Federalism and cooperation for community currencies: clearing systems and non-market exchange rates

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Abstract
The purpose of this paper is to present the first stage of a thesis project on rethinking local monies throughout the lens of intercommunal monetary federalism. This paper offers some guidelines to link together communities of payment outside the standard monetary system, a manner to interconnect and clear transactions between communities. Looking back on the evolution of local currencies, those tentatives of social reorganization have been restrained by ideas, but mainly by the rules of the game of the ‘normal’ economic-world. That could be synthesis by talking of problems linked to liquidity and competition for CC linked to national currencies, and on the other side, problems of clearing and access to resources, if we could think of genuine endogenous local currencies. As a manner to overpass those problems, for us, the creation of a federalize clearing system between communities could make a difference. Knowing that clearing is not enough to implement cooperative incentives, we offer to present some possible mechanisms enforcing a harmonious relationship between members. The goal here is to provide a structure that responds to the need of every community by producing the incentives for those in surplus to spend in the ones that are in deficit. A non-market exchange rate with an interest rate mechanism at the heart of an intercommunal clearing system could be a keys to push back debt accumulation, and so, to embrace cooperation.

Keywords
Federalism; clearing-system; complementary local currencies; time-banks; endogenous local monies
1. Introduction

This research project aims to propose a theoretical structure to overcome some of the constraints of local currencies that relate to both their theoretical and practical anchors. In order to explain why federalism is important to the development of these local projects, we will first discuss the angle of analysis from which our reflection comes, and then highlight the main contributions of the CC in our view, which the research project seeks to allow for a greater scope. The case of complementary local currencies and time banks will be criticized from a post-Keynesian perspective, to present what is perceived here as the strengths and weaknesses of these projects.¹ It is a question of examining this vision of social, local, and economic transformation, with particular attention to the international developments in this direction. Moreover, these local and monetary considerations expressed in local monetary federalism are linked to the renewal of socializing economic thinking that is open to other neighbouring local economic "emancipation" projects. Although this theoretical research project is critical to the current contribution and opportunities of CC, it is intended to propose an organizational supplement to them, to allow an expansion of their potential and area of influence. By recognizing the experience of participants in local currencies, a complementary structure is proposed to this transforming praxis, that we call the inter-community monetary federalism based on clearing institutions and ways to make converge different local monetary regimes.

2. The theoretical and historical background of this reflection

As discussed in the literature on CC (e.g. Blanc, 2000), monetary localism projects generally carry within them this desire to transform human socioeconomic relationships by addressing one of the most central social institution that is money. By adopting the Polanyian adage, where it is necessary to re-embed the economy into the social sphere, several communities have therefore sought to "re-appropriate" it. As highlighted in the work of Polanyi et al. (1957) perpetuated by some such as Hudson et al. (2002; 2004), vulgarized by Ingham (2013) and popularized by Graeber (2012), money is understood by a growing number of people as a social institution regulating our ways of doing and being. By virtue of this understanding, it is therefore a logical continuity that those people seeks to escape the rules of the game (Robinson, 1962) and thereby the control of States, big banks and corporations. By determining the tool for the intermediation of social exchange relationships, it is thus intended to determine other rules and ways of doing things, along the lines of this human and community-oriented socio-economic vision as promoted by

¹ The choice to reduce the analysis to CLC and TB is intended to present two main poles of the current CC articulation, to discuss the possibilities and limitations related to the conversion and use of different valuation regimes.
CC organizations. In continuity with the expression strongly popularized by Dardot and Laval (2015) of the *commun*, these communities are rallying around a currency project that aims to institute a new socio-economic praxis, which takes shape in this expression of Fare and Dissaux (2016): *la monnaie en commun* (i.e. the currency in common).

Although political objectives vary from one place to another, even going so far as to call themselves "apolitical", they nevertheless refer to a set of ideas concerning the coordination of economic activity that we link to two intellectual curricula that can be seen as converging in the articulation of these projects. It should be noted that these ideological influences are at least implicitly rather than explicitly expressed, for example in project charters. On the one hand, we note that there is an attachment to the ideas of decentralized socialism as put forward by Lange, Dobb, Kalecki, and Feiwel, given this adherence to the importance of regional autonomy, a strong central organisation, and, in some cases, the importance of leaving some space for market relations. On the other hand, libertarian municipalism in the Bookchin style is activated, but just as implicitly, given the dimension of complementarity with the national currency, by the desire to establish democratic and social relations in local economic relations.

While the principle of participatory democracy is in many cases a promising one, it cannot be said to be so close to anarchist developments that can be exemplified by the contemporary most achieved proposition, the one of Albert and Hahnel (1991) with their vision of the participatory economy. The latter, unlike the CC, remains nevertheless marked by a high rate of planning and negotiation of economic relations, in continuity with the decentralized socialism (Lebrun, 2012). It is understood here that the CC are generally less inclined to this planning than in case of the participatory economy proposal. In the case of CC, this spirit of participatory democracy is more evident in the decision-making on rules and procedures within the common monetary institution, which the community acquires in order to develop a way of living and producing together. Although Bookchin can be mentioned as before, it would potentially be more accurate to link the socio-economic vision to the one Polanyi sought to present in his *Common Man's Masterplan* (1943). In this way, local organizations embrace these participatory democratic ideals, both in terms of the structure and ways of using their currency, and especially in terms of daily use which requires the active participation of stakeholders. More broadly, these new projects show that Proudhon's contribution remains partly active, at least thanks to the visibility obtained by Gesell, who is still an important intellectual figure for many CC organizations (e.g. Preparata, 2010).
Through these figures and movement of socio-economic thought, we can understand how this socialist reflection on money is reactivated in the contemporary context. At first glance, it is a question of reopening the historical doors discussed by Tomba (2019), for example, those opened by the Communards in continuity with the Sans-culottes and the medieval communal institutions that were closed by repression. In this way, people would be repositioned within social ties resulting from deliberation and not just economic. Thus, these social persons are raised as a complete subject, as producers, thinkers, and decision-makers in the face of the economic organization of their community through these attempts to re-embed the economic sphere in the social sphere.

3. A theoretical critique of the CCs

While sympathetic to these desires for social transformation, the fact remains that the theoretical anchors and their actualization in practice place many limitations on these projects. Thus, it is not simply a question of repeating the criticism of post-Keynesian economists, although several of their arguments will be used. Where the latter tend to refute these forms of local reorganization, being perceived as futile, this is partly linked to a macroeconomic methodological bias, where the national context remains the cornerstone, but it is rather on the side of their monetary theory that leaves little room for relevance for CCs in their current forms. Through an exogenous conception of money by the CCs, either in thought or in form, post-Keynesians describe the CCs as not having the attributes of "real money". While this criticism seems valid in many respects, it is rather intended to highlight what is perceived here as contractions that can be overcome.

These contradictions can be seen as produc[189]tive incoherence as put forward by Hirschman, who was recently brought up to date by Grabel (2017). No longer facing major unified projects in theory and practice, whether neoliberalism or contemporary versions of socialism, this places new initiatives in a regularly contradictory situation, but which nonetheless brings with it a future and innovations. In a similar way to what Tomba proposes concerning historical development, local currency projects would be initiatives marked by anachronistic ideas, which are crossed by contemporary conditions and conceptions. As a result, they are the bearers of an alternative legacy of modernity (Tomba, 2019, p. 14), allowing us to reflect on the reconfiguration of new institutions through this translation of past ideas into contemporary paradigms and

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2 We are moving away from the socialist conception of the CC proposed by Blanc (1998, p. 168) in his thesis, in order to embrace a more contemporary and broader vision of socialism, where money is not an object to be destroyed but to be re-appropriated.
contexts. These new currency-driven institutions are understood here as experiments in this alternative historical trajectory.

However, the opinion of post-Keynesian economists is generally not very optimistic about the potential avenues for monetary localism projects. Having worked extensively on the monetary issue\(^3\), especially since the 1980s in a context increasingly dominated by monetarism and neoclassical economic orthodoxy (Wren-Lewis, REF), these money theorists tend to reject what does not correspond to their *endogenous* vision of money, the rest being associated with the dominant economic paradigm. This endogenous definition of money is linked to the historical works mentioned above,\(^4\) where it was intended to detach itself from an exogenous vision of money, where the scarcity of money would be central to its acceptance and circulation. By rejecting the fable of barter (see Graeber, 2012), from which, according to economic orthodoxy, the use of metal coins to trade on markets would result (e.g. Jevons, 1875), it is rather to embrace among post-Keynesians a historical account of money as a social institution. This social dimension refers to money as the generalized unit of account constituting a community of payment, where metallic forms are only particular form, and could be an unnecessary mediation of money. Since money is first of all oral or scriptural being used for the accounts, the issue of its acceptance would lie much less in its scarcity than in the legal and customary dimensions governing it, according to Lerner's (1947) maxim: where money is the creature of the State. By putting forward a theory of money associated with the creation of credit as proposed by Keynes (1930), it is therefore rejecting conceptions that pause the need to first accumulate money to then invest it because of the existence and the creation of credit (see Robinson, 1933).

In monetary localism projects, and particularly in the case of complementary local currencies\(^5\), post-Keynesian economists link the CC conception of money to a monetarist understanding of money based on scarcity or loanable-funds rather than credit. By emphasizing the problem of the velocity of money, various CC projects would therefore reproduce in their arguments this so-called exogenous expression of money. This refers to a misconception perpetuated by contemporary orthodox economists and reproduced by people

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3 It is even possible to say that the acceptance of monetary endogeneity is one of the basic axioms of post-Keynesian theory (Lavoie, 2014, pp. 182-184).

4 The choice to opt for post-Keynesian analysis stems from the fact that this theory seems to us to be the only one that truly takes into account the contributions of anthropologists, historians, classicists and others who have studied money, and thus rejected the dominant narrative.

5 The case of complementary local currencies is analysed in the following section of this paper.
in general, where monetary creation would be due to the central bank, according to this fable of the money multiplier through the central banking infrastructure\(^6\). This mainstream understanding of money creation would therefore pass through the alternative projects, as it passes through most of the common discourses on money. And so, even the social criticism of the national currency carried by the CCs would not be immune to the influence of the dominant economist. In other words, post-Keynesians suggest that the alternative articulation of local currencies would be at best a mirage, and at worst a confinement in the enclave targeted by the monetarists and devotees of the Neoliberal Thought Collective (Mirowski et Plehwe, 2015).\(^7\)

For CC organizers and participants, it is a question of producing new monetary institutions to go beyond the current system, but where the primary role of endogenous money creation through credit through the power of banks would be misunderstood accordingly to post-Keynesians, leading them to misunderstand how they rethink money. We cannot generalize, as some post-Keynesians do, here to all projects and participants who would reproduce the standard economic explanation in their project, where the choice of a non-endogenous form of money is also linked to contextual and strategic constraints as discussed in the next section of this paper. Moreover, it is to be considered the socialist or Marxist vision of money, which perceives credit not as the basis of money but as a destabilizing capitalist institution (Blanc, 1998). By adopting a critical and negative view of credit given the power relationships in debt, credit is perceived as a simple control tool that reproduces the inequalities imposed by the banking infrastructure. This de facto limits the possibility of reflecting on the common currency as intermediation of social relations expressed first through shared accounting; a common organizational language. Thus, by focusing on the importance of money as a medium of exchange rather than a valuable stock, we come to omit the simplest and most

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\(^6\) Although the fable of barter to explain money was overtaken, among others by the New-Keynesians the fact remains, its supposed consideration of monetary endogeneity would be at least tacit accordingly to the post-Keynesian view. In so, contemporary orthodox economists, like New-Keynesians, would remain caught in the straitjacket of monetary exogeneity, given the central bank’s external role in monetary creation, where the issuance of bank credit would still depend on a loanable funds, while the reality is quite different with private banks at the centre of the monetary creation process and where central banks serve as transition houses to settle interbank accounts and stabilize and regulate everything, for example in Canada (Lavoie, 2019).

\(^7\) The example of the Euro for the perverse effects of the acceptance of this exogenous conception of money is often put forward, as by Mitchell (2015) and Parguez (2016).
unifying element, the unit of account.

4. Complementary local currencies to endogenous local monies

To bring down the post-Keynesian theoretical considerations put forward in the previous section, let us start with the case of complementary local currencies (CLCs). We are starting from this one since it is currently one of the most popular forms of CC, and especially in the Quebec context, whether it is a question of well-established projects or projects in the process of creation. As stated above, CLCs are a very good example of an exogenous currency. First of all, the entry of currencies into the local system, and therefore the creation of money, depends on the conversion of national currency. We are therefore faced with an external background manna that must be injected for the CLC system to work. This places many limits on the possibilities for growth and development, especially considering the desire for autonomy of these projects. Thus, we are faced with a disconnection of money creation from the liquidity needs of these local economies, and therefore, internal activity mediated in CLC is limited. It should be noted that the choice to opt for an CLC is often justified concerning the legal dimensions. Given that only the States hold the legal monopoly on monetary creation, where chartered banks are the main actors in the creation of money through the credit agreement, all this being regulated by the central banks. This acceptance of the rules of the game imposes a constraint not only on the monetary inflow, i.e. its creation, but also on the outflow of funds.

First, by accepting that companies and individuals mediatise their exchanges in CLC connected to a national currency, they must therefore account for their income in a similar way given their tax obligations that remain in national currency. As a result, this has the impact of a constant outflow of capital that can generate imbalances and limit the expansion of these payment communities, following a circuitist logic (see Parguez and Seccareccia, 2002). CLCs must therefore always run forward for the increasing conversion of national currency, not only given their internal activities but also to meet the tax obligations of their participants which is also increasing with their internal activities.8

8 On the other hand, we have seen some communities where local government, such as the municipality in St-Pacôme, Quebec (Canada), where the municipality converted the welcome tax into CLC-PacoS. This made it possible to partially resolve the imbalance, however, the Union des municipalités du Québec intervened to stop this initiative, under the pretext of tax justice between municipalities.
Moreover, this conversion resulting from taxation imposes great limits on the possibility of "disconnecting" the value of CLCs from the national currency. At best, there may be a fixed or flexible exchange rate that becomes difficult to administer for these local organizations, given the imbalance of scale between the national and local economy, especially taking into account this external pressure for capital outflow as just mentioned. However, in relation to the objectives of social and economic transformation, where this is most problematic for us is related to the unit-of-account function of money that is at stake in the CLCs. By accepting not only the conversion, and thus the connection of the value of the CLC to the national currency, these projects come to make it difficult to change profoundly the ways of doing things internally. This is linked to the fact that another medium of exchange is used, which is supported by a democratically determined charter that describes the accepted, promoted, and proscribed behaviours, but where in the end everything remains integrated into the dominant socio-economic context because the unit-of-account ultimately remains the national currency. This is because individuals and companies think conceptually and are accounting in national currency. When people use a CLC, they are simply translating their socio-economic relationships, whether tacitly or legally. This has the impact of incorporating the dominant valuation regime into the monetary localism project, the very one that pushed the creation of the project, being judged by the community as not corresponding to their values, needs, and desires.

This shows why post-Keynesian economists tend to look up such projects, although the CCs have been experimenting with one of their favourite subjects since the 1980s, namely money. As mentioned earlier, this article does not aim to put these projects on trial, but rather to first present their inconsistencies to see in what and how they can develop a productive path to the transformation of our socio-economic relationships. We understand that these contradictions are not simply related to a misunderstanding of monetary theories, but just as much and perhaps more, related to legal constraints and especially the

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9 As exemplified by Graeber (2012 [2014], p. 37) with cigarettes in POW Camps: being accustomed to using a currency in a context where there is none, individuals have no choice but to turn to another medium to exchange as if it were money, which is the opposite of Radford (1945). However, in the case of CLCs, this makes it possible to split the currency (i.e. double the money), which provides a fund manna in national currency that can be invested locally. Also, recent experience in England has demonstrated how this structure opens up opportunities by buying private debt in secondary markets to free people from their debts to the banking system. The duplication of money as an investment opportunity and debt relief are examples of this productive incoherence of CLCs, in addition to the creation of social relationship on the side of the national environment.
surrounding context leaving little room for such initiatives in a genuine endogenous way.

By seeking not to alienate the State, because in the majority of monetary complementarity projects this objective is prohibited or put to silence in the charters of organizations, it is sought to develop partnerships with governments, especially local governments, as well as banks and other credit organizations that share their vision and values. The focal point is generally related to local economic development and community consolidation. Faced with a problem of regional economic dynamism, governments and institutions are potentially inclined to support these projects, once the usefulness of these projects is understood and there is no question of "radical" projects.10

These institutions can see how CLCs are complementary after some grass-root mobilization and development work, as are people in the region who are at least skeptical of these initiatives. This scepticism is linked to several aspects, including the fact that the national currency is not questioned in normal times. Although regional economic development is important to individuals, especially when faced with significant local difficulties, the social consolidation of communities is one of the most significant factors, perhaps even the most promising at this time in the current socio-economic context perceived as producing individualization.

The choice of the CLC by the organizations is also explained by the organizers, not only in terms of states and institutions, but also in terms of individuals and companies. Being a simple conversion, it is easier to understand and also to integrate. Since the accounting is basically the same, and they only have to use a "new" payment method (e.g. new tickets, cards, or electronic payment system), it is easy for people to perceive themselves as using such a device to strengthen localism, both social and economic.11 Integration being voluntary, and at the level desired by consumers, this is not very involving, especially if it can be

10 This can be exemplified by the Real de Trueque in Argentina, where in the face of a shortage of national currency due to the country's external debt crisis that destabilized the country's banking system, local governments had no choice but to accept the large-scale use of this CLC as a proxy for the national currency (Saiag, 2016).

11 European examples such as Esko et al. are a good example of this, but if we look at Quebec where people in the Gaspé cut their Canadian tickets in half to make Demis (i.e. halves), the organizers underestimated the impact and pride of doing so. A gesture of liberation and commitment to the community.
converted back into national currency. Similarly, companies accept this given the ease of conversion and accounting, but especially because of this comparative advantage over competition, in addition to having access to consumers who are relatively captive of the complementary local currency (Blanc, 2000). Again, as in the case of taxation explained above, this conversion pauses this problem of constant capital outflow, which can damage internal liquidity and therefore economic activity in the long term.

The anchoring of CLCs to national currencies also poses a problem in terms of the integration of wage labour, as well as for production of goods and services. The main difficulty with work is related to the payment of wages. Of course, it is necessary to take into account the legal constraints that govern this type of contract, but also the possibility for workers to agree to be paid to CLC. The capture of their purchasing power in the locality is a challenge here, but its acceptability is mainly limited by the supply of goods and services that are rarely very complete in these economic circles. This refers to the possibility of companies being able to truly integrate this monetary localism, not only due to government charges in national currency, but especially given the other costs of inputs into the production process. Whether it is goods or services, companies have no choice but to seek to maximize income in national currency given these costs. Although in an CLC system with enough liquidity, companies can convert their CLC into national currency, but often at an additional cost, this limits the interest of mediating their exchanges in this alternative way, in addition to once again putting pressure on the cash outflow within the payment community.

As we have just discussed, the problem of adhesion to a CLC goes beyond the social promotion of those projects, where even the participation of local governments by accepting an CLC for the payment of taxes cannot be sufficient to maintain participation in facing these structuring economic issues. While the solution, resulting from the post-Keynesian criticism outlined above, would encourage the transformation of those projects towards the adoption of an endogenous local money, however in the analysis but especially in practice, these projects are not there yet. In practice, to achieve this, it is not only necessary to succeed in reaching a critical number of participants, to create a relatively independent area, but also to have an

12 The case of Argentina has shown us how difficult it is in the long term to keep people in the circle, especially the richest, given the pressures arising both from external obligations, but also from the limitations of these local currencies. Ways must therefore be found to offer social and economic incentives so that they do not leave local monetary circles behind, risking leaving the poorest behind as in the case of the trueque (Saiag, 2016).
integrated network outside the dominant economic system with its rules of the game. As explained above, the national valuation regime replicates itself internally by the anchoring and conversion, but it is equally structuring as to the input costs that dictate its internal value. As a result, companies seeking to produce differently, such as in worker cooperatives, are constrained by this context of economic competitiveness, which unfortunately results much more in wage repression. In the same way that the social economy sought to provide better working conditions (Boivin and Fortier, 1998), we perceive the current conditions of partitioning of CLCs as not having the resources and infrastructure necessary for such purposes.

Even in the case considered the most advanced, the WIR, as discussed by Guillaume Vallet (2015, 2016), we still find ourselves against constraint. Unlike the majority of CLCs, WIR has managed to build a banking infrastructure that allows it to create the necessary credit, as do private banks, but this time in their local currency. As a result, the WIR is approaching the post-Keynesian idea of endogenous money but is not fully able to do so, given the anchoring and the possibility of conversion with the Swiss franc. Its particular nature with its ability to create ex nihilo credit makes it possible to overcome the liquidity problems discussed in relation to CLCs, although the payment of taxes by companies remains to be paid in francs. On the other hand, the WIR remains constrained by the national currency given the dependence of its unit of account. This has limited the possibility of truly organizing and reflecting a local economy are local needs and desires, which remain governed by the same markomata (Mirowski, 2007) as actors outside the WIR circle, because in the end, it is the Swiss franc that remains at the centre of the process, only in the particular form of the local currency.

The other case of monetary endogeneity corresponds in the broad sense to time banks. Unlike CLCs, which start with the national currency, socially accountable time-sharing projects are an interesting attempt to get out of the dominant valuation regime. By recognizing the working time of all members of this self-help circle, the community embraces a more egalitarian vision compared to the current social and economic context. However, the type of monetary creation recorded in time units varies from one project to another. Where some embrace an exogenous creation linked to the number of participants, according to this vision of money that we have described in relation to loanable funds close to economic orthodoxy, while others are closer to Minsky's idea, where everyone can create money through their participation. Faced with Minsky, who problematized the difficulty of recognizing these currencies created by people, time banks with the homogeneity of the unit of account, as well as strict standards of use, are in a way able to recognize
For their part, time-based local currencies are more radical compared to the CLC, but they face similar problems because of their limited and complementary dimension. As can be seen in the type of internal supply, it is mainly about services and to a lesser extent production. A little like in gift-based economic projects but with accounting, time banks allow too little space for production except perhaps for surpluses. As with the CLCs, the problem of inputs with their costs in national currency prevents the active participation of service companies and especially companies involved in the production of goods. Similarly, the participation of individuals, without strictly speaking economic production, is thus constrained by the multiple obligations of people who are denominated in national currency, such as their rent or food.

This criticism of time banks opens up an opportunity to reflect on local social and economic relationships that goes beyond the constraints of both the gift economy and the current valuation regime. In continuity with Hahnel and Albert's work on the participatory economy where was proposed a configuration on the value of labour time (1991), time banks are projects that provide an opportunity to reflect on the value differently things and work time. However, these projects need to be part of a broader infrastructure that would allow them to move beyond these circles of mutual aid in order to have access to goods produced according to these new locally instituted standards. It is true that social and relational contributions will lead to potentially strong interpersonal links, but this would create insufficient services and production to truly increase material living conditions, especially for the poorest.

Starting from the institutionalist economic vision of money, it was a question of putting forward the contributions and desires of social transformation of the CCs, to confront the post-Keynesian monetary analysis that allowed us to highlight the contradictions and current constraints of those projects aiming at a renewal of the socio-economic localist. This criticism was not intended to reduce the importance of the projects, but rather to highlight certain limitations that we will try to overcome with a beginning of an

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13 If we look at how the Accorderies projects work, they limit the amount of time units that can be credited or accumulated, in order to avoid operational and trust problems (Fare, 2016).

14 The Accorderie in the St-Roch district of Quebec City was an example of how time banks can improve people's social lives by lifting them out of their isolation. On the other hand, the contribution at the material level is existing (Fare, 2016), but not strong enough to have a truly significant impact, especially if we think about a larger scale.
answer in the next section. We perceive this local coordination as beneficial and necessary, especially in terms of developing interpersonal relationships and community building. On this basis, localism is not about turning in on oneself, but about consolidating gains and relationships to move forward and towards others. Although theoretically, it seems advantageous to us to consider a more endogenous structuring of the local currency, so that members can embrace the desired local sovereignty, we have explained that the problem for now is not ultimately theoretical but practical. Faced with this, we propose a way to make communities cooperate through their monetary localism project, without them losing their sovereignty, their autonomy, and therefore their way of doing things that they have built so hard over time.

5. Intercommunity monetary federalism

Following this desire to allow the development of local sovereignty and to open up the possibilities offered by the socio-economic reconception allowed by the CC projects, we propose a reflection on the importance of unifying these communities together in monetary terms, and therefore also politically. On the political dimensions of federalism, we leave this heavy task to others, and especially to practitioners. In short, the project aims to offer a key to thinking about currency for recent developments in the Bookchin (p.ex. Biehl and Bookchin, 1998) sens with this idea of municipalism (Durand Folco, 2017) which is calling for federation. As expressed in the previous sections, it is intended to encourage projects to cooperate to build the material and institutional foundations necessary for their progress. For the time being, this proposal remains only the beginning of a theoretical development, at best a few major ideas, but which aims to provide an answer to communities seeking to challenge the current socio-economic regime.

Similarly, further consideration should be given to the question of intercommunity fiscality as proposed by Martignoni (2015), where the implementation of an operating system that checks for trade and debt imbalance between communities, as proposed here, is a step towards this more complex re-articulation of socio-economic activity accordingly to the federative and local perspective. In addition, concerning equity and environmental issues, it would be interesting to consider a "natural-resource rent tax" (Hudson, 2019) to address the inequality issues generated by the control of natural resources.
This intercommunity monetary federalist seeks to participate in the development of an alternative universalism in the sense of Tomba\textsuperscript{16}, taking care to preserve local autonomy, according to the heterogeneity of local political, economic, and monetary practices. This universalism takes shape in the internal and external cooperation of communities, according to the desire to socialize and humanize socio-economic relationships based on principles and democratic participation. By interconnecting these local groupings, it is intended to facilitate the provision of resources and the accumulation of physical capital necessary to avoid as much as possible being governed by the dominant rules of the game. By becoming part of this alternative universalism, intercommunity monetary federalism could allow interactions beyond the payment community, where it is not deterritorialized individuals who enter into relationships, but rather people through their community.\textsuperscript{17} As a result, critics of localism who see it as closed and sectarian are rejected, rather localism is a basis for moving towards the other from its territorialized roots (Martin, 2017, ch. 3; Rocker, 1937; Freitag, 2002).

This idea of monetary federalism is part of the attempts to update socialist economic thinking, where we try to reopen these historical trajectories marked by direct democracy, according to this utopia where regionalism is taking shape in "the practices of sectoral societies" (Tomba, 2019, p. 54). Although there is no question of a revolutionary utopia fundamentally challenging the society unified by the State, it is a question of developing experiences that reactivate this thought.

In this way, the link between society and territoriality leads us to reflect on the economic dimensions of federalism. We are inspired by the post-Hayekian conception of Theodore Burczak's socialism (2006). Burczak follows the legacy of post-modern Marxism at the University of Massachusetts (e.g. Wolff and Resnik, 1994), where private ownership of capital and the market are not rejected \textit{en bloc} but rather placed in the hands of workers and citizens. This can be linked to Cullenberg's (1992) "thin" notion of socialism, where socialism aims to eliminate exploitation through democratic and participatory means so that the surplus-labor is democratically and locally appropriate. Faced with a socialized market, the conception of competition is not reduced to being synonymous with exploitation, although in the current system it can be...
considered as such (Shanon, 2012). According to this post-Hayekian socialist perspective, it is possible and desirable to institute a competition without exploitation, where the market is limited to ensure the competition necessary for the proper functioning of the whole. By reflecting on the common currency, it is therefore a question of getting out of the dichotomy of market capitalism versus planned socialism, and thus beyond the proposal of market socialism in the line Lange or Kalecki with the necessity of central planning.

As a result, pooling through the interregional organization is not dedicated to the centralism that results from planning. The praxis of the CCs makes it possible to see how such a reflection can be actualized in the local reality. Taking Philippe Mirowski's market analysis (2019, p. 6): "Markets are therefore first and foremost best understood as algorithms which dictate how exchange will take place". It is therefore a question of transforming the markomata to create the type of market combinations for the organization of the society. At the local and interregional level, the reorganization of monetary relations is working in this direction, according to this idea of a combination social and economic ties. The federative form structuring production and payment relationships must therefore represent the underlying social desires and needs, based on its norms and values.

We therefore adopt this concept of classical anarchism that is federalism but not only in its mutualist version based on working time. This federalism at the local and intermunicipal level expresses itself in the reappropriation of the market and currency as in Leopold Kohr's view, it is seeking a redevelopment of localism that binds with other communities sharing socio-economic ties and values while keeping their particularities and local sovereignty. The connection of payment communities makes it possible to reflect on experiences and practices in this direction. Mutual assistance between different organizations is central to broadening the sphere of influence of each community, but also to governing things between them and also within them.

It is important to stress that we do not embrace localism as a solution to all social ills, so localism cannot be considered an end in itself. As explained by Graeber and Wengrow (2018), "small is [not necessary] beautiful", in so, small communities cannot be understood anthropologically as necessarily carrying democracy and equality, where power relations can be expressed very strongly on a small scale. It is therefore important to develop standards and ways of doing things through a common structure that goes beyond small communities, without any direct interference in the local internal process. Rather, it is about instituting norms so that a community does not become problematic in terms of internal and external power.
imbalances.

The purpose of this project is not to dictate an internal organizational model, but rather to propose an arrangement of these communities among themselves. Through a structure representing the level of political and economic integration with several levels, it is intended to ensure a long-term balance and greater equity between communities. In a similar way to a federal political structure, the monetary counterpart follows the same form as shown in the graph below. The federal form necessarily implies more central places of interactions between member communities, which can be called nodes here. The latter are considered as spaces of transition and accounting to mediatize these relationships to ensure a balance and equity according to this idea of cooperation. These nodes can be understood in current economic language as clearing houses, similar to central banks, which have the role of ensuring the balance of payments between participants and the stability of the payment system.

Figure A. A simple configuration of an intercommunity clearing and federalize system (on the left), and Figure B. A configuration of inteconnection between the nodes (on the right).

Continuing the analogy with the contemporary banking system, these central payment and exchange nodes would potentially have this power of lender of last resort. This is due to the particularity of issuing and accounting for the superior currency, i.e. high-powered money, used only for the mediatization of intercommunity accounts, espousing the functioning of the central banks of Nations with full monetary
sovereignty (e.g. Lavoie, 2019). These central institutions can therefore be fully accommodating in order to provide the necessary liquidity for payment interactions that are denominated on local heterogeneous bases. Through the multi-level configuration, it is sought to be able to interconnect all communities through a higher level connecting different nodes together. This top node therefore functions in the same way as the nodes it gathers, i.e. as a place for payment and exchange. The idea here is to maintain localism and proximity as a factor structuring socio-economic relations, to promote the objectives of the CCs related to territorialization, as well as human and ecological issues.  

6. Clearing and cooperation

In several aspects, we approach here the proposal of Schumacher and Keynes at the end of the Second World War, known as the Keynes plan with the object of the bancor as the "high-powered money". Thus here, we are faced with a first higher currency, which we can see in Figure A, allowing us to establish exchange rate links in this currency opening the possibility of converting a community's currency into this node currency. In this way, we are faced with a structure similar to the bancor, i.e. a currency whose sole objective is to count the flows between neighbouring communities. Being only a unit of account resulting from its digital scriptural form, it cannot have any use and existence outside this transition house that is the node, just like central bank money. In this sense, we are faced with a system of creating and destroying credit money that can be explained as "overdraft facilities and compensation" (Fantacci, 2013). Similarly, these nodes of compensation in turn converge together (see Figure B), to interconnect all the communities and consolidate monetary through this "meta-high-powered money".

This structure may seem to be doomed to centralism, but on the contrary, it is about spaces instituted to come into contact with others. According to this spirit, these nodes must have a codification that avoids the development of imbalances, whether of a commercial nature, of payment, and therefore also of power. Rather than rejecting the political dimensions en bloc in these nodes by adopting a purely technocratic approach, it seeks to institute a set of codes as an algorithm for certain reports, leaving room for political sovereignty to act elsewhere. These codes, standards, and ways of having inter-regional monetary relations lead to a certain codification relationship. This codification must be developed, known, and accepted by all, with the main objective of developing a lasting, expansive and harmonious cooperation. This utopian

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18 Although the economic objective of bringing communities together to facilitate trade and increase the participants' standard of living, neighbouring regional trade is strongly favoured to avoid reproducing the polluting trends of international trade (e.g. Angus, 2016).
relationship is considered here on the side of the instituent praxis (Dardot and Laval, 2015), where economic objectives remain constrained to avoid reproducing the systemic problems from which the CCs seek to escape.

In order to account for exchanges and common mutual debts, it is therefore necessary to develop a way of valuing equally and correspondingly the participation and consumption of all these communities. As far as the translation of local currencies into these higher account currencies in the nodes is concerned, two main ways of converting currencies are currently proposed; one more mutualist, the working time basis, and the other more ecological, namely energy. For the time being, we find the synthesis of the two approaches interesting, and we must push this question of determining the value between the communities of the experimental base by developpement like the CC-hub and the Cyclos (Huber and Martignoni, 2013), despite the fact that it is a question of conversion for the purposes of individual exchanges, i.e. interchange, rather than intercommunity exchanges. As in the previous reflection on the development of endogenous local money, here it is just as much a question, but where rather than mediatizing exchanges and services between individuals, it is the communities that are mediated by an endogenous intercommunity money. As a result, a highly political discussion is needed in this determination of value, which is no longer a matter for the market and States but of social deliberation. As explained above concerning Tomba's (2019) remarks, community segmentation is not synonymous with the impossibility of universalism, where ecological and social principles are much more convergent once the prism of nation-state and private property has been overcome. In this sense, it seems to us to be a good idea at the intercommunity level to develop a unit of account combining working time and energy expenditure, in order to homogenize at the intercommunity level, which is expressed in great heterogeneity at the local level.

The central problem with the development of inter-community cooperation resulting from monetary mediatization is related to imbalances, especially with respect to debt accumulation. Knowing that the level of production and need is unequal between communities, we are looking for a set of proposals that can address them. Considering the creation of new payment communities is something fragile and complex, it goes without saying that these new members will have to rely on the resources of others in their early days. By aiming to get these communities out of their infancy and thus enable them to expand their activities and participation in the cooperation network, the burden of their debt must not be an obstacle to their development, especially if the desire is to increase the area of influence of the CCs thus federated. By embracing mutual assistance and cooperation, the projects brought together must adopt a structure and norms that do not leave room for an accumulation of excessive external debt, which could lead to forms of
control over the other through debt, i.e. imperialism through debt. It is therefore intended that communities in a surplus position should have an interest in spending in communities in deficit. This is what is meant by the development of a harmonious relationship, where mutual assistance through spending and mutual credit can empower other communities based on past successes. Monetary and political balance must therefore be built on this basis.

In order to talk about the exchange rate in this configuration similar to the bancor but moving away from its market functioning, we must first address the mechanism regulating interest rates in these nodes understood as clearing houses. In an articulation for the CCs of Keynes' ideas (1913, 1923)\(^{19}\), intercommunity compensation requires the intervention of a higher institution regulating interest rates, in the nodes, through a monetary policy described as a corridor determining interest rates. As many contemporary central banks do, the interest rate fluctuates and is negotiated in a very limited way, where the borrower can always have access to a loan of last resort if it is impossible to reach an agreement with the other participants, which is generally rare. By setting up strict rules, where inter-community credit agreements take place on the node's balance sheet, this institution keeps an eye on the state of accounts to ensure the stability and therefore the sustainability of the system.

On these credit agreements, it is possible to consider at least two configurations, the first close to the bancor, as well as the current system, and the second moving away from it. By allowing interbank credit negotiations on interest rates to fluctuate in the corridor, this allows fluidity and freedom for players in the system, as is the case in the current interbank system. On the other hand, it is possible to reflect on the elimination of this negotiation, where the two positions in the corridor are simply imposed by the institution at the node of the communities. In both cases, we believe it is important to maintain the "premium risk" in order to avoid an over accumulation of debt, but without this being suffocating, especially for new developing communities as well as for those in difficulty. However, it is not only the communities in deficits that should bear the burden of the debt relationship in continuity with Keynes' thinking. It is possible to

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\(^{19}\) Mehrling (2016) proposes to go 'Beyond Bancor' since the post-World War II context was not only marked by large debts and imbalances in favour of the United States, but also, according to him, the Keynes-White debate was not aimed at creating a new international monetary system, but rather a way to stabilize the imbalances, with a pro bias. That is why Mehrling encourages us to look at Indian Currency and Finance (1913) and the Tract on Monetary Reform (1923), which had a context most more similar to ours, and maybe for the future of CC federalism.
think of a way, as with the current NIRPs, where surplus groups must pay to maintain their position. This would force them to spend, but here there is nothing to guarantee that they will spend among those most in need, which is why we are finally turning to the exchange rate.

As we have just seen, the interest rate is much more technical and depends on the absolute position of each community vis-à-vis the system as a whole with regard to its level of indebtedness on a day-to-day basis, this is intended to ensure the stability of the system. In the case of the exchange rate, it may be interesting to leave room for the political decisions of actors who may attempt certain exchange rate interventions to improve their situation. Putting aside the free-market utopia of the foreign exchange market with the supposed free currency fluctuations, it is therefore a question of normalizing these political relations as to the foreign monetary policy of each community, rather than allowing this game to develop in the shadows. It is possible, for example, to consider fixed exchange rates that can be changed within a certain fixed-date limit. Since it is a common currency similar to the bancor, the exchange rates between the currencies are therefore equivalent given the correspondence with the higher currency of the node that mediates the reports. This is to avoid the redevelopment of a secondary foreign exchange market, which would allow to counter-pass the norms and rules of the node.

Between these moments when it might be possible to vary exchange rates according to the particular desires of the communities, it is thought that the institution at the heart of the node has the responsibility to intervene in order to balance the accounts. As with the interest rate, this is a potentially algorithmic function that makes the institution responsible for the node modify a specific interest between two communities, so that a surplus community is to spend in a community that is particularly in difficulty.20 As a result, the exchange rate would become beneficial to both parties, outside the general framework of exchange correspondence related to higher-currency mediation.

The two determining factors, which should have the most weight in determining these bilateral relations, are as much the level of debt relative to the entire circuit present in the node, as the imbalances in the

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20 Faced with very heterogeneous local regimes, but also given the importance of local sovereignty, the idea of interregional direct investment seems to run counter to the objectives of the CCs, it is why its being put aside. Where the idea of capital outflow for investment abroad is to be blocked not by a legal control on capital, but by the mediation of exchanges from an intercommunity point of view by this high-powered money, which only exist in the sphere of the node between them.
particular inter-community trade balance, that may have to change for the well-being of specific communities as well as the larger whole. In order to avoid spillovers, this would be allowed for a time and limited to avoid the creation of perverse incentives to divert internal rules. It goes without saying that such an algorithmic mechanic is both interesting and potentially dangerous, and must therefore be of short duration, supervised, and controlled.

7. Conclusion

With the aim of bringing communities together to cooperate and develop sustainable and harmonious mutual assistance, these broad proposals for an intercommunity monetary federalist aim to rethink current institutions in the light of the reactivation of practices and paradigms that appear to contradict them. As mentioned in the critical part of the CC, it is targeted by this meta-structure to provide the necessary conditions for the development of intercommunity links allowing the full local development of each community in its heterogeneity. In seeking to enable the emancipation of CCs from the current national and international straitjacket, what we have called endogenous local monies, it is intended to allow this reflection on the definition and configuration of value within communities. The research project does not aim at the direct implementation of this structure, and even less so in the form presented here. Rather, it is intended to offer some avenues for the reconfiguration of socio-economic relationships that provide an opportunity to reflect on the redefinition of the value and organization of our societies. As discussed in relation to CC’s desire to take back control of the functioning of markets and mutual aid, money and federalism are tools for a profound transformation of our relationship with each other with a combination of institutions necessary for a harmonious organization offering these possibilities to think post-capitalist societies.

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