

When poverty comes with globalization: How does community currency empower individuals?

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Abstract

Globalization enables multi-national giant organizations to shift capital from places to places wherever the production cost is the cheapest, making people's lives much poorer and insecure than before. Hong Kong, as a metropolis, has experienced rapid labour market restructuring under the big trend of globalization. Polarization and poverty have become more serious than before, which would generate sense of powerlessness among people. Facing the global trend, what can the local community do? A community currency trading scheme has been established in a small community in Hong Kong. The main objective of this paper is to examine how this community currency trading scheme empower its community members through helping them to improving material life and building new social networks. Furthermore, I would argue that this individual empowerment would eventually lead to community empowerment which generates potential for community solidarity and societal changes.

Introduction

Globalization is not just the process which poses influences in our economic lives. It has its social consequences. This paper aims at explore how globalization causes polarization as well as poverty in cities, using the case of Hong Kong. On the other hand, besides the discussion of poverty, I would put focus on how local community responses to the negative impacts of help the poor by introducing the project of community currency in Hong Kong. The key question of this paper is to examine how community currency performs the function of individual empowerment given the problem of poverty brought by globalization.

Globalization and labour market restructuring

Globalization has become one of the most important forces of social change since 1980. To understand globalization, as suggested by David Harvey (2000: 19) one must view it as "a process rather than as a political-economic condition that has recently come into being." It should not be taken as a state if people would like to concentrate on how globalization has occurred and occurring. For instance, according to Axford (20W 238-43), globalization is "the process through

which the world is being made into one place with systemic properties". Indeed, the boundaries between places become blurred in the process of globalization.

Perhaps, it is the most obvious for us to observe the blurred boundaries between places by looking at the economic aspect. As early as 1980s, Sassen (1988) has pointed out the importance of capital mobility in affecting the internationalization of production. The global cities in the world are now facing economic restructuring. Later, Sassen (2001b), in her famous work, *The Global City: London, New York and Tokyo*, has outlined two global trends in economic production. The first one is the outflow of capital from old industrial center the inflow of capital into newly industrializing countries. Secondly, we can see the rapid growth transnational corporations. She has mentioned the current trend of global production processes would lead to a new type of international regime. Since 1980s, we observe the geographical dispersal of manufacturing. There have been numerous plant closings in all major industrialized cities and transfers of production jobs to lower-wage of domestic or foreign locations. In Sassen's (1988; 2001b) studies of the three global cities (London, New York and Tokyo), she has discovered that both the cities had the sharp decreases in the number of manufacturing jobs during the last 40 year. On the other hand, globalization leads to the demand for new forms of territorial centralization in the cities. Global cities are seen as the places for coordination and control of the global production lines (Sassen 2001a). Therefore, the global cities continue to specialize in the production of high-ranked producer services such as financial services and insurance industries. For instance, London experienced a job loss of 800,000 in manufacturing between 1960s and 1980s while the figure for New York was 500,000 between 1956 and 1985; but at the same time, the global cities were having a continuous sharp growth in service sectors. Taking New York as an example, the employment in advanced service industry such as management consulting and public relations, accounting and securities has been raised by 20 to 30 per cent from 1977 to 1980, whereas similar changes have been found in Tokyo and New York (Sassen 2001b).

However, behind this prosperous picture, what we can observe in the economic restructuring is the expansion of low-wage service jobs (Sassen 1988). These low-wage jobs are often the ancillary consumption sectors serving the lifestyles of the new high-income professionals and managers. These major growing service sectors include consumer services and personal and community services. This is the reason why there is a considerable increase in low-wage jobs with few skill or language proficiency requirements. According to Sassen (2001b: 228), in New York, the low-skilled sectors grew by 23 per cent from 1993 to 1997 compared with 11.7 per cent for mostly high-skilled sectors. Sad to say, these jobs are not only low-paid, but also insecure, For example, in the U.S., 40 per cent sales jobs and 30 per cent service jobs were found to be part-time in the 1990s while part-time employment rose by 80 per cent from 1982 to 1992 in Japan's agriculture, sales, services and manufacturing (Sassen 2001b: 228).

Hong Kong, though may not be a global city when compared with New York, London and Tokyo, as one of the most important cities in the Asian-Pacific region, is also facing the same

processes of economic restructuring. In table 1, we can see that services industries such as wholesale, retail and import/export trades, restaurants and hotels (WTR) (33.4%), community, social and personal services (CSP) (21.9%), financing, insurance, real estate and business services (FIR)(13.1%), continues to occupy very high percentage of the employment in 1997, while the figure is only 9.7 per cent for manufacturing. In the year of 2002, the above service industries were still growing whilst manufacturing was declining continuously. This employment pattern agrees with what Sassen has observed in the economy in the global cities: expansion in both high-ranked producer services and consumer services and contraction of manufacturing industries.

Moreover, same as the experience of the three global cities, from table 2, we can see that people working in FIR are generally with higher income, compared with others working in manufacturing, WTR and CSP. Nearly half of the working population in FIR can enjoy a monthly income more than HK\$15,000. At the same time, 51 per cent of people working in WTR earn less than HK\$10,000 per month. In CSP, over one-third of the people have a monthly income of less than HK\$6,000. This further supports the argument by Sassen, which suggests that the labour market of the global cities is occupied by the high-paid advanced services and the low-paid consumer services.

Table 1 – Employment Distribution by Industrial Sectors

	Percentages		
	1997	2001	2002
Industry Sector			
Agriculture & Fishing	0.5	0.3	0.4
Mining & Quarrying	+	+	+
Manufacturing	9.7	6.5	6.1
Electricity, Gas & Water	0.5	0.4	0.4
Construction	9.8	9.2	9.0
Wholesale, Retail & Import/Export	33.4	32.2	32.0
Trades, Restaurants, Hotels,	11.1	11.1	11.1
Transport, Storage & Communications			
Financing, Insurance, Real Estate & Business Services	13.1	15.0	15.0
Community, Social, Personal Services	21.9	25.1	26.0
All Industry Sectors	100.0	100.0	100.0

Source: Official Website of Census and Statistics Department of Hong Kong

http://www.info.go.hk/censtatd/eng/hkstat/hkinf/labour/labor5_index.html

Note: Figures refer to composite employment estimates. Figures before 2002 refer to the yearly average while figures for 2002 of the refers to the average of the first three quarters of the year.

+ less than 0.05%

Table 2 – Percentage of the Working Population in different industries by monthly income from main employment in the year 2001.

Monthly Income from Main Employment (HK\$)	Manufacturing	Wholesale, Retail & Import/Export Trades, Restaurants and Hotels	Financing, Insurance, Real Estate & Business Services	Community, Social & Personal Services
< \$6,000	14.3	18.9	7.4	34.8
\$6,000 - \$9,999	27.0	32.1	22.1	13.7
\$10,000 - \$14,999	25.1	24.4	22.6	15.6
\$15,000 - \$19,999	12.5	9.8	13.1	9.2
\$20,000 - \$24,999	8.0	5.8	9.8	8.7
\$25,000 <	13.1	9.0	25.0	18.0
Total:	100.0	100.0	100.0	100.0

Source: By author's calculation, based on the table of Working Population by industrial sector and monthly income from main employment, 2001 from the Official Website of the Census and Statistics Department of Hong Kong.

http://www.info.gov.hk/censtatd/eng/hkstat/fas/01c/cd0232001_index.html

Polarization in the cities and disempowerment of the poor

What is the implication of the above labour market restructuring to a city? Indeed, many discussions have been carried out during the past two decades. Most of the people cannot answer the question without mentioning the word of "polarization" (Badcock 1997; Friedmann 1986; Sassen 1988; 1994; 2000; 2001a; 2001b; Yeung 2001). For instance, Friedmann (1986- 76) claims that the process of globalization would expose the major contradictions of industrial capitalism, namely, the class polarization. However, point should be noted here before we go further to discuss the issue of polarization. It seems that people are often using the words "income inequality" and "polarization" interchangeably. However, they are not necessarily the same. Sassen makes a clear distinction between the two:

I distinguished between earnings and income inequality on the one hand and polarization on the other. I emphasized that it was not just a matter of growing inequality but also a qualitative transformation in the social forms emerging out of the increased distance between the world of work and home of those at the bottom." (2001b: 244)

Hamnett (2001) also shows similar conception of polarization as Sassen does. He agree that "polarization refers to the phenomenon of the disappearing middle, the shrinkage of the number of middle-income jobs and a growth at both the top and bottom ends of the income distribution"; and to him, the key element of polarization is a movement toward the poles of a given distribution (2001: 169). Both of the two scholars suggest that polarization is a qualitative change in the class structure. Hence, polarization implies income inequality, but not vice versa. It should be viewed as

a structural change in the society. The top and the bottom grow bigger and bigger with the middle gradually disappearing or contracting. Friedmann (1986: 76-77) describe how polarization occurs within a metropolitan. For instance, we have inner-city ghettos in many big cities. Thank to the evolution of jobs, which is a result of increasing capital intensity of production, there is a massive poverty in the semi-periphery. Now, the number of middle-income jobs is declining while there is a growing number of low-paid and low skill level jobs in personal and consumer services.

Indeed, we can also observe the above polarization in Hong Kong society. As mentioned before in table I and 2, we can see that more and more people work in low-skilled service industries such as WTR and CSP while also more people work in advanced service industry such as FIR. Those working in WTR and CSP are generally low-paid while those working in FIR are usually high-paid. It is hard to find middle-income job nowadays in Hong Kong. There are many people earning less than HK\$15,000 in Hong Kong and also many people earning over HK\$25,000, but there are far fewer people earning between HK\$15,000 and HK\$25,000. This picture of current economic restructuring has already demonstrated polarization in Hong Kong.

What are the impacts of polarization on the poor? Does polarization only mean the poor are now having fewer economic resources? Or, does it mean more than that? It is said that the poor do not just suffer from economic deprivation but social exclusion. Social exclusion emphasizes "the process by which aspects of social marginalization are intensified over time" (Amin, Cameron and Hudson 2002). In fact, to summarize, social exclusion and social marginalization are just referring to the process in which the poor are losing their voice in the society as well as the control over resources. That is also related to what Friedmann (1992) called disempowerment. He states that poverty should be understood with the concept of disempowerment. On the other hand, as Sassen claims, "the emphasis on the transnational and hyper mobile character of capital has contributed to a sense of powerlessness among local actors, a sense of the futility of resistance" (2000:15 1). This means that the impact of restructuring should not be just treated as economic deprivation of the poor. Instead, what we should look at is the process of how the poor losing their power and control over their lives.

First of all, I would say the poor are losing their power in the labour market. Nowadays, in a service economy, people working in manufacturing and non-professional service industries become much more vulnerable and disadvantaged. (Namely, they usually suffer from higher unemployment rate and underemployment rate. For instance, in Hong Kong, in the year of 2003, , while the unemployment rate for FIR is 5.2, manufacturing and WTR have the figures of 7.6 and 8.2 respectively (see table 3) Also, the underemployment rate of FIR is just 0.7, which is much lower than those in manufacturing (3.1), WTR(2.5) and CSP(2.6) in 2003 (see table 4). All these data suggest that the poor do not only suffer from low income, but also low job security and stability Those people are actually powerless throughout the whole bargaining processes in the labour market. 9 They can be laid off or left idle easily.

Table 3 – Unemployment Rate by Previous Industry

Year	Previous Industry			
	Manufacturing	Wholesale, Retail & Import/Export Trades, Restaurants & Hotels	Financing, Insurance, Real Estate & Business Services	Community, Social & Personal Services
1993	2.4	1.9	1.1	0.8
1994	2.5	1.9	1.0	0.7
1995	4.2	3.1	1.4	1.1
1996	3.7	2.9	1.4	1.1
1997	2.9	2.3	1.2	0.9
1998	5.5	4.9	2.9	1.7
1999	7.1	6.4	3.3	2.2
2000	5.4	5.3	2.6	1.8
2001	5.3	5.5	3.0	2.0
2002	7.3	7.8	4.7	2.2
2003	7.6	8.2	5.2	3.5

Source: Official Website of the Census and Statistics Department of Hong Kong.

http://www.info.go.hk/censtatd/eng/hkstat/fas/labour/ghs/unemp_by_p_index.html

Table 4 – Underemployment Rate by Previous Industry

Year	Previous Industry			
	Manufacturing	Wholesale, Retail & Import/Export Trades, Restaurants & Hotels	Financing, Insurance, Real Estate & Business Services	Community, Social & Personal Services
1993	2.6	0.2	@	0.5
1994	2.4	0.3	@	0.4
1995	2.4	0.5	0.1	0.8
1996	2.0	0.5	0.1	0.6
1997	1.5	0.4	0.1	0.5
1998	2.6	1.1	0.2	1.0

1999	3.0	1.5	0.4	1.5
2000	2.5	1.4	0.4	1.6
2001	2.4	1.3	0.4	1.4
2002	2.5	1.8	0.6	2.1
2003	3.1	2.5	0.7	2.6

Source: Official Website of the Census and Statistics Department of Hong Kong.

http://www.info.go.hk/censtatd/eng/hkstat/fas/labour/ghs/unemp_by_ind_index.html

Note @: Statistics not released due to large sampling error.

As I said before, disempowerment of the poor a metropolitan should not be understood -by just looking at the economic deprivation. Therefore, to fully address the issue of disempowerment of the poor, we may need to take the urban context into the account. When we review the concept of "urbanism" by Louis Wirth (1996), we can see that he characterized urban life with the weak social bonding between people. People are anonymous and alienated. To summarize, when poverty occurs in an urban place, the poor are even more powerless because people are lacking social support to cope with the problems. Perhaps Hong Kong is an excellent example showing you how the process of disempowerment in urban context looks like. Consider Hong Kong as a highly urbanized place, people are often atomized and alienated, especially the poor. Poor people in Hong Kong, such as new arrivals, employed and members of single-parent family often possess fewer social networks, when problems arise, they can at most seek for support and assistance from their own family. Under the urban context, the lack of social network makes the poor even more powerless when coping with poverty,

A question arises here. How can we solve the problem of poverty in the city? This is the puzzle for both government and NGOs today. The common strategies to tackle the problem of poverty can be classified into four main types (Mitlin and Satterthwaite 2001:204-08).

- Market integration is based on the expectation that urban poverty can be effectively addressed by assisting the poor to obtain higher and more secure incomes. Success depends on securing markets for poor people's labor or their goods,
- Direct welfare provision is a result of the recognition that the lack of basic services and infrastructure creates many difficulties and costs for the urban poor.
- Claim making on the state is a response to lack of public recognition of and support for the needs of low-income residents. Many civil societies bargain with the state for improved provision of service for the poor.
- Alternative assets accumulating models for urban development are based on scaling up self-help solutions to address the difficulties that the poor face in securing basic necessities.

The first three measures are indeed the very traditional measures to deal with poverty which still heavily rely on the bargaining with the government and the market as well as the resources of NGOs. These measures, unfortunately, are not really dealing with the problems of powerlessness among the poor. Instead, as Friedmann (1992) maintains, these welfare provisions are in fact disempowering mechanism for the poor. He argues that the underlying ideology of welfare provision assumes that the poor are incapable of taking charge of their own lives. The relationship between the care-takers (or the welfare givers) and the welfare recipients are asymmetrical power relationships. Giving welfare benefits to the poor, thus, would further reinforce the stereotype of the poor, making them look really powerless. Compared with the other three measures, in my opinion, only the alternative assets accumulating models which urge for a more self-contained self-help model and looking for community development can remove the asymmetrical power relationship between welfare providers and recipients, and eventually empower the poor.

Community Currency as an empowering mechanism for the poor

Facing the powerlessness of poor people in terms of economic resources and social capital, some people bring out the issue of empowerment. Empowerment is a complicated concept which involves many levels of concern (e.g. individual, organization and community), Since this paper is focus on individual empowerment, I am going to concentrate more on the individualistic perspective of empowerment.

Firstly, as a traditional psychological constructs, the individualistic perspective views empowerment as how a person gain access to resources and mastery of his lives (Narayan 2002: 13-14). Under this perspective, the outcomes of empowerment are something called self-efficacy, self-reliance, self-esteem, competency and so on (Perkin and Zimmerman, 1995). This perspective starts from individuals and ends with individuals. It focuses on the cognitive process of the individuals which is concerned with the feeling of individuals during and after the process of empowerment. With this type of theory, we are told about individuals' subjective sense of empowerment. In addition, Lee (1994) also states that empowerment is a reflexive activity. It is a process capable of being initiated and sustained only by those who seek power or self-determination.

Given the definition of individual empowerment, the concept can be further divided into 2 key dimensions (Narayan, 2002). The first dimension is economic aspect which refers to the degree of control on material assets, both physical and financial resources. Secondly, social empowerment means the norms and networks that increase people's access to resources and economic opportunity (e.g. self-help, mutual aid).

It is argued that local community plays a very important role in empowering people (Amin, Cameron and Hudson 2002, Jordan 1996, Momo et al. 2002; Paddison 2001). If we really want to seek for some alternative development, we have to locate our focus on local .community which

makes self-help and mutual aid possible. Recently, there has been a wide discussion on the concept of community economic development. Focusing the two major problems of urban poverty, which are poor living standard and lack of social networks among people, the concept of community economic development aims at improving the economic situation of local residents and to rebuild the interpersonal networks in the community (Temali, 2002). To tackle poverty, community economic development can exist in many forms, such as co-operative societies and second hand exchange centers. As suggest by Amin, Cameron and Hudson (2002), social economy or community economic development can encourage collective self-help as well as enhance confidence and capacity building. Also, the production and exchange in social economy greatly emphasizes on human autonomy and mutual respects, which are both absent in the capitalist mode of production. Last but not least, they agree that social economy can help in building the community at local scale, which would eventually generate a community with mutual-help and strong humanized relationship among the people, especially for those who are socially excluded. It is said that the various kinds of community development and social economy can act as a kind of empowering mechanism.

One of the most obvious attempts to build a social economy is the creation of community currency. To be simple, community currencies are actually "local initiatives which let people exchange goods and services without using conventional money" (Seyfang and Pearson 2000: 57). Recently, there has been a wide discussion of the use of community currency to empower the poor. Many studies were done on evaluating the effectiveness of community currency in helping poor individuals to have a better life. The current studies are mostly based on the Local Exchange Trading Scheme (LETS) in the UK (Pacione 1999; Williams et al. 2001; Seyfang 2001; Aldridge et al. 2001), while some focus on the Time Dollars and Hours in the U.S (Cahn 2001; Seyfang and Pearson 2000; Pacione, 1999). Many of the studies have mentioned how these projects can empower people in various dimensions. Here I would briefly summarize their key findings.

In terms of the economic empowerment, many of the studies reveal that community currency has significant impact in providing employment opportunities to individual outside formal labor markets (Williams et al. 2001; Aldridge et al. 2001; Seyfang 2001). Seyfang finds that LETS delivers new informal employment opportunities, thus indirectly boosting members' income by enabling them to get more material resources. In the study by Williams and his colleagues, LETS is effective at indirectly improving employability by giving learning opportunities to the people in acquiring new skills. Moreover, the study conducted by Aldridge and other researchers also shows that members of LETS can keep one's skills up. Also, Pacione (1999) points out that the exchange under the scheme of community currency is a sustainable development of the local economy. Since the trading cycle of community currency involves buying and selling, all the members have to find their ways to earn the currency while they are spending it. This is the way how community currency can provide working opportunity to individuals and eventually help them to get economic resources.

One may argue that the operation of community currency is just the same as the economy of the outside. However, they are not the same. While market is dehumanized, as Cahn (2001) argues, trading under the scheme of community currency like Hours emphasizes more on reciprocity, trust and respect in the exchange process. It also increases human autonomy in the working process, because what you offer and how much you charge depend on your choices and skills, but not on the command of the market. For instance, market puts no value on housework done by female (though it involves labour force and skills). However, in the system of community currency, everything you can offer is valued. Housewives, the unemployed, and children can find their values through trading in the scheme. Therefore, the community currency scheme provides opportunities for people to destroy the current stereotype of "only services and goods in the formal economy can have exchange values" (Seyfang and Pearson 2000). The study done by Aldridge and his colleagues (2001) finds that working in the LETS scheme is an opportunity for the poor to gain control over their work and to re-define their identity, thus increasing their self-confidence and self-esteem.

In the aspect of social empowerment, community currency scheme can increase social capital of its members (Seyfang and Pearson 2000; Seyfang 2001; Williams et al. 2001). It is argued this at LETS is a strategy to tackle social exclusion. The scheme, which is originally seen as an informal social support network, provides a forum for social interaction and community building (Seyfang 2001). In the study done by Williams and his colleagues, over 70 per cent of respondents agree that the scheme has helped them to develop a network of people upon whom they could call for assistance while over 55 per cent of them think that the scheme had helped them to develop a wider network of friends. They conclude that LETS thus develop "bridge" (i.e. bringing people together who did not know each other before) more than "bonds" (i.e. bringing people who already know each other closer together). To summarize, the development of community currency can perform the function of building trust and social capital, fostering mutually supportive community networks through interpersonal transactions and face-to-face contact which many people feel is missing from conventional economic relations and society (Seyfang and Pearson 2000).

Community currency in Hong Kong

Learning from the experience of other countries, St. James Settlement, a NGO in Hong Kong has started its own scheme of community currency which is called "Community Oriented Mutual Economy" (COME) since December 2001. Through using the time coupons, members can do exchange of goods and services with other members. Currently, the scheme has about 600 members from all walks of life, including housewives, unemployed, part-time workers, students and so on. The scheme currently contains six different subgroups which are managed by its members and the staff of the NGO. The six subgroups are as follows: 1) Executive Management Committee (mainly for dealing with the long-term plan and the resource allocation of the whole project); 2) COME market operation unit (for organizing the monthly market event); 3)

Publication and promotion unit (for the production of the monthly newsletters and promoting activities and events); 4) Sandwiches unit (for collecting and distributing daily resources donated by other organizations); 5) Hotline unit (for facilitating members to find suitable exchange partners for goods and services); 6) Evaluation unit (for carrying out evaluation project concerning the effectiveness of COME and; 7) Collective buying unit (for buying the daily necessities in bulk at a lower price for the members). All members are welcomed to join the subgroups according to their interests and skills.

I am going to analyze how the individual participant of COME can be empowered in economic and social aspects. The analysis will be divided into two parts, according to the above dimension of individual empowerment. The discussion of each part will be supported with quantitative **data from COME** annual evaluation 1 as well as qualitative data from my participant observation and in-depth interviews'. In sum, each following parts will focus on two main questions: 1) How did COME provide some structural opportunities for the two dimensions of empowerment? 2) How did the participants feel subjectively after participating in COME? Did they feel being empowered in terms of the above two dimensions?

Economic empowerment

Structurally, COME offered various kinds of activities and services to its members in facilitating their transactions. Firstly, there was a monthly market event in *COME* center. Members could set up their own counters to sell goods and services, such as second hand home appliance, books, snack and drinks, hair cutting and so on. The market event also gave opportunity for its member to do shopping. Secondly, a monthly newsletter was published and sent to all members. The newsletter contained advertisements by its members, stating what they want to get or what they can offer. For instance, baby-sitting, tutoring, home repairing, second hand goods exchange and Chinese herbalist consultation were found in the newsletter. This would facilitate members to do exchange in everyday basis. Thirdly, COME had found some companies to donate or to consign their goods in order to increase material resources for its members. Goods were mainly daily necessities such as bread and cakes, rice and organic vegetables, which were meeting the basic needs of its members. Fourthly, a hotline which operated three nights a week was set up to matching buyers and sellers of goods and services. For example, if a member wants a person to look after her children tomorrow afternoon, she can call the hotline and tell her needs. Then, the staff will try the best to find out who can take up the job and to help in the price negotiating process. This also helped members to meet some urgent needs. Fifthly, COME itself was also a big employer. It often recruited members to do various kind of administrative work and to organize activities. When holding an event, COME would use time coupons to employ its members to do cleansing work, activities planning, refreshment preparing etc. All these were provide working opportunities to its members, thus enabling them to get some amount of income to do transactions with the others.

With COME's great efforts, how did the members feel regarding to the effectiveness of the scheme in helping them to get economic resources and working opportunity from the scheme? Out of 10 marks, over 35 per cent of the respondents gave 7 marks or above to showing their satisfaction about COME's work in poverty reduction. In addition, the result of statistical analysis shows that the degree of participation³ is positively related to the satisfaction of whether COME can help them in poverty reduction⁴. The coefficient of Pearson correlation is 0.35 which is statistically significant at the level of 0.01, indicating that the relationship between participation and poverty reduction is very strong. That is, the more you participate in COME, the more likely that your situation of poverty is being improved. This is because the goods and services that can be exchanged by using time coupons are mainly daily necessities. So, engaging in the exchange more frequently can enable people to get some useful material resources and to save cash, which eventually makes them feel less poor. This finding is also supported by qualitative data, as my interviewees claimed:

"After divorcing, my economic burden becomes heavier than before. Joining COME can enable me to buy some daily necessities which may now be unaffordable for me to buy in the market." (Ms. A, a middle-aged divorced woman with a full time job of sales assistant in a gallery)

"*COME* can help me to save money, because I can now get daily necessities by using time coupons. For instance, I always buy toilet papers from the monthly market event. Though the seller has to charge some cash for covering the cost, it is still cheaper than that in the supermarket. Also, I can use time coupons to buy sandwiches, bread and cake for the breakfast of the whole family. Say a cheapest breakfast costs HK\$5, if I buy the food from COME, that means I can save HK \$150 per person per month." (Ms. B, a middle-aged divorced woman with occasional temporary jobs)

Moreover, from the in-depth interviews, we can also see that the production process under *COME* can give high autonomy and respects to the producers which are almost absent in the formal labour market. One of my interviewees told me how she encountered exploitation in her previous job:

"I was a part-time care-taker in an elderly center. The starting hourly wage was HK\$40. In my first day of work, after I finished my duties, I read the newspaper. When I left the office, my supervisor warned me that I should not do anything that was not related to my work. But I felt puzzled at that moment because the supervisor stayed in her office for the whole day, so how can she know I was reading newspaper during the working hours? Soon I realized that it may be because my co-workers made a secret phone call to my boss, or there may be some monitoring devices in the center so that my boss can observe everything happened in the center. I felt unhappy because I was being controlled so tightly. This is just a small part of my unhappy working experience. After a few years, my wage had been increased to HK\$45 per hour. One day, my boss established a new rule to all staff which stated that all workers in the center should rotate to

take the role of secretary for the monthly meetings. When I took up the role to take minutes, my boss complained that my work was poor. So, I revised it. But, she still thought that it was not good enough. Then, I argued with her that I had just tried my best to do it and taking-minute was actually not my duties. I was angry at that moment and I said I would quit the job. The boss soon became very happy. She actually wanted to find some excuse to fire me because she thought that my wage was too high. I told her I quit at the end of that month. But, she rejected and she claimed that she was afraid that I would treat the old people badly as retaliation. I felt so unhappy because I was not being trusted. Also, I realized that after my leave, the hourly wage of the same position had been cut to HK\$25, how exploitative it is!" (Ms. C, a middle-aged divorced women with unstable temporary employment)

When I ask her to compared the working experience in COME with that of her previous jobs, she put emphasis on the autonomy of the work process:

"Working in COME is very free and flexible. I can work whenever I like! I can offer whatever I am talented in! For instance, I enjoy cooking very much. I can teach other members how to cook. I can help COME to prepare refreshment for different events. I can set up a counter in the market event to sell snack and drinks."

On the other hand, while formal labour market emphasizes on credential, age and formal working experience, under COME you can do whatever you like if you have the skills:

"The age discrimination is so serious in the labour market! Few years ago, I saw an advertisement on the newspaper which was about the recruitment of sales girls of a chain bakery. I went to their shops and said I would like to apply this job. The staff felt surprised and said that I may not be suitable for the job. But in COME, how old you are is not a problem if you have skills." (Ms. B)

"In the past, when I worked as private tutor, I realized that what the employers concerned is how many "A"s you have got in the public exam or which university you go to when considering your application. However, when I had worked as a private tutor for a member's children, I found that less emphasis was put on your qualification, but on whether you can actually teach the children well" (Mr. D, a young male social worker).

From the above, we can know that COME does not only help people to get material sources by using the community currency, but also help its member to gain control, autonomy, respect and satisfaction in the exchange process which can seldom found in the low-wage low skill jobs. Thus, we can see that community currency has empowered individuals in the economic aspect.

Social empowerment

Previous literature suggests that community currency can help people to build up social networks which would facilitate community self-help. It is also said that such kind of community economy is

useful in bringing people from walks of life together and enabling people to build up new social ties with different people. The project of COME also offers many opportunities to facilitate its members to build up social network. Firstly, the transactions among members, either in daily exchange or in the market events, people can have chances to meet new friends. Secondly, COME organizes some regular social gatherings for its people which would facilitate the generation of new social ties. For instance, during each market event, tea gatherings and some games would be arranged to enable the interactions among members. Also, some parties would be arranged during some special festivals such as mid-autumn festival and Christmas. Thirdly, the opportunity which members can participate in the subgroups would be a means to bridging members. Though the co-operation in organizing various activities and events, people can get to know each other well and may stimulate further development of friendship among members.

From the statistical analysis, we can see that COME was effective in facilitating people to make new friends. For instance, among the respondents, 27.5 per cent of them could make 4 to 9 new friends by joining the scheme. Also, 8.7 per cent of respondents could even make over 40 new friends. On the other hand, it is shown that the degree of participation positively correlates with the number of new friends made through COME. The Pearson correlation coefficient is 0.67 which is statistically significant at the level of 0.01, indicating that participation is strongly associated with the number of new friends. That is, the higher degree you participate, the more likely that you can make new friends from the scheme.

The interviewees also told me how their friendship was built up through participating in various activities in the scheme. For instance:

"At the very beginning, I did not know John (another male member) very well. However, after we organized activities and performed a drama in the annual general meeting together, I started to know more about him, and realized that he was a cheerful guy." (Ms. B)

My findings from the in-depth interview also suggest that such new friendship is a kind of social capital, which is very crucial in the information diffusion process:

"Previously, I joined a self-help group organized by divorced women. This self-help group can provide me with some good friends to share my own feelings. However, the friendship developed in COME is a bit different. In this scheme, we can meet people with different class backgrounds. For instance, we make friends with university students and professors. This kind of networks provides me with different information. Say, previously, we did not realize the problem of monopoly in the supermarket. We just bought things from wherever the prices were cheaper. But now, after discussing the issue with other people, we learned how monopoly generate problems such as unemployment and price control by big companies." (Ms. C)

"Before I joined COME, I had never heard of the term "globalization". Now, after the discussion with other members such as the social worker and the professors, I started to learn the term and its content. Although I still have not made up my mind to judge whether this process is good or not, at least now I am aware of it." (Ms. A)

From the above data, we have learned that COME can successfully provide some opportunities for the creation of some new social networks among its members. These networks are found to be particularly useful in the information diffusion process. Through establishing these new social networks, a person can enjoy more knowledge and information. This in turn becomes a kind of capital which can empower the people in an indirect manner.

Implications for further research

So far we have taken an individualistic perspective in viewing how community currency empowers the poor in economic and social dimension. We emphasize on merely on how people can benefit from community currency. This perspective, however, is uni-dimensional. It seems that we have just emphasized how people can get resources from the community but ignoring how individuals can make contribution which in turn will empower the whole community. What is important here is to think about the relationship between individuals and community in the process of empowerment.

The individualistic perspective of empowerment has its criticism. Riger (2000) argues that the concept of empowerment under this perspective emphasizes too much on agency, mastery and controls, but ignores the importance of co-operation, connections and community building in the process of empowerment. Similar criticism and comments on this perspective are also given by other scholars (Perkins and Zimmerman 1995; Speer and Hughey 1995; Wilson 1996; Speer 2000; Narayan 2002).

Indeed, the concept of empowerment should have its emphasis on community and collectivity, and should not be separated from the discussion of individual empowerment (Speer and Hughey 1995; Wilson 1996; Narayan 2002). As maintained by Speer and Hughey (1995), individual empowerment must be embedded in community empowerment. Therefore, they advocate an alternative theory of empowerment by suggesting an ecological perspective. They propose that individuals are in fact embedded in community. Hence, we can never separate individuals from community during the discussion of empowerment. three main principles are stated in community organizing. First, empowerment can only be realized through organization. With organization, community would have access to power so that members can collectively pursue a common goal or purpose. Second, power is built on the strength of interpersonal relationships. One's sense of empowerment would be increased with his interpersonal relationship which is more intimate and less controlling in the community. Thirdly, individual empowerment must be grounded in a dialectic of action and reflection. Individuals act in community as part of it. Participation of community

organizing provides context to individuals to gain power and to exercise power. All these principles suggest that both individual level and community level cannot be ignored in the analysis of empowerment. As Wilson (1996) claims, if we truly want to empower people, we must "build community from the inside out" - (i.e. From the individual's realization of self-efficacy and interconnectedness with the larger community). She would like to point out that individual changes are in fact the building block of community changes. Individual changes, therefore, become a bridge to community solidarity and societal changes. That is the reason why I suggest individual empowerment would lead to community empowerment.

Given the importance of the relationship between individual empowerment and community empowerment, a fuller research framework could be derived (see figure 1). From the framework, we can see that there is a closed relationship between individual empowerment and community empowerment. What has been addressed in this paper is just the individual empowerment which is only the very beginning of the whole framework.

Conclusion

The whole paper discusses how globalization leads to polarization and poverty. It also studies how community currency can act as a mechanism for individual empowerment, using the data of Community Oriented Mutual Economy in Hong Kong. By doing this preliminary study, it is suggested that the participation in COME would lead to both poverty reduction (through the exchange process) and the creation of new social networks (making new friends). Therefore, we can conclude that community currency acts as an agent for economic and social empowerment. The paper also yields implications for further research. It is said that individual empowerment should not be separated from the context of community. We should not just think of how individual can gain power and resources from the community, but also how individuals can contribute resources and help the community to find voices and power in the society. It is argued that empowered individuals would carry out collective action and social changes after they get the knowledge of oppression. Therefore, since community and individuals are fundamentally inseparable. Individual empowerment will be able to generate community empowerment. Indeed, thinking the process of empowerment in a holistic way is believed to be an important guideline for further empowerment research.

NOTE:

1 . The quantitative data is borrowed from the Community Oriented Mutual Economy. It is the data obtained from the annual evaluation survey of the project. A questionnaire was designed to collect data. A telephone interview is conducted in October 2003. 115 respondents were selected

from 345 members whose age was above 16 by using systematic sampling with a random start of 3. Eventually, 70 members were successfully interviewed. The response rate is 60.9 per cent.

2. The qualitative data is obtained based on the author's participant observation and in-depth interviews. Four face-to-face interviews were done in February 2003. Three of the interviewees were divorced middle-aged women, while one is a young male social worker.

3. The degree of participation is measured by a Likert type scale with six questionnaire items including 1) the frequency of daily exchange of service with members; 2) the frequency of joining the market event; 3) the number of subgroups participated in organizing COME; 4) the frequency of buying second hand goods; 5) the frequency of selling second hand goods and; 6) the number of month of joining COME. The questionnaire data are regrouped and scored as follows:

4. The satisfaction of whether COME can help them in poverty reduction is one of the questionnaire items. Respondents were asked to give score from 1 (minimum) to 10 (maximum) to show how satisfied they are in regard to the work of poverty reduction of COME.

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