which the alternative is defined. Moreover, the perceived spatial extent and viability of alternatives are shaped by how one understands the dominance of the mainstream economy. Not surprisingly, this issue is a principal point of contention among scholars interested in alternative economies.

Those who understand dominance from a realist epistemological perspective believe that it is possible to gauge relative degrees of power and the extent of vulnerability or powerlessness. They therefore almost always see alternative economies and organizations as weak and likely to be short-lived. Those who understand dominance

as performative, on the other hand, see it as predicated upon and produced by the dissemination and repetition of knowledges. Neoliberalism, for example, has become hegemonic in large part because academic knowledges, policy discourses, protest movements, and bureaucratic technologies of enactment have made it the focus of belief and action, bringing it into being in both authoritarian and democratic settings. From this perspective, the continual interruptions, large omissions, and widening gaps in the performance of neoliberalism are openings for the other discourses and technologies that are always already participating in bringing different economies into being.

The resolution of this central debate as to whether the alternative economy really is a marginal set of activities or if it is performatively marginalized will determine the future direction of research into alternative economies. One interesting feature of this debate is that adherents of the performative perspective are frequently regarded by those adopting the realist perspective as idealists who imagine that thinking differently – an intellectual commitment to celebrating noncapitalist spaces and practices – is all that is required to change the world. Celebration here is effectively a code word for an idealist naiveté that ignores the reality of capitalism and a devolved neoliberal state dedicated to its expanded reproduction. But what if the way in which this reality is invoked to reign in the potential study of something other than capitalism is itself part of what keeps capitalism dominant? Perhaps the persuasiveness of the argument that capitalism is the real economy, while the alternative economy is fanciful celebration, is the ultimate confirmation of performativity.

Research based on the realist vision of the alternative economy tends to focus on self-consciously alternative economic institutions and practices such as the self-employed retro-retailers studied by Crewe, Gregson, and Brooks. These enterprises are threatened simultaneously by self-employment burnout and by conventional stores targeting the same demographic. The researchers' analysis reflects a frequently expressed concern that the alternative is contingent and vulnerable in comparison with the systemic and encompassing dominant economy. The premise here is clearly a binary opposition in which superior qualities are ascribed to the mainstream.

If the alternative economy is understood from the outset as intrinsically deficient, it is not surprising that alternativeness is always vulnerable to erasure. Market competition, cultural cooptation, and state repression are seen as forces arrayed against the alternative economy that will, almost inevitably, reduce alternativeness to sameness. The continued existence of alternative economic institutions – community-based credit unions, for example – is seen as threatened by the dominant ideology that governs finance, the laws of local, state, and national government, and the market forces that favor

large capitalist firms. At the same time, it is imagined that alternative economic practices and institutions, such as local economic trading systems (LETSs), can exist only on the margins either in spaces that have been abandoned by traditional financial institutions (poor blighted communities) or in locations with progressive and affluent populations that can elect to sustain them. While alternative economic institutions are conceived as existing only in contingent circumstances, the presumed dominance of mainstream financial institutions creates the appearance that they exist autonomously, independent of conditions.

Gibson-Graham's work attempts to replace the binary opposition of mainstream and alternative with a conception of the economy as a space of difference. In this vision, self-consciously alternative economic activities constitute a fraction of the noncapitalist and alternative capitalist activity within a differentiated economic landscape. The economy is understood as being composed of many different processes of production, exchange, ownership, work, remuneration, and consumption without the presumption of necessary relations of dominance and subordination. The alternative economy as economic difference constitutes a new economic ontology whose performative efficacy depends upon and produces an approach to scholarship that is centered on community engagement and action research.

## Theorizing Economic Difference

The commonplace view is that economic alternatives are tiny islands awash in a sea of capitalism. To the extent that difference is recognized – alternatives to capitalism or alternative forms of capitalism – this difference is seen as contained within or conceptually subsumed to capitalism as such. The first problem facing theorists of economic difference is how to define capitalism so that it is no longer seen as that which contains and subsumes difference.

Following Resnick and Wolff, Gibson-Graham turns to a close reading of *Capital* in order to more precisely define capitalism. From her perspective, what distinguishes capitalism is the specific way in which surplus labor is produced and appropriated, or what Resnick and Wolff term the 'class process'. Capitalism involves the use of free wage labor in the production of goods and services, usually for a market. Wage laborers produce a surplus that is appropriated by nonproducers – a sole proprietor, or the board of directors of a capitalist firm – who distribute this surplus in ways that they wish, though they are usually constrained to direct much of it to reproducing the firm and its exploitative class process.

This minimalist definition of capitalism carries with it the implication that particular capitalist firms might

operate under a variety of conditions. A capitalist enterprise may or may not accumulate capital (in other words, invest appropriated surplus in expanding plant, equipment, and workforce), may or may not own the means of production (plant and equipment may be leased or borrowed), may or may not be in a dominant position with respect to the wage laborers employed, and may or may not strive to maximize profits or market share. It is the minimal definition of capitalism that allows us to see capitalisms in all of their specificity and particularity at the level of the enterprise.

With capitalism reduced from a systemic entity co-extensive with the social space to a type of enterprise scattered (or perhaps concentrated) in a larger economic landscape, it is easier to see the other ways in which goods and services are produced and exchanged. In the United States, for example, it is possible to find instances of goods and services publicly provisioned, or produced for exchange by people who labor without freedom of contract in what might be seen as a slave class process (prisoners, members of the armed forces, indentured migrants, and children). Likewise, as feminists inside and outside of geography have argued and demonstrated for quite some time, household-based, noncommodity production of goods and services accounts for 30–50% of total economic activity in both rich and poor countries.

While it is not difficult to find examples of exploitative class relations – capitalist, feudal, and slave – in every country of the world, it is also possible via class analysis to find instances of nonexploitative class relations in which the people involved in producing surplus labor are

also its appropriators. Self-employment (which Marx referred to as the ancient class process) is ubiquitous in both rich and poor countries, and worker cooperatives (where surplus is communally appropriated) operate in market and nonmarket contexts throughout the world.

Just as productive activities can be read for difference in class terms, it is possible to theorize exchange and labor/compensation occurring in a variety of ways. While many goods and services are produced for exchange on markets, they are also allocated in other ways – via gifts, state transfers, barter, theft, and so on. Similarly, many people in a society may be paid a wage for some of their labors, but likely do other work that is unpaid or alternatively compensated – for example, by payment in kind, or in a reciprocal labor exchange. This heterogeneity of exchange and compensation is a fundamental condition in economies around the world and through time.

The understanding of economy as a space of difference is partially captured in the open-ended conceptualization of a diverse economy in [Figure 1](#).

This diagram could be expanded to differentiate other aspects of the economy such as property (private, alternative-private, and common property), forms of finance, and other dimensions of difference. It can be used for inventorying economic activity in a particular locality or thinking about the ways different elements of the diverse economy are in fact connected to one another in any given practice or social location. For instance, the Community Economies Collective documented the story of a worker cooperative, Collective Copies, which was founded after the original owner decided to close shop

Transactions	Labor	Enterprise
Market	Wage	Capitalist
Alternative market Sale of public goods Ethical 'fair-trade' markets Local trading systems Alternative currencies Underground market Coop exchange Barter Informal market	Alternative paid Self-employed Cooperative Indentured Reciprocal labor In kind Work for welfare	Alternative capitalist State enterprise Green capitalist Socially responsible firm Nonprofit
Nonmarket Household flows Gift giving Indigenous exchange State allocations State appropriations Gleaning Hunting, fishing, gathering Theft and poaching	Unpaid Housework Family care Neighborhood work Volunteer Self-provisioning labor Slave labor	Noncapitalist Communal Independent Feudal Slave

**Figure 1** A diverse economy. Note: The figure should be read down the columns rather than across the rows. Source: Gibson-Graham, J. K. (2006). *A Postcapitalist Politics*, p 71. Minneapolis, MN: University of Minnesota Press.

rather than allow unionization. The capital used to acquire the business was donated in the form of outright gifts and a no-interest loan from customers and community members. Just as primitive accumulation in the form of dispossession has historically given rise to capitalist enterprises, gifting could be seen as providing a source of primitive accumulation for this cooperative enterprise (and perhaps others).

The story of Collective Copies links the success of this enterprise to other elements of the diverse economy, tracing the formation of a nascent community economy in which social interdependence is acknowledged and constructed. To expand this conception of the economy as a negotiated space of relation among diverse elements, it is necessary to conceptualize a flat spatial ontology where differences are provisionally equivalent rather than hierarchically arrayed.

### **Spatialities of Alterity and Difference**

For those who focus on neoliberalism as well as those who are interested in the self-consciously alternative economy, the economy is generally structured by a hierarchical spatial ontology in which the local is nested within the regional, national, and global scales. Viewed as containers, activities on a global scale – international financial markets, for example – are assumed to have more determining power than local projects that appear to be contained – a LETS or a worker cooperative. In this way, a hierarchically ordered space effectively affirms the dominance of (global) capitalism while consigning economic experiments to relative powerlessness.

The metonymical pairing of global-capitalism and local-alternatives structures our understanding of economic space even when an alternative economic practice becomes global in scope. Alter-trade (or fair trade), in spite of its expanding presence in the global marketplace, is dismissed by its critics as small in relation to global trade as a whole (as, of course, are many sectors of international trade) and vulnerable to competition and cooptation. What is remarkable about this depiction is that alter-trade could just as easily be represented as a powerful innovation, one that has injected an ethical sensibility into trade that did not exist 20 years ago. Alter-trade is energized by an ethical dynamic of growth (rather than by a structural dynamic of competition and increasing market share) that works against cooptation, draws increasing numbers of products into fair-trade marketing, and links together more and more people. Perhaps in order to see the potential of alter-trade, what is required is a different spatial ontology that does not presume in advance the connection between scale, size, and power.

Recently Marston, Jones, and Woodward have proposed a flat spatial ontology based on the site as an unfolding materiality that constructs and reconstructs space through its often uneven and temporary connection to other (distant) sites. In this conception there are no spatial categories or containers that prearrange the world into ordered spaces. Another flat spatial ontology is offered by Gibson-Graham, whose feminist political imaginary is premised on a geography of ubiquity. Because women are everywhere, local and household-based feminist projects can be globally transformative; because diverse economies are everywhere, the projects of local economic activists can have world-changing effects. Linked semiotically rather than organizationally, these projects have the potential to configure a place-based global movement for economic transformation.

Flat spatial ontologies have several implications for theorizing and enacting economic difference. First, it becomes easier to see economies as self-organizing spaces of contingent relationality where there is no presumption of dominance and subordination (though these will, of course, be found to exist in particular settings). When capitalist class relations are no longer to be regarded as necessarily dominant, it becomes more difficult to imagine that other social sites and processes (e.g., households) are bound to the task of capitalist reproduction or that economic alternatives are awash in a capitalist sea. Second, a flat spatial ontology allows us to see economic diversity as globally dispersed, while at the same time creating potential connections among disparate locations and processes. In the flat space of economic difference, economic geographers interested in contributing to alternative economies might play a constructive role in translating experiments from one location to another, formalizing lessons learned from experiments in one place for other places, and working imaginatively with individuals, communities, and regions to produce and disseminate economic innovation. Given the ubiquity of potential sites for these sorts of academic interventions – households, enterprises, communities, and regions – they could conceivably be conducted on a global scale. But in conceptualizing this politics of research and the future direction of scholarly interest in alternative economies, it becomes crucial to return to the concept of performativity and the way that it differs from just electing to think differently.

### **Performativity, Economic Difference, and the Politics of Research**

Colin William's recent work on differentiating the process of economic exchange poses a significant challenge to the received wisdom that market exchange/commodification has displaced, or soon will displace, all other

forms of exchange. As William notes, the commodification thesis circulates as a widely accepted idea, and yet it remains, essentially, an assertion that has yet to be theoretically or empirically substantiated. His own empirical work in the United Kingdom demonstrates that even in advanced industrial countries (and postindustrial ones), barter, other forms of nonmarket exchange, self-provisioning, and mutual aid are widely practiced and may indeed be more integral to the lives of the middle and upper classes than they are for people on the social and economic margins.

The crucial insight from Williams' work is that the persuasive power of the commodification thesis is itself a testament to operations of performativity. Something that is as ubiquitous as nonmarket exchange remains hidden only because it is configured discursively as subordinate. Interestingly, when it is revealed to be ever-present it is dismissed as unimportant, dependent upon capitalism, or (from a progressive standpoint) not subversive enough. The perceived expansiveness and dominance of market exchange is performatively constituted even (perhaps especially) by those who are critical of it.

Performativity theory is not simply an invitation to think differently; it also reveals the extent to which the discursive limits the conceivable and, by extension, the doable. In the open and indeterminate space of a diverse economy, the space of academic engagement is correspondingly enlarged; the question becomes how do we understand and engage with economic difference when it is no longer positioned as the subordinate term within a binary opposition? One answer might be to see the space of economic difference as a space of self-conscious and unconscious experimentation in becoming, where marginality or dominance, success or failure, cannot be known in advance. As Lincoln points out in his case study of worker-owned (cooperative) enterprises, they succeed or fail as ventures for definite reasons just as capitalist enterprises succeed or fail. The vulnerability of cooperative firms is not unique to their form, but reflects a general element of economic risk that is heightened or attenuated in particular situations.

Viewing the economy as a space of experimentation/becoming has another important implication in that the recognition calls forth and depends upon a new form of activist scholarship. The goal of this scholarship is to examine economic practices that are potentially valuable but discursively subordinated, bringing them to light and engaging with the actors to build or strengthen alternative economies. These scholarly interventions highlight the ethics and politics of language and representation, recognizing that acting differently requires thinking differently, and that conscious change begins with the recognition of possibility.

Kevin St. Martin's work, for example, focuses on the discursive politics of resource management in the

fisheries industry. Fisheries management is currently guided by the assumption that each individual fisher is a self-interested utility-maximizer. As St. Martin points out, this leads to a regulatory approach – limits on days at sea – that generates more risk-taking on the part of vessels and crews and produces the very behavior it presumes to control. Working closely with fishing communities themselves, St. Martin has put forward an alternative representation of fishers as a community engaged with and invested in a common resource. It is common practice, for example, in the fisheries of the northeastern United States for fishers to share information (map plots) about bottom type and fish habitat; the controlled dissemination of this information constitutes a form of community-based resource management that offers, St. Martin argues, an alternative entry point to conservation. What is powerful about St. Martin's work is that it is attempting to initiate a new approach to resource management which includes the community of fishers as potential allies rather than adversaries. His approach to an alternative policy regime depends upon seeing the possibilities in what is already a commonplace, everyday activity.

In another example of the experimental/performative approach to research, the Community Economies Collective is collaboratively drafting a protocol for self-study with community-based enterprises to document their histories and develop new, more appropriate metrics of success. One observation that has emerged from this work is that community enterprises often change their mandates over time. The Alliance to Develop Power (formerly the Anti-Displacement Project (ADP)) started as an organization to preserve affordable housing in the Pioneer Valley of western Massachusetts. At present, the organization owns housing worth \$45 million dollars, making it one of the largest property owners in the area. Several years ago the ADP drew on their energetic membership and financial power to start a cooperative enterprise – United Landscaping – that provides worker-control and good jobs for ADP members as well as maintenance services for ADP properties. More recently, the ADP has worked with a local union to open a worker education and advocacy center that offers ESOL, adult basic education, campaigns for fair wages and wage restitution, financial services for the unbanked, and many other services to marginalized workers.

In their ongoing efforts to document the successes and setbacks of the ADP and organizations like it, the Community Economies Collective sees its work as a vehicle for validating and disseminating effective strategies of economic activism and community engagement. Via the existing infrastructure of academic and activist channels, the ADP's experiences are readily communicated to scholars and activists worldwide, contributing to

the performance of alternative economies in far-flung places.

## Conclusion

St. Martin and other members of the Community Economies Collective explore the alternative economy as a space of experimentation and difference through a research process that involves them collaboratively with people in place. Far from being idealist, the performative dimension of these action research projects makes use of what already exists, hidden in plain sight, in order to develop political, ethical, and organizational potential. The performative theory of economic difference is not blind to the realities of power, but emphasizes the power of representation and research.

The examples of Collective Copies, the ADP, and community-based fisheries management suggest that the future of alternative economies research within economic geography might revolve around reconceptualizing research as a process of performatively enacting community economies. Activist researchers could engage in disseminating and replicating such experiments in forming community economies, recognizing the powerful role these efforts might play in demonstrating how another economy might be possible.

Ironically, we might turn to the success of the neoliberal project itself for inspiration. As David Harvey points out, the basic tenets of neoliberalism articulated by Friedrich Hayek operated on the margins of economic orthodoxy for decades until the economic crisis of the 1970s gave proponents an opportunity to widely disseminate them. In the same way, perhaps identifying alternative economic practices, conceived as part of a larger field of economic difference, might become a central part of an activist research agenda for economic geographers. Nearly 40 years after the economic crisis that propelled neoliberalism into a position of discursive dominance, it is neoliberalism that is now widely perceived to be in crisis. The flat rejection of export-oriented development and state devolution in Latin America must be seen in the larger context of the failure of the capitalist development project as a whole. When this failure is combined with a deepening awareness of global environmental contradictions, we may find ourselves in an ideal context in which to engage in a performative scholarship and politics of alternative economic development. The expanding presence of the World Social Forum and national forums like the USSF cannot only be read as reflecting a tangible hunger for alternative economies but as a practical context for activists and activist scholars to engage in experimentation and dissemination.

Given the widespread recognition of the failure of development-as-usual and the ubiquity of alternative economic practices foregrounded in the theory of

economic difference, the formation of community economies becomes a process that is potentially global in scale while being particular and local in practice. This approach to constructing economic alternatives offers no guarantees; it simply foregrounds possibilities, with the understanding that a wider sense of possibility is a first step toward enacting alternative economies. It is the connection between a performative concept of knowledge, an ontology of economic difference, and a transformative politics of research that will define this area of study and its promise in the future.

See *also*: Economic Geography; Economy, Informal; Enterprise Discourse; Participatory Action Research; Performance, Research as; Performativity; Poststructuralism/Poststructuralist Geographies.

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## Relevant Websites

<http://autonomista.org>

Argentina Autonomista Project.

<http://www.ethicalmarkets.com>

Ethical Markets – a gateway to cleaner, greener twenty-first century economies.

<http://www.commoner.org.uk>

The Commoner – a web journal.

<http://www.communityeconomies.org>

The Community Economies project – a place where new visions of community and economy can be theorized, discussed, represented, and enacted.

<http://www.schumachersociety.org>

The E. F. Schumacher Society – linking people, land, and community by building local economies.