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Retrieved on November 7, 2022 from
https://c4ss.org/content/724

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The late Samuel Edward Konkin III (SEK3), in the New Libertarian Manifesto, coined the term “counter-economics” to describe the building of an economy outside the corporate-state nexus, and operating below its radar. The counter-economy would evade both state regulations and state taxation, starve the state of the revenues it needed to operate, and eventually supplant the corporate-state economy.

Unfortunately, SEK3 took too narrow a view of the counter-economy: rather than viewing illegality as a means to an end, he viewed it as an end in itself, and as the defining characteric of counter-economics. That approach is unsatisfactory, since it means we define our efforts in terms of the state rather than in terms of our own self-derived goals.

Indeed, the state’s own statism is a means to an end, and defined largely in relation to our own self-determined goals: to prevent us from supporting ourselves in comfort, independently of the corporate-state nexus and wage employment, and from receiving the full product of our labor.

If counter-economics is the means, we should also remember that the means is the end in progress. Evading the state is not an end in itself; it is, rather, a means of accomplishing what we would want to accomplish for its own sake, even if the state never existed. Counter-economics is the building of the kind of society and economy we want right now. And if we define it that way, it dovetails nicely with many similar concepts prevalent on the libertarian, decentralist Left: counter-institutions, dual power, and (that wonderful Wobbly slogan) "building the foundation of the new society within the shell of the old."

In that context, I'd like to welcome a new member to the world family of local currency and barter systems, right here in Northwest Arkansas: the Ozark Hours, or "Hill Bills" system, which was established following Ithaca Hours founder Paul Glover's visit to Fayetteville.

LETS systems and barter networks are an invaluable counter-economic tool, by which producers can exchange their goods and services directly to one another outside the corporate-state nexus and outside the wage system.

In periods when money dries up in the larger, official corporate economy, they enable under- or unemployed workers with underused tools to put themselves to work producing directly for other members of the barter network. For that reason, barter systems have tended to proliferate in periods of economic depression or stagnation. Labour Notes were used by unemployed Owenite trade unionists to coordinate production for barter. The Worgl local currency system, adopted in an Austrian town at the depth of the Great Depression, enabled unemployed workers to support themselves producing for each other. The Unemployed Cooperative Relief Organization and the Unemployed Exchange Operation were both formed in California during the Depression, when unemployed workers realized that they still had the skills and the tools, and the demand for each other's services, even when there was "no money."

Ted Trainer, a writer on relocalized economies, has pointed out that local currency systems are not enough by themselves. Too often, most of the people spending local currency simply earn conventional money in the wage system, and then exchange official money for LETS notes at a local bank or other business. The majority of people in the community have no way of actually producing directly for the network and earning local currency units within the barter system. At the same time, the LETS system turns into a glorified Green Stamps system for buying stuff at a discount from already-established, conventional local businesses; a handful of local businesses operating within the system may accumulate a large number of LETS dollars, and find they have nothing to spend them on because of the limited range of local businesses participating in the system.

As Trainer argues, the local currency system by itself is the next thing to useless, if new ways aren't found for underemployed and unemployed workers to put themselves to work producing for barter, and for those presently employed at wage labor to begin meeting a larger portion of their needs by producing directly for the barter network outside the wage system. The local currency system, rather than an end in itself, must be seen primarily as a tool of self-empowerment for working people who want the option of producing outside the wage system.

Trainer raises an important question: where is the capital to be found to support self-employment and employment in worker cooperatives? One largely overlooked source of such capital is the ordinary household capital goods most people already own. For example, a home-based microbakery using only an ordinary kitchen oven. Or an unlicensed cab using a family car and cell phone. Or a neighborhood childcare or elder care facility, operated out of someone's home for the other neighbors. Or a home-sewing business, repairing clothing or producing new clothes to independent designs.

One benefit of such household microenterprises is their low overhead. Because they produce using the spare capacity of ordinary household appliances that most people already own, there is no initial capital outlay and no overhead from servicing it. With no overhead cost, all income over and above current expenses is free and clear. The microentrepreneur can therefore afford to engage in small batch production, with no pressure to "get big or get out." He can use the microenterprise as a means to shift a portion of his subsistence needs from wage employment to self-employment, on an incremental basis, with no risk, and ride out periods of slow business or none with no loss.

One of the central functions of business and occupational licensing, and "health" and "safety" regulations, is to mandate minimum levels of overhead and make such small-batch production effectively illegal. "Health" and "safety" codes, for instance, typically require our would-be microbaker to purchase an industrial-sized oven, refrigerator and dishwasher: an enormous debt which can only be serviced by large batch production on a full-time basis, in a separate building with permanent hired staff.

Under such circumstances, the only people who can afford self-employment and entrepreneurship are those who can raise the artificially high, state-mandated capital outlays; everyone else must offer himself for hire to an employer who can afford such outlays. And since the entry barriers artificially reduce the number of employers and inflate the number of people seeking wage employment, obviously, the dynamic tends to be one of workers competing for jobs, and the terms of employment being artificially set by the employer.

Such microenterprise is low-overhead in another sense. Consider the case of an electrician who works for wages, and earns the money to hire plumbing done (or vice versa). As Scott Burns pointed out in "The Household Economy," assuming for the moment that the plumber and electrician make similar wages, the electrician generally must pay the erful counter-economic weapon for ordinary working people to achieve independence from the corporate state.

plumber's employer an hourly rate about 250% the plumber's actual hourly wage–and vice versa. That means the plumber must work two and a half hours to hire the labor of an electrician (and again, vice versa). But if the two exchange services directly through a barter network, each need only work an hour to obtain an hour of the other's services (plus materials, of course). What's more, they evade similar overhead costs from such forms of tribute as the sales tax–a consideration which should be pleasing to the shade of SEK3.

Networked, crowdsourced, distributed credit also makes it possible to aggregate large sums of capital from many small individual contributions (the funding of Center for a Stateless Society is an example of this). Such methods are another way of raising capital to organize production within a barter network. Crowdsourced capital could be used, for instance, for the kind of counter-institutions suggested by Dougald Hine in "Social Media vs. the Recession," and built on by Nathan Cravens (of Appropedia and Open-Source Ecology). Hine suggested, in general terms, that self-organization through social media might be used by the unemployed and underemployed to find self-organized ways to support themselves. This might include, he said, organizing common access to tools of various kinds, the use of Freecycle to reduce the cost of living, and the use of social networking to put people with various skills in direct contact with each other. Cravens called for a three-legged countereconomic stool of Fabrication Labs (workshops), Internet Cafes, and Community Supported Agriculture, financed by local P2P networks. I've suggested that some sort of open-source housing be added to the mix, as a "fourth leg": some sort of bare-bones cohousing project, perhaps in a cheap refurbished warehouse building with cots and access to water taps and hotplates on something like the YMCA model; or perhaps as some sort of organized squat movement refurbishing abandoned buildings.

Another benefit of self-employed production for a barter network, besides the low overhead cost, is the level of security it permits. Participation in the money economy and its wage system involve a lengthy circuit of transactions which is vulnerable to disruption, no matter how many people need each other's actual services, if someone currently lacks ready money to hire them. Consider, on the other hand, a market gardener living next door to a home seamstress. The seamstress and her family cannot consume the farmer's whole output of vegetables, nor can his family keep her fully employed sewing. But the two families, together, have a secure source for all their vegetable and clothing needs, and each has a secure outlet for the portion of its output consumed by the other. The more skills and trades are brought into the system, the larger the portion of the membership's consumption needs can be securely and reliably met by transforming their labor into use-value, without the vagaries and uncertainties of wage employment in the larger money economy.

As corporate bankruptcies, Peak Oil, and the deterioration of the national transportation system lead to the collapse of corporate logistic chains, a considerable portion of industrial activity is likely to shift from the manufacture of new appliances and machinery to the repair and recycling of existing machinery in backyard and neighborhood workshops. And the custom production of replacement parts in small machine shops may lead to networked manufacturing of new, open-source product designs.

As the old money economy and wage employment dry up, and idle industrial capacity turns to rust, a growing portion of our economic life may become organized through local barter networks. I think it's quite likely, in twenty years time, that we will meet a majority of our consumption needs through production mediated by the barter network. Most of our food will come from our own backyard or neighborhood gardens, or from local market gardeners selling to the barter network. Our

bread will come from our own ovens or from the neighborhood microbaker, our milk and cheese from someone whose cow makes too much for one family, and our clothing from the neighborhood seamstress. Our cars and appliances will be kept going by custom-machined parts from a well-equipped local workshop. Our primary healthcare will come through a modernized version of "lodge practice" (previously suppressed by the medical licensing cartels), with the physician working on retainer for a local barter network in return for credit with the system. Old age and disability insurance, and provision for support in neighborhood care facilities if needed, will be funded by premiums deducted from one's balance in the barter network.

To the extent that people continue to rely on wage labor to meet a significant minority of their needs outside the barter network (obviously there won't be neighborhood microchip foundries any time soon), the fact that most people use wage labor only for supplemental income and can afford to do without it for months at a time will mean that labor finally has the whip hand, and the advantage that comes from the ability to walk away from the table. The average worker might work, say, one or two days a week to earn money to meet the needs that can't be satisfied within the barter network (perhaps something from the much smaller product stream of new appliances). And like the cottager of 250 years ago, he can afford to "retire on the common" for a spell if he finds the terms of employment too onerous (it was exactly this very circumstance, in which working people could either take work or leave it, which motivated the employing classes to enclose the commons).

If local currency systems are used as just another yuppified "buy local" program for the Main Street establishment, I suppose it's still better than nothing. But if a majority of the participants are people actually engaged in self-employed production for the barter network, rather than just cashing in part of their paychecks for local scrip, local currencies could be a pow-