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LET'S CHANGE: A CRITICAL STUDY OF THE AIMS AND PRACTICES OF A LOCAL EXCHANGE TRADING SCHEME

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ABSTRACT

The paper presents the findings of ethnographic research and a survey of a Local Exchange Trading Scheme in North-East London and asks the question of whether the scheme delivers on the aims and objectives of its members. The research found that whilst its members express a strong politically motivated desire for an alternative to the prevailing economic system, the LETS scheme falls short of delivering on those ambitions. The findings raise the question of whether there is anything intrinsic to this form of local community currency that leads it to be more inclusive, egalitarian and fair.

KEYWORDS

Alternative money systems; complementary currency; alternative currency; local economy; sustainable economy; common; local exchange trading systems.

ACKNOWLEDGEMENTS

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1. INTRODUCTION

As the economy is under attack as the cause of an ongoing crisis, the political establishment continues to fall short of providing solutions, economic agency is systemically incentivised to assume a rentier role and public services and welfare infrastructures are disbanded, communities and grassroots organisations come to fulfil tasks that were once the remit of political and economic institutions. The breakdown of trust in the current system of production and reproduction, both economic and political, makes alternative economies more pivotal than ever to our understanding of current possibilities and chance for change. The exploration of how alternatives work, of their pitfalls and potential, is the purpose of the following discussion and case study of LETS.

Local Exchange Trading Schemes (LETS) are forms of local currency issued by and for communities that operate alongside and as an alternative to the national currencies issued by banks. They are hard to explain because they sit at the interstice between the economy and the political. Whilst their initial set-up indicates an act of strong political will, their running follows rather loose *laissez-faire* economic principles. Experience tells us that where LETS succeed, they bring about significant positive outcomes; where they fail, they are symptoms of local issues worth addressing. Previous research, broadly divided, characterises LETS as either an alternative money system, or as a community building organisation. Some argue that the benefits of LETS are so great, they ought to be incentivised by governments; others dismiss them as little more than ideologically motivated self-activity.

This paper, instead, engages in a discussion of the challenge to define LETS in a review of academic literature, government research, and members' attitudes, and then presents a case study that seeks to: first, provide insights into the members' motivation for participating in the scheme; second, question whether it delivers on the expectations of its advocates and members; third, explore the internal organisational dynamics of its exchanges. The case study is of a LETS in the North-East London borough of Waltham Forest (WFLETS). The questions above are addressed using the methods of participatory ethnographic research, a survey, and a transaction analysis of the accounts.

2. BACKGROUND, CONTEXT AND RATIONALE

LETS are understood to belong to the realm of alternative economies. But what are they alternative to? LETS are said to provide an alternative to competitive economies in the form of cooperative economies, offering a substitute to commercial transactions in the form of community exchange (Kennedy et al., 2012). They are perceived to enable communities to foster a sense of identity by enhancing the local circulation of goods and services, give a non-alienated and human face to currency (often named after a local personality or landmark), and allow for a means of exchange that is free of interest, debt and inflation and their correlative effects (Croall, 1997; Kennedy et al., 2012; North, 1999). What is a LETS? A LETS is a mutual exchange scheme, one of the possible formats of alternative, complementary or community currencies alongside service credits such as time dollars and time banks, other local currencies, and barter markets (Seyfang and Longhurst, 2013). It is a 'first generation' complementary currency, and one with the greatest longevity (Blanc, 2011). A LETS is usually started by recruiting members, collating their details and their offers into a database, and furnishing each member with a 'cheque book': in the scheme, no physical currency is exchanged apart from cheques. Someone wanting a service or commodity pays the person delivering the service or commodity an amount the parties agree on, and as one goes into debt, the other gains credit, the overall balance remaining zero. On leaving the scheme, or in some cases periodically, the unwritten assumption is that one would bring one's balance to zero or above, but it is perfectly legitimate to stay in debt, and accumulating credit does not grow any value in interest, which has posed some problems for the scheme in the past.

Why pick this scheme? The LETS scheme was selected as an object of study for several reasons. The initial reason for my interest was that it is increasingly difficult to hold the distinction between the private and the public, as governments have embraced the market mechanism as regulator and allocator of social utility and public expenditure (Barnes, 2006; Berkes, 1989; Berry, 2006; Casarino and Negri, 2008; Curcio and Özseltürk 2010; Hardt and Negri 2009; Horwitz, 1981; Hyde, 2010; Perry and Rainey, 1988). In approaching the case, I was motivated by a desire to carry out a micropolitical empirical investigation of the workings of what I would term the common. The common is the *tertium non datur* of the private and the public, a space or set of practices of self-organisation of common resources for the common good. Specifically I have long been interested in studying technologies of the common, that is, practices of organisation that are based upon a sharing of resources that are neither privately nor publicly owned, but rather utilized by different groups and individuals in a manner that upsets and exists to a degree

in contradistinction to the opposition between private and public.¹ The emphasis on technology is intended to point to the potential replicability of these practices and their transformative power for society en large. LETS was selected primarily because it seemed to function as a potential technology of the common; moreover, it has existed in the United Kingdom for some time, making longitudinal comparisons viable, and has proliferated across the country at times of economic hardship such as the present one, displaying great flexibility and a high degree of replicability.²

LETS were first established and grew in size during the 1980s and 1990s. At the peak of their success, by the end of the 1990s, over 450 LETS had been set up in the UK alone, involving around 40,000 people.³ Seyfang and Longhurst counted 250 more recently and LETS remain the most diffuse model of complementary currency worldwide (Seyfang and Longhurst, 2013). Much attention is currently paid to the so-called sharing economy, or peer-to-peer based sharing of resources and services (Gold, 2004; Schor, 2014), as well as digital currencies such as bitcoin (Weber, 2016; Smith and Weismann, 2014). It was felt that an investigation of a scheme like LETS could contribute to the current debate not only on technologies of the common, but also on alternative currencies, communities, and the sharing economy as a whole.

One characteristic of LETS is that the scheme presents itself as a simple, common sense and basic idea, something that is easy to join and enjoy. The LETS and Complementary Currencies Development Agency (LETSLINKUK), a network of all existing schemes in the United Kingdom, states that 'LETS is readily available, interest free, and it stays local.' Despite this, LETS are not actually so easy to define or categorise. From some angles, they look like a marketplace: a place where skills, intellectual property, labour and resources are exchanged by means of a currency. From other angles LETS look more like a voluntary community organisation, association or club within which skills, intellectual property, labour and resources are organised and commanded. In this sense, LETS bridges the classical distinction between economics and organisation (O'Doherty et al., 1999; North, 2000). For the purpose of this paper and reasons that will become clearer in the course of the discussion, I define LETS as 'an organisation of exchange', that is included in the economy as an instituted process. After a brief survey of its definitions in the existing literature, the paper presents an analysis of the reasons people take part in the scheme.

3. DEFINITIONAL CHALLENGES: ALTERNATIVE MONEY SYSTEM OR COMMUNITY BUILDING ORGANISATION?

Given its local nature, it is difficult to establish whether the existence of LETS as a scheme owes more to it being a community organisation than an economic practice. This ambiguity explains the relative lack of interest in the scheme shown by mainstream economists. An exception, Schraven indicatively argues that 'in general, experiences in existing LETS do not provide a good basis for economic theorising because the actions and motivations of a large number of their members are based in ideology rather than self-interest' (Schraven, 2000: 1). Fare and Ahmed (2014) go as far as to suggest that epistemological and methodological barriers inherent to the discipline of economics prevent it from contemplating research into complementary currencies altogether. When describing the gift economies of the Polynesian islands, Mauss famously stated: 'it is something other than utility that makes goods circulate in these multifarious and fairly enlightened societies' (Mauss, 1952: 70). It would be tempting to see LETS as types of gift economies too.

Whilst the schemes are often perceived to meet the needs of those with no access to other means of satisfying them, and although people who engage in them do gain, I would argue that the nature of this gain is neither always purely economic nor most significantly so. Or rather, it is not economic in the manner in which we have become accustomed to think of the economy as the restrictive sphere of preference-driven market transactions of utility maximising self-interested individuals guided by a particular version of capitalist rationality. This system of mutual exchange, based on indirect reciprocity, appears to fall more under what Bourdieu would call gratuitous activities.

'By measuring all activity against the unambiguous standard of monetary profit, the most sacred activities are also constituted negatively as symbolic, that is, with the connotations often carried by this word as devoid of concrete material effect, in a word, gratuitous, in the sense of disinterested but also useless' (Bourdieu, 1972: 228).

Lending some credence to Schraven's argument that their actions result from ideology rather than self-interest, the literature produced by LETS suggests that many of the initiators of the schemes are motivated by aspirations over and above the creation of a community currency: they feel that the current structure of the money system does not

work. LETS schemes are seen to carry forward the tradition of common tender or local money (*moneta*) largely in use in market towns across Europe up until the first half of the nineteenth century in parallel to the official legal tender (gold and silver) which the sovereign had the exclusive right to issue. The movement towards the homogenisation of currency and the demonetisation of local tender is interpreted as one that largely favoured and incentivised the use and function of money as a means of accumulation, as a store of value, rather than of exchange.

Opposed to this, many schemes point to the experiment in the Austrian town of Wörgl in the 1930s, where Silvio Gesell's theory of accelerated money was first applied, as a successful example of the alternative potential of local currencies and a good representative of their economic ethos (Blanc, 1998; De La Rosa and Stodder, 2015; Suhr, 1989; North, 2007). The argument is that the introduction of currency monopolies and demonetisation of local currencies was primarily motivated by concerns for power rather than economic efficiency. As evidenced by Rolnick and Weber (1994) the argument finds support in the history of inflation: prior to the introduction of modern money inflation was at minus 0.5 per cent per year, after it, it rose to 6.5 per cent per year (Rolnick and Weber, 1994). This approach seeks to reinstate the function of money as a medium of exchange over and above, if not in opposition to, its function as a store of value or a measure of value (Ingham, 1999). Complementary to this approach is the view of LETS as 'simply a community information system attached to its own market-place. A locally initiated, democratically organised, not-for-profit community enterprise which provides a community information service and records transactions of members exchanging goods and services by using the currency of locally created LETS Credits'.⁴ Unlike other informal and alternative market systems that have historically developed at times of recession with an explicit poverty relief agenda, such as barter, labour exchanges or food banks, LETS project the image of an eco-friendly smart lifestyle option open to all, more of an enterprise and a marketplace than a traditional form of community organisation (Bowring, 1998). This self-characterisation has inspired a libertarian strand of research on LETS that positively regards the market mechanism as the best gatherer of information about social preferences and needs. As a market unhinged from any form of government intervention, local exchange schemes are considered good aggregators of information about community preferences. In this strand of literature, money, if redesigned, could function 'as an information system representing knowledge about assets and resources' (Kennedy et al., 2012: 10) and local currencies could potentially become the perfect tool of economic feedback controls (Jacobs, 1985), whilst, in addition, preserving regional economies from the shifts and turmoil of global financial markets.⁵

It is worth noting at this point that despite the lack of interest of economic science, LETS have attracted the attention of the Bank of England and research was commissioned to establish their impact on its operations. According to the Bank Charter Act 1844, only the Bank of England is permitted to issue banknotes in England and Wales. Rather than condemning them as illegal enterprises, the report compiled by Naqvi and Southgate displays a lukewarm interest in the potential that LETS have to address the negative externalities of the market in favour of local and sustainable economies. However, their report concludes that 'as illustrated by Table A, current UK local currency schemes are small (both individually and in aggregate) [...]. This means that they should not pose any significant risk to the Bank's objective of monetary stability' (Naqvi and Southgate, 2013: 7). The authors argue that the size of the schemes is nearly insignificant and thus no call for concern, effectively equating LETS to voucher systems that merely call themselves currencies.

Table 1. Scale of some UK Local Currency Schemes.

Paper instrument	Value in circulation	Population of area
BoE notes	£54.2 billion	63.7 million
S&NI notes	£6 billion	7.1 million
Bristol Pound	£250,000	1 million
Brixton Pound	£100,000	300,000
Lewes Pound	£20,000	17,000
Totnes Pound	£8,000	15,000
Stroud Pound	£7,000	13,000

Source: Bank of England, local currency scheme websites, ONS and Bank calculations as of 2013 cited in Naqvi and Southgate, 2013.

As previously mentioned, LETS is an exchange system of goods and services that relies on indirect mutuality. The exchange is supposedly voluntary and, unlike barter, it involves no immediate commitment to reciprocity. The local

currency enabling the exchange itself has no value, but is not directly linked to any one measure of value. Within different communities, discussions abound as to whether units of measure should or should not resemble, improve on, or simply ignore the units of measure of the mainstream economy. For the Bank of England, this is no insignificant fact. They see that if consumers mistakenly associate local currencies with banknotes, the risk is that 'such a perception could generate a spill over effect if, for example, a successful counterfeit attack on a local currency were to reduce confidence in banknotes or, in the event of failure, if consumers were to incorrectly expect recompense from the Bank' (Naqvi and Southgate, 2013: 1). In any case, on the point of exchange traders are free to agree a price in the local currency and this freedom creates a sense of trust and participation. The question remains, however, of whether LETS require a critical mass to work as an alternative money system, and the extent to which the possibilities of experimenting as alternatives are fully explored in the price setting agenda of the groups. For now, the scheme remains small enough not to pose a threat beyond the level of critique.

Academic research on alternative money systems enumerates LETS amongst other experiments more as a way of illustrating the problems with the current structure of money than presenting a viable and sustainable alternative to it (Kennedy et al., 2012; Lietaer, 2001). The view is that LETS schemes are successful because of their local nature and scaling them up would effectively undermine their purpose and ethos. The 'green' credential of LETS has also been widely discussed (Shorthose, 2000; Bowring, 1998; Aldridge et al., 2003). Most notably, Seyfang (2006) argues that LETS ought to be incentivised in the framework of sustainable consumption and that environmental considerations are important factors in considering the impact of LETS. Seyfang's findings confirm that the principle of individual utility maximisation is not a primary consideration for trading, whereas sustainable local development is, and this is a major motivation for joining the schemes (Seyfang, 2001a).

The local and communitarian character of LETS has been amply discussed in existing research and presented as a strong drive to join the scheme. As Bowring has argued, 'since they operate with a medium of exchange whose value is only recognized by participating members of the local community, LETS are not subject to the predatory interests of highly mobile national and international capital nor dependent on the disruptive cycles of the boom and bust cash economy' (Bowring, 1998: 93). For this reason, many have also presented them as a useful instrument of community economic development, fostering environmental, social and economic sustainability, and potentially an organisation worthy of community led economic development support both from the national government and the European structural investment fund⁶ (Doherty et al., 1999; Callison, 2003; Lee, 1996).

This perception that the scheme is rather more than an alternative money system brings us to the next part of our discussion of LETS as a community. Here we wish to draw attention to the manner in which LETS is experienced and perceived as a community building organisation. LETSlinkUK claims: 'Our main purpose has been to develop complementary currencies as a means of creating self-sufficient caring communities in a society of increasingly alienated individual consumers' (LETSlinkUK cited in O'Doherty et al., 1999). Because of this, a strand of research focuses on their potential both as a tool of local economic development and, importantly, as a poverty alleviation mechanism in economically deprived communities with high unemployment rates. LETS are frequently presented as not only a poverty alleviation tool but also as a social inclusion device (Doherty et al., 1999), a successful tool for delivering new informal employment opportunities to socially excluded groups (Seyfang, 2001b) and a radical new economic strategy (Seyfang, 2006).⁷

Due to their local embeddedness, it would be conceivable for the activities of LETS to be endorsed and encouraged by local authorities. Sometimes, this has been the case: Croall reports that by 1997 it was estimated that 25 per cent of LETS in the UK were in receipt of some form of support from their local authority (Croall, 1997: 88). Much impetus for LETS backing was given under Local Agenda 21.⁸ Boyle writes that following on from the results of the LA21 deliberations, by the late nineties around fifty British local authorities were supporting LETS 'as a cheap solution to tackling poverty and to make places less dependent on outside imports' (Boyle, 1997:13). Boyle reports that councils like Hounslow, Calderdale and Stockport had by then even set up their own LETS schemes. The local authorities that showed an interest in facilitating the scheme did so with the aim to tackle the social exclusion caused by economic deprivation and unemployment and reach out to groups that had fallen out of the formal economy and labour market (Aldridge et al., 2003; Wallace, 2001).

The community building potential of LETS, their ability to draw people together in exchanges that do not rely on charity but on mutuality, suggests that LETS could indeed be a powerful technology of social inclusion. All considered, however, it would be reductive to conclude that the appeal of LETS lies more in its potential to build stronger communities and facilitate social inclusion than in its economic promise to be an alternative money system and a more efficient and informative marketplace. Both elements are present in the findings of existing research. I shall now turn to examining the results of my own research of WFLETS.

4. METHODOLOGY

In the first phase, ethnography and participatory research were used. Given the nature of LETS and the exploratory ethics of the research, it was deemed important to participate to a degree with it and, to that end, I was an active member of Waltham Forest Local Exchange Trading Scheme (WFLETS) for a period of one year. I did not aim to intervene in the project in an interruptive or transformative way, but to participate in a manner that was as normal as possible.

In the second phase, in addition to participant observation, a questionnaire was circulated to 200 active members of the scheme by post, with a return rate of 35 per cent. In designing the questionnaire, the intention was to investigate:

- The extent to which people participate in it to bring about alternative economies, and whether the sense of the possibility of alternative economies is changed through the experience of such participation.
- The motives behind participation in respect to the hypothesis that these schemes need to reach a critical mass for them to function as viable and realistic alternatives to existing economic behaviour.
- The stakes that members have in respect to the existing market economy and whether schemes like LETS reinforce or challenge these positions or do not affect them in any significant way.

Important to understanding the impact of the scheme, the survey also aimed to gather information on demographic and socio-economic indicators to establish the extent to which LETS members were representative of the communities they operate in, in this case, the London borough of Waltham Forest. I could explore this aspect by comparing the survey demographics with the results of the 2011 Census. In addition to this, I compared the only existing UK nationwide survey of LETS with the results of the national census. This was done to gain an additional perspective of how typical of UK LETS the case was, the extent to which the case study might provide information either on the workings of the scheme as a whole, or on the particular factors affecting it in the local community. A copy of the questionnaire can be found in the Appendix.

I decided to share the data gathered through the survey with the administrators of the scheme, as I felt the scheme would benefit from learning about itself, especially the motives and barriers to participation. The data was processed using SPSS.

In a third phase, I focused on the internal organisational dynamics of the scheme, and analysed public accounts of the movements and transactions of its members, with the objective of investigating the role of the organisers in the scheme.

5. FINDINGS

In this section of the paper, I discuss the results gathered through the survey.

5.1 Why do people participate in LETS?

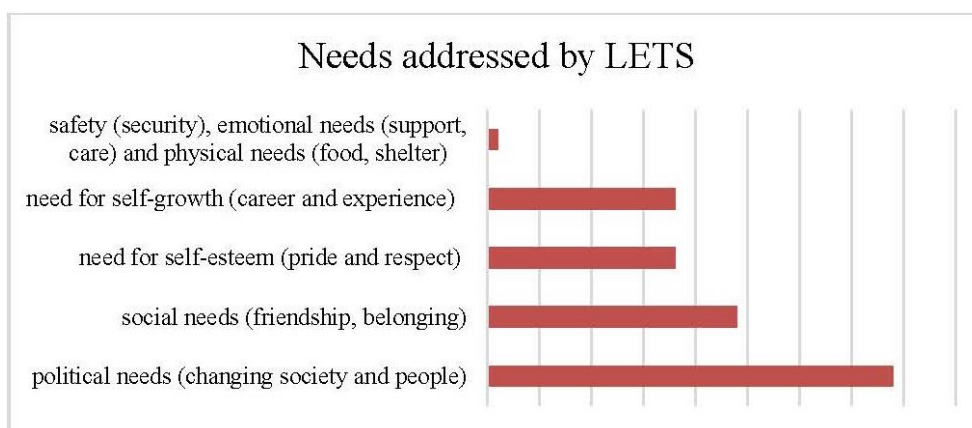
By and large, they confirm that WFLETS members aspire to contribute to the creation of a new money system and sustainable alternatives. Members of the scheme display a high level of dissatisfaction with the current state of affairs: when asked how they perceive the mainstream market economy, 78 per cent of respondents believe that it fails to satisfy most human needs, 84 per cent that it fails to match supply with demand, 69 per cent that it creates poverty and unemployment, and 60 per cent that it excludes people. One respondent commented: 'The mainstream economy creates desires which are seen as needs, and breeds dissatisfaction.' For another respondent, 'LETS puts

value on services and items that the mainstream economy deems valueless.' The comments reveal that their contrast with the mainstream economy is a strong motivational factor for joining LETS. The scheme is attractive because it provides an escape from mainstream market interactions that members deem alienating, impersonal, and characterised by lack of trust. A feeling of trust, personal interaction, connection, and the non-profit driven nature of the scheme are strong appeals for its members. Although LETS is an alternative currency, it does not seem to be experienced as 'money,' and this also makes it desirable. Many remark that exchanging without money is more rewarding.

In the questionnaire, the question of whether people participate in order to bring about alternative economies was largely answered positively. In intention, at least, this suggests that LETS are alternative money systems and their members do aspire to change the mainstream economy by taking part in them.

The results of the survey confirm that people approach LETS with the expectation of joining a local community organisation. When asked why they joined WFLETS, most respondents claim that they want to be more involved in their community, followed by those who want to experiment with alternative economies or save money. Some want to socialise, and only a minority joined because they had a specific need they wanted to address or because they were eager to provide something. In order of importance, members ranked the needs LETS addresses in the following way:

Figure 1: Needs addressed by LETS

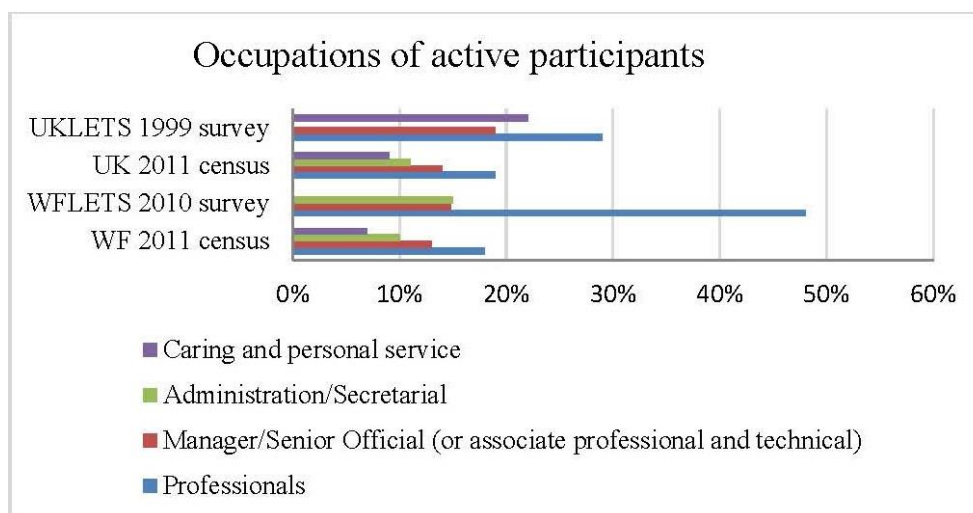


5.2 Do LETS, in practice, help redress social and economic imbalances?

Previous empirical studies of the scheme have often concluded that the situation of LETS members outside the scheme tends to be reproduced within it. For instance, in their article 'Recasting work: the example of Local Exchange Trading Schemes', Aldridge et al. examine the potential of LETS to create 'alternative' work relations: 'LETS are used both as a strategy for engaging in productive activity outside of domestic activity and paid employment, and as a strategy for challenging work relations in paid employment' (Aldridge et al., 2001: 565). Despite their potential as ways of recasting work relations, Aldridge et al. have to conclude that people 'in clerical or manual occupations face the same inequities of the formal economy' (Aldridge et al., 2001: 569). This is a question the survey of LETS also aimed to address. Given the motivations expressed by its members, how far do LETS succeed in practice to provide a space for alternative social and economic relations, and help redress the social and economic imbalances that members experience as highly objectionable?

Following the UK-wide survey designed by Jane Tooke and Theresa Aldridge and deposited in the UK Data Archive, the survey of WFLETS investigated the class composition of the membership. At both the national level and in the case study presented here, the findings suggest that LETS tend to attract a large majority of people in professional occupations (Figure 2).

Figure 2: Occupational status



In order to further explore the potential and the practice of LETS as an alternative, the survey also asked how the services offered on LETS relate to members' formal waged work. 72 per cent of respondents said that they do not offer on LETS what they mainly do for an income or even as a hobby. Most respondents (81 per cent) claim that they offer what they would really like to be doing for a job or income, and 93 per cent that LETS is solely for pleasure, while only 36 per cent claimed that LETS helped them use skills they could not sell in the mainstream economy.

In the ethnographic phase, it was observed that if a person has assets recognised in the formal economy, the scheme helps valorise them; the skills and services one is able to sell outside the scheme bear a similar value within it, with some commanding a higher price than others. This can be largely dependent on the way prices are negotiated within the scheme but despite the appreciation of the freedom to set prices, the majoritarian trend indicates that prices tend to reflect and reproduce the measures, both in terms of wages and in terms of valorisation of knowledges and skills, that exist outside of the scheme in the mainstream economy.

Aside from confirming existing research, this indicates that in practice, those who suffer the consequences of an unequal and unfair economy outside of LETS potentially benefit from the scheme proportionately less than better-off members. My research confirms previous studies that when it comes to the poor, the unemployed, and 'recasting work', where LETS organisations manage to reach out to members in that position, rather than economic deprivation and lack of work opportunities, they tend to succeed in alleviating the effects of social isolation arising from unemployment. The question is whether they manage to reach out. In fact, contrary to the belief that 'LETS and Time Banks membership tend to be homogeneous, skewed towards those on low incomes with time to spare, and what Simmel calls higher spheres of labour – the professions – tend to be underrepresented' (Dodd, 2014: 344), several studies indicate that the poor and unemployed have been deterred from trading on the basis that it could affect their receipt of jobseekers' allowance. The effects of this ambiguity are pointed out by Fitzpatrick: in his pilot study, LETS members on benefits are reported to have a 'haven't asked, don't tell' attitude to the authorities, but '10 in 12 interviewees expressed a fear of being found out and penalised, and most said they would leave the scheme if necessary' (Fitzpatrick, 2000: 114). Fitzpatrick asserts the employment ethic embodied in the benefit system 'prevents from flourishing the broader view of work, citizenship and participation that many LETS members possess' (Fitzpatrick, 2000: 116). 60 per cent of our respondents also felt that unemployment benefit authorities should refer applicants to the LETS in their area.

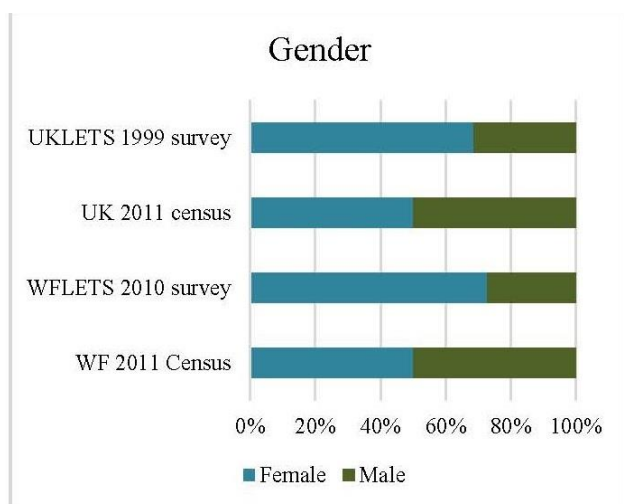
5.3 LETS, representation and social inclusion

Data on the economic and social status of members of LETS can help us understand the role of the scheme in the framework of dynamics of social inclusion and exclusion. From the data gathered on WFLETS it is possible to form a picture of how representative the membership in the scheme is of the demographics of the rest of the population. What follows are these findings, comparing data from our survey of WFLETS with census data at the level of the borough of Waltham Forest on the one hand, and data from the UK-wide survey of LETS by Tooke and Aldridge with

data from the national census on the other. I am aware that this national survey is 15 years old, but in the absence of more recent data, I had no better options.

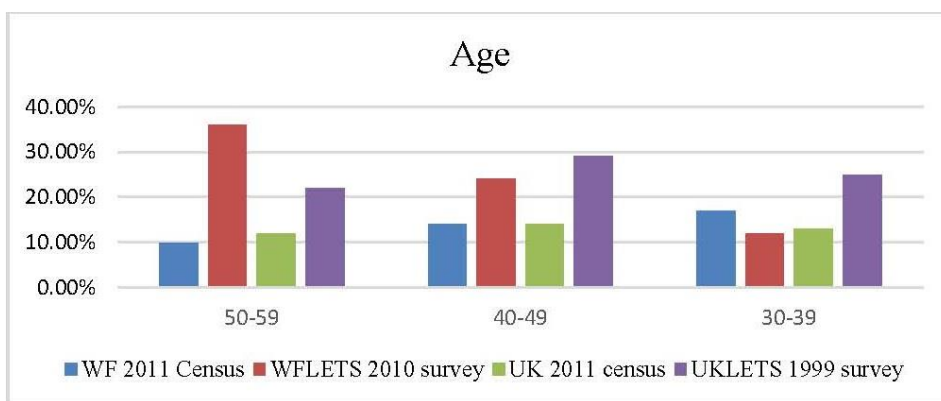
In terms of gender (Figure 3), there is a higher percentage of women than men in LETS, both at the level of the borough, and at the national level. This is to be expected if one sees LETS as part and parcel of the wider informal economy which includes self-provisioning work (housework), unpaid community work (in networks of neighbours or extended family) and paid informal work (monetised exchange that is unregistered for tax purposes) (Williams and Round, 2000).

Figure 3: Gender



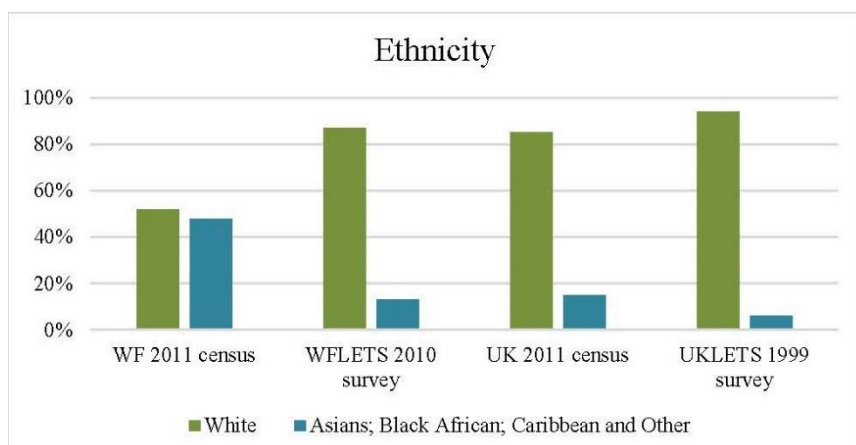
LETS members also tend to be middle aged or above, with a mean of 40-49 years old in the UK and 50-59 in the scheme selected for analysis (Figure 4).

Figure 4: Age



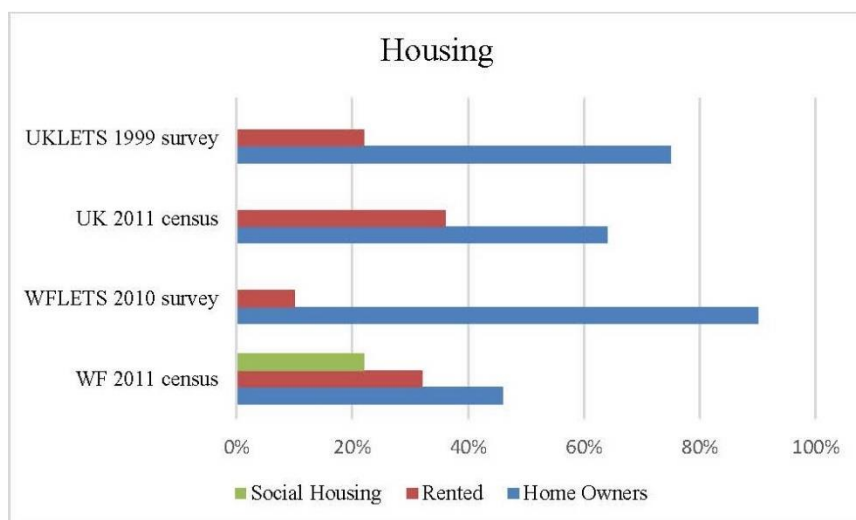
However, a significant result of the survey is the disproportionately high percentage of white members in the Waltham Forest scheme (87 per cent), entirely at odds with the local population which has a white population of 52 per cent. The disparity is also present at the national level, although the gap is nowhere near as wide (Figure 5). This is certainly a striking disparity and would call for further, more tailored investigation as well as intervention for the organisers of the scheme. In this the data does not portray a community organisation that helps social inclusion.

Figure 5: Ethnicity



Finally, another significant factor of economic status is the percentage of home owners in the scheme (90 per cent) compared to those in the borough (46 per cent). Relevant to this is that one of the predominant findings of our open questions in the survey was that members felt there was a shortage of provision of DIY, gardening services and general home improvement and maintenance in the scheme, suggesting that many of the people involved in LETS are property owners who might be seeking services that ‘add value’ to their assets. Far from appearing to be a poverty alleviation device, the data suggests that whilst declaring to seek an alternative to the mainstream economy, members also try to ameliorate their conditions within it.

Figure 6: Housing



6. LETS AND ORGANISATIONAL DYNAMICS

As far as the organisation is concerned, I was interested in seeing whether Radej’s theory had support, that: ‘In each network we usually find a small number of highly-connected members, many less-connected members, and massive redundancy. Network is vulnerable to the emergence of informal hierarchical organisation on higher scales of the network system that is not the result of democratic selection on the lower scale’ (Radej, 2009: 4). To this end, the transactions between members were analysed and payments to WFLETS members from the administrative account were compared with overall totals of members’ exchanges. The payments monitored were for services for the organisation of LETS including catering and event organisation, meeting attendance (including AGMS and EGMS), enrolments, all administrative tasks and secretarial duties and marketing. These can be considered as activities to reproduce the scheme. As of 20 October 2010 the total number of members of WFLETS was 613, which includes both active and inactive. The total earnings in the local currency, BEAMs, amounted to 76,192.77 which was calculated by subtracting from 108,195 (the total income), the administration’s income of 32,002. This is an average of

124 BEAMs per person outside of the administration. However, once one deducts the organisational cost of the scheme from the actual income from exchanges within the scheme we get a total of 24,494 and an average earning of 40 BEAMs per member.

Findings from the analysis of transactions suggest that those involved in the running of LETS have a stake in the scheme that is different from other members'. If one subtracts the total income of those clearly identifiable as having been paid for administration from the total figure of BEAMs, i.e. 35,387,⁹ this gives us 40,805. Excluding the organisers or administrators, the remaining 563 members thus have an average income of 72 BEAMs compared to 707 BEAMs per organising member. It is reasonable to believe that the situation is actually more extreme and the first figure might be exaggerated but due to lack of data this is impossible to verify. It does not take into account, for instance, the minimum of 10 BEAMs earned for joining the scheme i.e. + 6,130, nor BEAMs earned by renewing membership in sterling by standing order. In any case, the data available does suggest that ordinary members' activity is on average 10 per cent of that of members of the organisers.

Looking at expenditure, the total amount spent by all members, minus that spend on administration is 56,175.84 (107,874.14 - 51,698.30) whereas the total expenditure by the organisers is 21,112. This means that the consumption of other members' services by those who work for LETS administratively is an average of 422.24 compared to (56,175.84 - 21,112 / 563) 62.2 per non-organising member.

It is difficult to draw clear conclusions from this data but it does seem to point towards the following tendencies: there is a strong correspondence between increased organisational involvement and increased trading; there is a higher level of consumption of services by members involved in the administration, which may well be mirrored by increased production of ordinary member-to-member trades too. However, there are cases where an almost exclusively organisational activity is matched by high levels of consumption of ordinary members' services.

Whilst this is likely to be an outcome of the best intentions to keep the scheme alive and active, it is important to recognise that, because of these dynamics, the scheme runs the danger of producing structures and practices that lend themselves to a form of exploitation in terms of the real economy. In this, as in the setting of prices and consequent status of members' bargaining power, despite the strong political desire to produce alternatives expressed by members as their motivation to participate, LETS does not seem immune from the inequalities of the mainstream economy.

7. CONCLUSION

In conclusion, LETS is a bottom-up, self-regulating community initiative, an organisation of exchange expressing strong political needs to foster non-alienated, community-based interactions and mutual support. When asked why they participate, members claim that they are motivated by a political desire to build alternatives to a mainstream economy that they find deeply dissatisfying. The study indicates that whilst expressing themselves in the search for a different organisation of the economy and exchange, their priorities and hopes for change are political and social. However, the community exchanging goods and services created by the scheme is not representative of the local community in important respects. This matters for two reasons: first because the extent to which LETS can redress the social and economic imbalances in the mainstream economy and be an alternative to it in practice needs to take into account the ability of the scheme and its members to involve groups that are affected by social and economic inequality, and reach out to the wider community. Second, if the scheme attracts professional, older, female, white, home-owning members of the community, with strikingly low levels of representativeness with regards to ethnicity and home ownership, its potential for social inclusion and poverty alleviation, so present in the literature, is being overestimated.

Another important factor measured in this case was the internal organisational dynamic of the scheme. The analysis of the dynamics of exchange demonstrated that administrative accounts generate the most movement and accumulation of currency via activities of recruitment, promotion, maintenance and general reproduction of the scheme. This confirms that the community building potential is being worked on, and the need for friendship and belonging is tended to. However, for the scheme to fulfil its ambition to be an alternative money system, a higher level of activity in and amongst non-organising ordinary members would need to occur. Without it, the dynamics of the

scheme are skewed in favour of the administrators, and the extent to which organisational structures and activities intervene to create imbalances between members must be monitored to prevent exploitative outcomes.

Various definitions and challenges to the scheme in the literature and in practice have been reviewed in the hope that the discussion and findings can help future designers and researchers of alternatives and ultimately facilitate meaningful change.

Endnotes

¹ Michel Foucault defined technologies of the self those “techniques which permit individuals to effect, by their own means, a certain number of operations on their own bodies, on their own souls, on their own thoughts, on their own conduct, and this in a manner so as to transform themselves, modify themselves [...]” (Foucault, 1993: 203). When using the expression ‘technology of the common’ I am carrying this reflection forward onto a different plane of intelligibility, that of practices of organisation of common resources. For more, see Bove, 2005.

² For a geographical representation of LETS spread, see the LETS and Complementary Currencies Development Agency website that presents a map of regional links. <http://www.letslinkuk.net/regions/uk-map.htm> (last accessed 17 March 2016). For more recent maps and surveys, see also Seyfang and Longhurst (2013) and North (2007).

³ Reported on the LETS and Complementary Currencies Development Agency <http://www.letslinkuk.net/> last accessed 17 March 2016.

⁴ John Croft, “Frequently Asked Questions about LETS Schemes” in The Virtual Library on Microcredit, from The Global Development Research Centre, <http://www.gdrc.org/icm/lets-faq.html>

⁵ See, for instance, Hayek who saw in the denationalisation of money a key to solving the problem of inflation. ‘As soon as one succeeds in freeing oneself of the universally but tacitly accepted creed that a country must be supplied by its government with its own distinctive and exclusive currency, all sorts of interesting questions arise which have never been examined.’ (Hayek, 1976: 13) LETS view of the working of markets is also consistent with Hayek’s view that, making up for the fact that knowledge is ‘not given to anyone in its totality’ (Hayek, 1945), markets and currency become a tool for total knowledge. New technologies, information gatherers par excellence, have also been elected to play a vital role for deregulated money systems. The New Economic Foundation has already partnered with Transition Network to create Qoin, supported by the British Tudor Foundation and the Dutch Doen Foundation, to develop a set of IT infrastructures for what they call Community Currency 2.0. In fact, the P2P Foundation already hosts a long list of OS software designed to manage complementary, community or alternative currencies such as LETS.

⁶ This includes money from the European Social Fund (ESF), European Regional Development Fund (ERDF) and European Agricultural Fund for Rural Development (EAFRD).

⁷ Those in favour of the scheme believe it can play a positive role in the development of social and human capital. According to them, self-activity, whether in or out of employment, whether waged or not, is deemed economically desirable. This also bides well with the recent shift from welfare to workfare and its cognate effects in the formal labour market, amidst the incentivising of forms of free labour, internships, and, in general, work activities decoupled from the wage.

⁸ Agenda 21 was the outcome of an international commitment to implement sustainable development at a local level, made at the Rio Earth Summit of the United Nations in 1992. For more on this, see Echebarria and Barrutia (2011).

⁹ This figure does not include anyone paid for administration before 2003, nor does it [yet] include those paid by LETS in BEAMS to “write off bad debt”, but it does include people who may have only attended a meeting and not undertaken any major administrative roles.

APPENDIX

Waltham Forest Local Exchange Trading Scheme members questionnaire	
Membership of LETS	
Are you currently a member of Waltham Forest LETS?	
When did you join?	
Has your membership lapsed?	
Why did you join LETS? <i>Tick one of the following options</i>	<p>It seemed like a good idea</p> <p>I had a specific need I wanted to address</p> <p>I was eager to provide something</p> <p>I wanted to socialise</p> <p>I wanted to be more involved in my community</p> <p>I wanted to experiment with alternative economies</p> <p>I wanted to save money</p> <p>Other (please specify):</p>
If you are no longer a member, why did you leave?	<p>Not enough time</p> <p>I had nothing to offer</p> <p>I didn't want or need what others were offering</p> <p>I didn't feel part of the scheme</p> <p>I didn't feel the scheme worked</p> <p>I fell out with someone</p> <p>I lost interest</p> <p>Other (please specify):</p>
Use of LETS	
In your experience, did LETS address the desires you expressed above?	<p>Yes</p> <p>No</p> <p>Partially</p>
<i>Please explain:</i>	
How do the services you've offered on LETS relate to your professional occupation?	<p>I offered what I mainly do for income</p> <p>I offered what I sometimes do for income</p> <p>I offered what I usually do for a hobby</p> <p>I offered what I'd really like to be doing for a job and income</p> <p>My LETS involvement has nothing to do with work</p> <p>LETS is solely for pleasure</p> <p>Other (please specify):</p>
How would you describe your participation in LETS?	<p>Committed ___ Regular___ Occasional ___</p> <p>Supportive but not active___ Not active ___</p>
Roughly speaking, how many transactions would you say you've made during your time in LETS?	<p>Bought (Beams)</p> <p>Sold</p> <p>No transactions</p>

Have you struggled to get something you need through LETS?	Always	Sometimes	Rarely	Never
It is sometimes easier just to pay someone in cash	Strongly agree	Agree	Disagree	Strongly disagree
Using LETS 'frees up your cash'	Strongly agree	Agree	Disagree	Strongly disagree
The mechanism to express needs and advertise services in LETS is:	Efficient and effective	Laborious	Ineffectual	
LETs addresses different needs for different people <i>Number the following list in order of importance (1 = most important for you)</i>	Other (please specify):			
	Social (friendship, belonging)			
	Safety (security, community)			
	Physical (food, shelter)			
	Emotional (support, care)			
	Self esteem (pride, respect)			
	Self growth (career, experience)			
	Political (changing society and people)			
	Other (please specify):			
What unavailable goods and services would you most like to find available on LETS?				
Government and economy				
How do you perceive the mainstream market economy?	It satisfies most human needs			
	It matches supply with demand			
	The rich get richer and the poor get poorer			
	The economy excludes people			
	It creates poverty and unemployment			
	Other (please specify):			
Commercial exchanges are anonymous and thus preferable	Strongly agree	Agree	Disagree	Strongly disagree
Commercial exchanges are quicker and simpler	Strongly agree	Agree	Disagree	Strongly disagree
It is better to have exchange within the community	Strongly agree	Agree	Disagree	Strongly disagree
The use of e-mail and the internet allows me to get closer to my community	Strongly agree	Agree	Disagree	Strongly disagree
In your view, how does LETS differ from the mainstream economy?	<i>Please explain:</i>			
LETs and organisation				
Everyone should become an organiser and be involved in the organisation of LETS	Strongly agree	Agree	Disagree	Strongly disagree
LETs communities ought to be organised by a small group of people who facilitate exchange	Strongly agree	Agree	Disagree	Strongly disagree
LETs should be made up of a small group of close and committed individuals	Strongly agree	Agree	Disagree	Strongly disagree
It would be reasonable in the future to pay LETs organisers in Sterling for the work that they do for the scheme	Strongly agree	Agree	Disagree	Strongly disagree

The Local Council should employ or fund LETS organisers to start schemes in their community	Strongly agree	Agree	Disagree	Strongly disagree
Are you involved in the running of LETS (do you help with admin or organisation)?	Often	Occasionally	Rarely	Never
Are you, or have you ever been on the committee?	Yes No	For how long?		
Do you encourage others to join your LETS?	Often	Occasionally	Rarely	Never
Are you involved in other community groups?	Often	Occasionally	Rarely	Never
Do you attend LETS Annual General Meetings?	Often	Occasionally	Rarely	Never
As an organiser of LETS I have felt that my standing in the community has increased	Strongly agree	Agree	Disagree	Strongly disagree
Ethics and LETS				
It's fine for people to work up a debt in Beams	Strongly agree	Agree	Disagree	Strongly disagree
I sometimes resent giving my services on LETS	Strongly agree	Agree	Disagree	Strongly disagree
Sometimes I feel I'm working for free	Strongly agree	Agree	Disagree	Strongly disagree
I sometimes wish I could get paid Sterling for jobs I do on LETS	Strongly agree	Agree	Disagree	Strongly disagree
I find people respect me more in my day job	Strongly agree	Agree	Disagree	Strongly disagree
I get more satisfaction working in LETS than in my day job	Strongly agree	Agree	Disagree	Strongly disagree
LETS should be entirely independent of Sterling	Strongly agree	Agree	Disagree	Strongly disagree
What do you think the main barriers to people joining or participating in your local LETS are? <i>Please rank in order of importance (1 = most important for you)</i>	Joining fee Apathy Concern over tax/benefits Feeling they have nothing to offer Image of LETS Not understanding the concept Feeling like they would not fit in with the group Need for Sterling Other community initiatives are more important No time Other (please specify):			
The existence of similar schemes such as Streetbank, Ecomodo, Freecycle etc. is detrimental to LETS	Strongly agree	Agree	Disagree	Strongly disagree
The more schemes like LETS, the better	Strongly agree	Agree	Disagree	Strongly disagree
The more people that join LETS, the better	Strongly agree	Agree	Disagree	Strongly disagree

Please describe your ethnicity <i>Tick one of the following options</i>	White British __ White Irish __ White European __ Other White __ Mixed White and Black Caribbean __ Mixed White and Black African __ Mixed White and Asian __ Mixed Other __ Indian __ Pakistani __ Bangladeshi __ Chinese __ Other Asian __ Black African __ Black Caribbean __ Other Black __ Other non-White __ Other (please specify): __
Do you feel that your local LETS has an equal balance of participation between men and women?	Yes No I don't know
Please feel free to use this space to add any further comments	
Thank you for completing the questionnaire. We will be carrying out further research in the form of semi-structured interviews. If you are interested in taking part, please leave us your name and address.	

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