

Interrogating Alternative Local and Regional Economies: The British Credit Union Movement and Post-Binary Thinking

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INTRODUCTION

The inspiration for this chapter is the expanding literature in critical human geography on the production and reproduction of alternative economic spaces (see Amin et al. 2002, 2003; Lee 1999; Leyshon et al. 2003; Gibson-Graham 2006, 2008). One of the aims of this literature is to reveal the diversity of economic institutions and enterprises operating around local and regional economies (Leyshon 2005; Gibson-Graham 2011). It is encouraged by the presence and potential of alternatives to mainstream capitalist institutions and economic practices (CEC 2001; Lee and Leyshon 2003; Fuller et al. 2010b; Fickey 2011). Even as places and regions are becoming ever more drawn into global networks and circuits of capital, there is a great deal of geographical variation in terms of how people and communities engage with, experience, and reproduce economic transactions on a daily basis. As Roger Lee (2006) suggests, in a fundamental sense all economic transactions are grounded in places and regions; but especially so in the case of alternatives (Jonas 2013). The question I wish to address in this chapter

is: how can we appreciate the inherent spatial diversity of economic forms in the landscape and at the same time generate new abstract categories which help to isolate some salient properties of alternative economies?

Local and regional enterprises such as complementary currencies, local exchange trading systems, credit unions, workers' cooperatives and time banks have all been identified as exemplars of the development of alternative economic spaces (Lee et al. 2004; North 2007; Seyfang 2006b; Williams et al. 2003; Daya and Authar 2012; and various contributions in Fuller et al. 2010b). Many of these enterprises are locally-operated and quasi-self-supporting economic systems which have been set up by people, communities and organisations in order to facilitate the local circulation of goods, services, currencies, and/or credit (Lee 2009). In light of the global financial crisis, the further proliferation of such alternatives offers a hopeful message about the capacity of people and communities to take control of their own economies and means of securing livelihoods (Gibson-Graham 2006; MacKinnon 2010).

Nevertheless searching questions are being asked about how we should approach and conceptualise the alterity of these putatively 'alternative' local and regional enterprises (Amin et al. 2003; Samers 2005; Healy 2009). Some scholars have pointed to an emerging rift between believers of alterity and radical sceptics (Fickey and Hanrahan forthcoming). One cause of this rift seems to have been Gibson-Graham's (1996) devastating assault on structural-Marxist methods of rational abstraction and a perceived tendency to reduce knowledge of all economic forms to pre-theorised structures of capital and class. Notwithstanding a growing sensitivity to place, difference and context (Jonas and Wood 2012), some radicals remain troubled by the ongoing disregard for Marxist theory and methods in the emerging literature around diverse economies. They have raised legitimate questions about whether a rejection of Marx's method inevitably means abandoning altogether efforts to develop concrete abstractions about the social relations underpinning alternative economic forms (Jonas 2010; North

2007). The premise of this chapter is to argue that it is possible *both* to appreciate the diversity of local economic systems *and* abstract from that diversity so as to examine the emergent properties of alternative economic spaces.

My starting point is to suggest that not all local and regional alternatives are inherently progressive in the sense that they exist and operate solely to usurp the mainstream. In fact there is nothing new in this observation. Utopian radicals such as Robert Owen and Pierre Proudhon experimented with alternative ways of combining work and leisure under cooperative industrial systems; yet despite receiving approval from Karl Marx they were later widely criticised by radical revolutionaries as bourgeois reformers (Lincoln 2003). There have been self-styled alternatives around as long as capitalism has survived; but many have since disappeared or become mainstreamed within the widening orbit of state and capital. To this day, mainstream progressive and neoliberal approaches to local and regional development operate side-by-side in the form of, respectively, ‘high road’ and ‘low-road’ labour control strategies (Gough 2012; Jonas 1996). Some radicals see benefits in the ‘high road’ because it privileges higher wages and labour standards than the ‘low road’ alternative, which is based on work intensification and harsh labour discipline. Yet these apparently divergent economic development pathways are the effects of the same sets of social relations, namely, the capital-labour relation. Perhaps the mainstream and its alternatives should likewise be examined relationally – as potentially divergent outcomes of similar sets of processes.

This chapter makes the case for applying a relational framework to the analysis of alternative economic spaces. In the earlier sections of the chapter, I show how binary thinking about alternatives has often prevailed to the detriment of knowledge of underlying social relations and territorial structures. I proceed to offer a set of concrete abstractions in order to isolate some salient properties of alternative economic forms in the landscape. These alternatives can be divided into three abstract conceptual categories, namely, ‘additional’, ‘oppositional’, and ‘substitute’ (Fuller and Jonas 2003). The latter sections of the chapter

apply these conceptual categories to a case study of the credit union movement in the United Kingdom (UK). I argue that the alterity of the movement is not territorially fixed but has evolved, transformed and hybridised as the movement has developed and expanded across UK territory. I further demonstrate how the credit union movement is entangled in a tension between mainstream and oppositional economic and political forces operating around the national and local scales. In conclusion, I make the case for examining alterity as a relational territorial politics.

VARIEGATED CAPITALISM/DIVERSE ECONOMIES: HOW PLACE MATTERS IN CONSTRUCTING ECONOMIC ALTERNATIVES

Alternatives are flourishing in many spheres of social and economic life, ranging from the essentials, such as housing, credit, food and energy, to alternative lifestyles, music, recreation, gardening, decorating, and political activism. Whilst people have always been attracted to alternative lifestyles (if only due to an existential desire to be different), alternative economic systems tend to have an ephemeral status; they are quickly usurped by, or absorbed into, the mainstream (Schreven et al. 2008). As such, alterity must be examined as representing much more than a transient frame of mind or subjective condition. To paraphrase Samers and Pollard (2010: 49), alternatives are actively produced, reproduced and transformed in and through particular territories and are always performed and imagined collectively rather than individually. The notion that abstract knowledge of the properties of economic alternatives somehow can be detached from prior knowledge of material, social and political conditions in particular territories is a seriously flawed premise.

Attention has rightly focussed on identifying the presence of already existing alternatives within capitalism. This requires recognising the inherent diversity of economic forms in the landscape; a diversity

which might not always be adequately captured by abstract categories of capital and class (Gibson-Graham 1996, 2006). Gibson-Graham has argued at length that alternative enterprises are not to be examined as pre-given social constructions; instead the categories and constructs we deploy to describe such enterprises emerge out of everyday discourses and transactions; these are the quotidian 'circuits of value' which underpin all material transactions as well as our knowledge of these transactional relations (Lee 2010b). This grounded approach opens up the possibility of identifying the properties of alternative local and regional enterprises outside of the constraints of received conceptual abstractions.

It is worth noting in passing that there are some crucial differences between Gibson-Graham's approach to economic diversity and a parallel literature which is interested in the variegated nature of capitalism (Peck and Theodore 2007). This literature itself represents a critique of mainstream work on 'varieties of capitalism' (Hall and Soskice 2001). This is the idea that the capitalism takes on specific institutional forms in different national contexts, and that identification of these 'national models' helps to explain path-dependent economic development trajectories. However, such work tends to focus on capital as an exchange relation and driven by global competition; it downplays the constitutive role of class relations, state structures and attendant territorial politics (Ward and Jonas 2004). Capitalism and its alternatives are variegated at many spatial scales. If mainstream capitalist institutions are constructed in and through particular places, regions and territories, so also are their alternatives.

Arguably the difference between Gibson-Graham's approach and that of the literature on variegated capitalism rests upon how one should conceptualise alternative social structures and their relations to territory. It does not necessarily follow that we should abandon *all* attempts at abstraction since abstractions are themselves contingent upon knowledge of historical-geographical contexts (see Cox 2012). Take, for example, Gibson-Graham's approach to class relations. She reformulates class from a high-level abstraction into a concrete concept, i.e.

into a subjective and transformative force of change which emerged from the actions of human subjects who shape their own economic destinies in particular places and regions. In this respect, the abstract category class captures a relational process of becoming rather than representing a fixed category totally devoid of territorial meaning and context (Gibson-Graham et al. 2001).

This is not inconsistent with the Marxist method of abstraction insofar as Marx was interested in understanding commodities, including labour power, not as fixed ‘things’ and ‘objects’, but rather as concrete abstractions whose properties are contingent upon their relations to other social entities (Marx 1976). The properties of wage labour cannot be isolated simply by observing it at one moment in time at the point of exchange; instead its properties arise out its relationship to capital and the overall process of production, circulation and consumption (Marx 1977). Moreover, commodity relations take on different concrete forms throughout the process of production; likewise their properties change as these relations interact and combine with other social processes and, crucially, with territory too. The challenge of concrete abstraction is to isolate the emergent properties of, say, labour power from the diversity of forms of labour occurring throughout the process of production. By abstracting from the spatial variety of labour relations, we can say something quite profound about the underlying ‘structural coherence’ of capitalism, class relations and territory (Harvey 1982).

To summarise, approaching alterity is not just about appreciating geographical variation and contingency within capitalism. It involves generating abstractions from detailed studies of the performance of diverse economic transactions occurring around specific places and regions. Alternative local economies cannot be pre-allocated to fixed conceptual categories; rather the concrete abstractions we use to describe their properties arise from knowledge of the social, economic and political conditions surrounding the performance of alternatives. The alterity of ‘alternative’ economies is itself inherently diverse, context-dependent and place specific; it is a contingent social condition whose properties arise relationally out from interactions with other

(e.g. mainstream capitalist and state) processes, relations and territories.

POST-BINARY THINKING: SEEING ALTERNATIVE ECONOMIC SPACES RELATIONALLY

Notwithstanding the above remarks, work around alternative economic spaces has been quite conducive to binary thinking at the expense of relational analysis and concrete abstraction; this may be due to its fixed positioning with respect to the economic mainstream (Jonas 2010). Binary thinking about alterity is manifested by a preference for taxonomies and dualisms, such as alternative/mainstream, regulated/unregulated, formal/informal, global/local, state/market, capitalist/non-capitalist, economic/political, and so forth. The concern here is that one does not know whether these categories are designed to capture starkly opposed social forces and relations (e.g. alternative versus mainstream, local versus global, state versus market) or instead alternative economic practices which are in the process of transforming from one condition to the other (i.e. *from* alternative *to* mainstream, *from* local *to* global, *from* market *to* state, etc.). What we need is a way of thinking about alternatives as evolving processes rather than fixed taxonomic categories.

Whilst we can recognise the inherent diversity of alternative economic forms, more could be said about the territorial politics of alterity. Some alternatives are variations within existing capitalist enterprise (i.e. 'alternative capitalist' institutions). Others can conceivably be studied as operating outside mainstream circuits of capital and only later become absorbed into, or co-opted by, the mainstream. Yet others operate in such a fashion as to preserve their identity and autonomy (e.g. from the state); these, in turn, actively seek to challenge the mainstream. In each of these cases, we need to show how the category of alterity is not fixed in time and space but rather is always in motion. Alternative economies always evolve territorially, relationally and politi-

cally or, as Lionais (2010) suggests, alternative social enterprises actively embed their unique social and political values in specific institutions, laws, rules, places and regions.

A further consideration is whether the language of territory lends to the analysis of alternatives a closed discourse – that of fixed hierarchies – rather than an open and empowering language – one of flows, relations and political possibilities. It has been suggested that rigid binary thinking about scale and territory forecloses an appreciation of economic difference (Gibson-Graham 2002). For these reasons, some human geographers want to abandon rigid categories of territory and scale, replacing these with a more open language of site, relations, networks and flows (Marston et al. 2005). Yet I want to argue that in developing concrete abstractions about alternatives it might be premature to abandon altogether concepts of scale and territory (Jonas 2006). We require a language of territory and scale if only to demonstrate how ‘local’ alternatives are able to proliferate relationally throughout a wider territory such as the national state.

In examining alternatives, such as local currencies, North (2010) draws a useful distinction between ‘strong localisation’ and ‘weak localisation’, showing that what matters is not whether the local represents a pre-given territorial scale but rather how it enables stronger connections to be made across territory, thereby allowing alternatives to proliferate. The essence of this relational approach to territory and alternatives can be captured by the following quote, which appeared on the website for the Lewes Pound, a complementary currency based in the town of Lewes in the County of Sussex in England:

“Some ... imagine that the aim of economic localisation is complete self-sufficiency at the village level. In fact, localisation does not mean everything being produced locally, nor does it mean an end to trade. It simply means creating a better balance between local, regional, national and international markets ... Localisation is not about isolating communities from other cultures, but about creating a new, sustainable and equitable basis on which they can interact” (Norberg-Hodge and Mayo 1996: 2-3).

In other words, understanding how they relate to territory and scale is the key to unlocking the properties of alternative economies. These properties could range from self-sufficiency, at one end of the spectrum, to sustainability, at the other. Such an insight, in turn, shows the potential for developing a set of concrete abstractions which are sensitive to the territorial politics of alterity.

ABSTRACTING FROM THE DIVERSITY OF ALTERNATIVE ECONOMIC SPACES

I want to begin this task by reflecting upon a selection of short quotes taken from interviews with local users of a credit union in the UK. One of my students, Rebecca Meritt, wrote her undergraduate dissertation on the credit union movement in Hull, an industrial city in the north east of England (Meritt 2010). When we discussed her conceptual approach, I suggested that she asked local users of the credit union in what respects credit unions in Hull operated as ‘alternative’ economic spaces. Part of the context for this line of enquiry relates to the fact that credit unions in the UK are increasingly being seen as viable savings and borrowing alternatives to mainstream financial institutions, such as banks and building societies. Amongst the various responses Rebecca obtained from her informants, three stood out because they capture the different ways in which people think about credit unions as alternative institutions. In the following extracted quotes, I have provided fictional names for the respondents in brackets (all quotes from Meritt 2010).

- Response 1 (‘Mel’): “To me the credit union is not part of [mainstream] banking; it’s unique, it’s down there on its own and it’s not part of the banking system”.
- Response 2 (‘Rachel’): “So yeah [the credit union] has changed my life, I have got savings now and I can say that is how I want to spend that or I can earmark it for certain things”.

- Response 3 ('Stan'): "I think I see [credit unions] as helping the people that the banks can't help; I think that's their main function ... To me the whole idea of credit union is to help poor people ... It's everybody's really but particularly the poor people's ... I would always want credit unions to help people at the bottom of the pile particularly as well as everybody else".

Each of these quotes represents a different response to the question "what is alternative about credit unions in Hull?" and each says something distinctive about how one might want to think about credit unions as alternatives. Respondent 1 ('Mel') separates credit unions from the wider financial system; she sees them as offering something very different to mainstream banks. For her, it is the very localness and spatial proximity of her credit union, which makes it an alternative to the mainstream banking system. Respondent 2 ('Rachel') focuses much more on how the credit union has transformed her own life. By providing an alternative to debt, the credit union has helped her to pull through in difficult times, changing her life in the process. Response 3 ('Stan') also has a different view about credit unions as alternatives. He focuses on how credit unions are regarded as marginal institutions used mainly by those financially excluded from mainstream banks. As such they operate in a particular niche as institutions of last resort where the wider financial system has failed.

These are three quite distinct ways of thinking about and representing credit unions as alternative economic spaces in the current context of the UK. It is important to add a cautionary note, however. Those thinking about alternative institutions in these terms might be misguided and indeed, to some extent, could be wrong. For example, Stan evidently has an idealist view of banks as institutions potentially able to 'help' poor people but clearly failing in this mission. Yet the fact that Stan is not able to see that banks exist primarily to make a profit does not mean he is wrong about credit unions serving as alternatives to banks. Rachel, on the other hand, is focussed on how credit unions serve individual needs. In doing so, she overlooks how credit unions

operate as collective enterprises; they would not function without collectively pooling the resources of savers and redistributing those resources in the form of interest or loans. In other words, the transformational role of credit unions depends on how they operate as a collective rather than whether they address the needs of an individual. Finally, Mel speaks eloquently about the intimacy of the credit union in terms of its relationship to the people and community it serves. So for her the 'local' is what makes credit unions alternative. However, local credit unions are part of a much wider movement and, as I will argue below, in the UK they still depend on national (and international) support for long-term financial and social sustainability.

Of course, there might be other ways of representing credit unions as alternatives. But these stories are salient because they speak to how the properties of such alternatives can be understood. In each case, it is helpful to approach credit unions as alternatives by thinking about them territorially (e.g. in terms of the geographic communities they serve) *and* relationally (e.g. how the wider development context extends out from the local to the national and international scales).

Duncan Fuller and I have divided alternatives into three conceptual categories, namely, 'alternative-additional', 'alternative-oppositional' and 'alternative-substitute' (Fuller and Jonas 2003). Each of these categories captures different senses in which enterprises like credit unions operate as alternatives; differences which are in many respects captured by the three interview quotes from the credit union respondents above. In Table 1, I have tried to isolate some of the most important properties of each of these categories. These properties relate to their constituent modes of exchange, the form of labour, the measure of value, the politics of distribution, and territorial identity.

Let me say a few more things about this. Firstly, the properties of 'additional' alternative institutions are primarily determined by the principle that they offer additional choices alongside mainstream capitalist enterprises. Many credit unions fall into this category because they are consumer collectives which operate under different sets of rules from those of banks and building societies yet still rely on the

Table 1: Key properties of different categories of alternative enterprises

	Alternative enterprise		
	ADDITIONAL	OPPOSITIONAL	SUBSTITUTE
Mode of exchange	Market Interest-bearing Complementary	Reciprocal Social credit Communitarian	Survival Gift Sharing
Form of labour	Wage Alternative wage	Non-wage Redistributive	Cooperative Socially necessary
Measure of value	Price of labour Exchange value	Labour time Use value	Needs driven Alternative value
Politics of distribution	Competitive Liberal	Anti-capitalist Populist	Self-sufficient Utopian/Anarchist
Territorial identity	Local-global	Anti-global	Local or regional

Source: author's compilation

mainstream financial system for access to interest, funding and regulation. Likewise many complementary currencies would fall into this category.

Secondly, alternative 'oppositional' institutions are usually set up in order to challenge if not usurp mainstream institutions. They tend to embody radically different (i.e. non-complementary) modes of exchange, organisational structures, mechanisms of distributing income and territorial identities to those of the capitalist mainstream. A key property of oppositional alternatives is whether they measure and perform labour time in a non-exploitative fashion such that there is some sort of equivalence in the quality and quantity of labour. A useful example of this type of institution might be time banking (Seyfang 2010).

Finally, alternative 'substitute' enterprises are economic institutions of last resort. People reliant upon such institutions might not consciously be involved in developing alternatives. Rather these sorts of

institutions are needs-driven and motivated by a desire to survive, get by, or be self-sufficient. Many utopian communities and other small-scale autonomous economic enterprises have been founded with a view to becoming self-sufficient if not alternative *per se* and yet tend to have an ephemeral existence.

In the remainder of the chapter, I want to develop this analysis a bit further by showing how alternative enterprises can transform their alterity in relation to the changing landscape of territorial politics. My example is the British credit union movement and draws upon some work I did with Duncan Fuller a few years ago (Fuller and Jonas 2002, 2003) but tries to bring the story up-to-date with respect to recent regulatory and financial trends in the UK. The British credit union movement represents of good case of binary thinking insofar as a distinction is sometimes drawn between, on the one hand, credit unions embodying an 'old' model of local, small-scale and grant-dependent enterprises and, on the other, those representing a 'new' model of self-sustaining, large-scale and financially secure co-operatives. However, this binary does not explain the processes underpinning the transformation of local credit unions into different categories of alternative enterprise. I want to argue that nationally and locally credit unions are being repositioned as alternative 'additional' enterprises operating alongside, and competing with, mainstream institutions such as banks and building societies. This political repositioning actively disrupts the binary distinction between 'old' and 'new' credit union models.

THE UK CREDIT UNION MOVEMENT AS A RELATIONAL TERRITORIAL POLITICS

Whilst credit unions are well-established savings and borrowing institutions in countries like the Ireland, Australia and USA, in the UK they have remained for the most part small-scale enterprises which until recently have had little national visibility in debates about financial reform (Berthoud and Hinton 1989). The earliest community credit un-

ions in the UK were set up in the 1960s and were associated with an influx of immigrants from countries where credit unions were more established. Many of these early community credit unions were run by local church groups and volunteers operating in the major cities like London, Birmingham, Manchester, Liverpool, and Glasgow. They tended to base their common bond around residents of low-income housing estates. The movement subsequently spread to other parts of Britain but retained a strong base in the poorer parts of major cities.

Community credit unions have generally performed well in providing low-income individuals and communities with access to credit and savings opportunities (McArthur et al. 1993). Such credit unions have been regarded as acceptable low-cost credit alternatives to payday loans, loan sharks, and other costly sources of local credit. Recognising their growing presence in British society, in 1979 the Credit Union Act was passed, enabling some local volunteer-run community credit unions to be transformed into co-operatives run on a more professional basis under the aegis of the Registry of Friendly Societies. At this stage, credit unions were very much seen as alternative 'substitute' enterprises, offering savings and credit as a last resort in communities lacking access to mainstream banking facilities.

Although the British credit union movement has often suffered from a low profile compared to its counterparts in many other countries, there has been considerable growth in the overall membership of UK credit unions in recent years, albeit this has been associated with some contraction in the number of active (i.e. reporting) credit unions. The World Council of Credit Unions reported 573 credit unions active in Great Britain in 2004 and a total of 392,438 members (WOCCU 2004). In 2009, the Financial Services Authority reported 505 active credit unions (i.e. those fulfilling FSA reporting requirements) operating throughout Great Britain (including England, Scotland and Wales) with total assets of GBP £674 million and 818,403 members (Financial Services Authority 2010) Much of this growth has been in response to the widespread closure of local branches of national banks and building societies following a wave of financial deregulation in the 1980s

and early 1990s (see Leyshon and Thrift 1997). Under the New Labour government (1997-2010), the UK state used organisations like credit unions to tackle social and financial exclusion in Britain's major cities. This led to further reforms in the regulatory framework for credit unions in the 1990s, and the development of closer links between credit unions and the financial mainstream (Fuller and Jonas 2002).

In 2002, the regulation of credit unions was transferred from the Registry of Friendly Societies to the Financial Services Authority (FSA). In addition, the UK government set up a Credit Union Task-force charged with resourcing local credit unions. It was felt that a combination of stronger national regulation and increased local authority funding could underpin the national development of the credit union movement. At this juncture, two models vied for status in the emerging landscape of credit union development in the UK (Table 2).

Table 2: Characteristics of 'old' and 'new' credit union models in the UK

	'OLD' MODEL	'NEW' MODEL
Common Bond	Community-defined within a geographic area	Work and live: not tied to a specific place
Membership	Mainly low income residents	Mixed: employees and all residents
Transactions	Save and borrow only	Savings, loans, credit, insurance, shares
Enterprise structure	Volunteer member operated	Professional cooperatives
State support	Grant-dependent	Self-funded
Spatial scope	Residential estates and city wards	City-wide and regional
Regulatory authority	Registry of Friendly Societies	Financial Services Authority
Organisational philosophy	Serving the poor and financially excluded	Financially sustainable and socially inclusive
Form of alterity	Alternative substitute	Alternative additional

Source: author's compilation

On the one hand, the ‘old’ model was based on the community common bond and embodied a longstanding “commitment to people and place” (Conaty and Mayo 1997). On the other, the ‘new’ model championed credit unions as industrial cooperatives or what became known as work-live credit unions. Advocates of the ‘new’ model spoke of the need for the commercial viability and social inclusiveness of industrial credit unions even if this came at the expense of a “commitment to people and place”. In many respects, the further development of the movement involved a stark choice between these two ‘alternative’ models. To put this differently, the territorial politics of alterity within the movement was shifting such that the one model was now regarded as ‘oppositional’ to the other.

In the wake of the financial crisis of 2007-08, growing public mistrust of mainstream banking institutions, and the election of a national Coalition government (Conservative and Liberal-Democrat), attention has once again focused on how the legislation governing UK credit unions can be reformed. In a debate in the House of Lords on reforms to financial regulation in the UK in April 2008, the former Archbishop of Canterbury (and member of the District of Canterbury Credit Union), Rowan Williams, argued the case for credit unions as follows:

“The encouragement of locally based, entirely trustworthy, user-friendly, educationally sensitive and confidence-building methods of managing debt should be among government's highest priorities in combating ... poverty ... It is much to be hoped that fresh legislation will bring increased flexibility by, for example, enabling credit unions to work with corporate members – small family businesses, religious groups active in community work, local co-operative networks and so on – and giving the option to members of paying interest on continuing savings retained in the credit union, rather than receiving a dividend Furthermore, a broadening of the definition of a common bond area to enable the services of a credit union to be shared across different localities would help these organisations to move more effectively into neighbourhoods where there is no accessible credit. All these new liberties might make the credit union movement in due course as significant a presence in our credit economy as it is

elsewhere“ (www.publications.parliament.uk/pa/ld200708/ldhansrd/text/80425-0003.htm [May 2008]).

Subsequently introduced by UK Parliament, reforms have allowed credit unions to draw their membership from a much larger common bond area, which can include up to two million people. Whilst newly-registered credit unions still have to define a common bond area, this is no longer directly tied to particular places, organisations, or groups (e.g. a trades union). Credit unions can also offer interest payments for savers at rates that compete with banks and building societies, prompting the following headline in a well-known British tabloid newspaper: Greedy banks beware: Credit unions are a fairer alternative (Mirror, 11 January 2012).

The UK government sees credit unions not only as offering an additional choice to mainstream banks but also a more acceptable source of credit for those on low incomes as compared to the lending practices of payday lenders and loan sharks, which are increasingly seen as hyper-exploitative (Jones 2012). Further reforms introduced in 2012 include more rigorous reporting of credit union activities and the splitting of the FSA into two regulatory bodies, the Prudential Regulation Authority (PRA) and the Financial Conduct Authority (FCA). In the future, UK credit unions will be regulated by both of these new organisations.

Many of these national regulatory developments seek to steer the credit union movement towards a more sustainable, financially secure and socially inclusive ‘new’ development model rather than an ‘old’ one based upon a “commitment to people and place”. However, the evolving story is much more complicated than suggested by the ‘old/new’ model binary because in the process the nature of credit-union alterity is itself changing. This change creates ongoing dilemmas and tensions within the movement insofar as many credit unions remain viable and credible only insofar as they can be seen to operate as institutions of last resort serving the financially excluded. Even at a very early stage in the reforms, the National Association of Credit Union

Workers (NACUW) had expressed the concern the social basis of the movement was being undermined by attempts to transform community credit unions into mainstream financial institutions (NACUW 1999). Activists within the movement therefore have been keen to reinforce a sense of local commitment, emphasising that credit unions should continue to serve financially excluded communities.

Such arguments resonate with the view that credit unions and other co-operative enterprises are being repositioned as part of the UK Coalition Government's 'New Localism' agenda. According to Featherstone et al. (2012) this agenda marks a more aggressive 'roll-back' neo-liberalism. In a climate of fiscal austerity and drastic cuts in local authority funding, many credit unions are no longer in a position to focus solely on serving the financially excluded. Most community credit unions remain very small in size, have failed to generate sufficient income or surpluses to achieve financial self-sufficiency and stability, and are staffed by overworked, stressed and ageing volunteers. Many can only ever hope to serve a fraction of their potential common bond membership. Such credit unions have experienced difficulties in developing into sustainable alternative sources of credit and finance for *all* potential members and are close to insolvency. However, other credit unions have chosen to follow the national trend and seek a more commercial outlook. In doing so, these credit unions are being forced to reposition themselves both as 'additional' alternatives to banks and building societies *and* as 'substitutes' providing services for low-income people otherwise dependent on the whims of payday lenders and loan sharks.

In Hull, the evolving territorial politics of credit union development has worked at several levels. Initial attempts to promote a 'new' development model encouraged local credit union activists to discuss the potential for a more socially inclusive, city-wide common bond (Fuller 1998). However, for some activists this scalar shift was deeply problematic. There was a great reluctance to move away from the community development philosophy, contributing to divisions within the local credit union forum which was set up to assess the future development

of the movement in Hull. There was a concern that smaller community credit unions would be absorbed into a larger, less personal, city-wide entity. Local people reliant on community credit unions for savings and loans would potentially be excluded from the new credit union model (Fuller 1998).

To some extent this scenario has been borne out with the merger and consolidation of community credit unions in the western half of the city into a larger city-wide financial institution, which in turn has expanded into rural areas outside the city boundaries. The Hull and East Yorkshire Credit Union (HEYCU) now serves a common bond area of 500,000 people and membership is based on work and residence. Around the time of its incorporation in 2002, HEYCU had 1,723 members and assets of £778,000. By 2010, HEYCU had grown to 7,251 members with savings of well over GBP £4 million (HEYCU 2010). It now offers a wide range of services including savings, loans (offered at 6.5% annual interest), income on savings interest, insurance, and child trust funds. Its common bond extends well beyond the Hull municipal boundaries to encompass a diverse rural and urban population. HEYCU has opened new branches in the surrounding rural towns of Drifffield, Bridlington, Beverley and Goole. Perhaps more crucially, the Hull credit union now brands itself less as an institution of last resort serving only the financially excluded in the city but rather as very much part of the mainstream, offering a range of services that compete with local banks and building societies. In short, driven by national developments, the alternative nature of the credit union movement in Hull has been radically transformed along the lines of an alternative 'additional' enterprise.

REFLECTIONS AND CONCLUSIONS

In this chapter, I have argued that the re-positioning of British credit unions as alternative economic enterprises has been doubly determined by struggles within the movement for a wider presence in British socie-

ty, and by the efforts of the UK state to ensure that credit unions can compete with mainstream financial institutions as well as with other less socially desirable ‘alternatives’. There was never a moment when the alterity of credit unions was fixed in time and space; rather the nature of alterity has been negotiated and contested relationally over time at the national and local scales. This does not mean that we should not attempt to abstract from these dynamic processes and identify different conceptual categories to explain the alterity of alternative economic enterprises. Rather the challenge is to ensure that our concrete abstractions are always sensitive to territory and context.

Binary thinking about, for instance, the merits of two different credit union models should be rejected because it forecloses knowledge of alternative social structures which evolve relationally and territorially. Understanding how the alterity of economic enterprises evolves demands that we grapple with complex issues of territory, scale, the state, politics and regulation. The British credit union movement is a good example of this: the alternative nature of UK credit unions as social enterprises is intimately caught up in a strategic interplay between mainstream and oppositional forces working at the local, national and global scales. The purpose of this chapter has therefore been to develop new concrete abstractions around which knowledge of such alternatives can be further progressed.

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