

Local Economic Trading Systems: Potentials for New Communities of Meaning: a brief exploration of eight LETS systems, with a focus on decision making

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Introduction

A LETS can be described as a non-profit community based trading network that operates by way of a locally created currency, i.e. a locally recognised measure of exchange value as distinct from national currency. LETS' emergence in the 1980's, and rapid growth throughout English speaking countries in the 1990's (Williams 1995), arguably stems from experienced scarcity of money in local communities. According to Jackson (1994), it is primarily a product of developed nations 'where money has assumed dominance as the medium for exchange'. Considered in the context of contemporary economic developments, LETS also invites regard as localised responses to the globalisation of capital. It was with an eye to the latter, that I undertook this exploration of eight LETS groups in Victoria, Australia.

In 'developed' countries, combined effects of unemployment, public funding cuts, and unprecedented reorganisation of space, undermines our capacity to experience a sense of place, and brings many to personally confront concrete questions of survival. These developments involve fundamental learning processes, which, given the part played by new technology, moot changing structures of individual consciousness; or, put another way, a new form of identity. Compelled to seek a place in an increasingly unfamiliar world, we are more or less required to participate in a process defining contemporary terms and conditions for collective survival.

Successful outcomes - as the dissipation of traditional forms of community implies - are by no means a foregone conclusion. Rather, success depends on our capacity to rebuild communities of meaning⁽¹⁾; - that is, shared ways of interpreting the meaning of things and events (Ingleby, 1993). It is important, then, to generate new insights about local community responses to global exchanges of information. This requires us to take account of social learning⁽²⁾, the process underpinning the individual's integration into society. Social learning is the underlying theme in the forthcoming exploration of LETS groups.

With economic activity the pivot for social change, a form of economic exchange that accommodates community needs and abilities otherwise unaccounted for by the profit motive suggests important possibilities for the development of democratic⁽³⁾ communities of meaning. Like the global market, LETS is technically rooted in system theory. But the global market is premised on the new technology/capital conjunction (so tends to orient social interactions - social learning - in the interests of capital accumulation). Differently, LETS proposes interactions based on otherwise marginalised abilities and personal needs. This characteristic lends an appearance of credibility to widespread claims for LETS as a means for community development.

Maleny LETS (reputedly, the first LETS established in Australia, and an influence on at least three of the LETS explored here) is among those subscribing to such claims.

"[LETS] supports the community - in all its vital aspects - economic social and ecological, without conflict. It uses a quasi currency ... and is capable of providing increasing *stability and energy in the local economic system*, despite instability in the state of the Federal economy. The LETS System allows its members to issue and manage their own money supply within a *bounded system*." (From undated leaflet, *my emphasis*)

Two features of Maleny's vision serve to indicate the danger in readily accepting LETS as a means for community development. One, the language (see italics) evidences systems theory as the frame of reference shaping the concept of 'community'. The other, the assumption underlying the notion that LETS is a *bounded system*; namely, the assumption that LETS is largely immune to forces currently shaping global developments at the expense of the community domain. The view of community development promoted above overlooks both the limitations of system theory as a frame of reference, and the implications of an atomising community domain with regard to social learning.

System theory is a way of thinking - a form of logic - that is based on mathematical language. When we use this way of thinking we tend to interpret relationships - including those between people - in terms of abstract information exchanges. It is a self referential form of logic for it influences the act of perception according to its own mathematical premise. In other words, system theory constitutes a powerful world view: the world view informing the processes underpinning both the global economy and the emergence of general environmental concerns into cultural consciousness (Ingleby, 1993). Its influence on LETS to date arguably comes by way of the predominant part played by environmentalists in the 'first wave' of LETS (those established prior to 1991 (Williams, 1995). At bottom, environmental issues are economic issues. They generate little if any challenge to system theory as a powerful world view.

Considered in terms of social learning, then, system theory is an *intellectual technique* that serves to filter meanings implicit in situations. A technique recognised as inadequate for community development purposes, since it elevates only those meanings that can be described in terms of system theory - economic indicators, for instance. Consequently, our conscious understanding of our situation tends to conform with technically described relations (Ingleby, 1993). We are inclined to subject ourselves to a way of thinking that currently serves to affirm assumptions underpinning corporate development. To the extent that this is the case, we are disposed to individual isolation, i.e. social disempowerment. We are disposed to answer our need for a sense of belonging - a fundamental human need (Fromm, 1960) - by way of a community based on exchange value *at the expense of* the full range of human needs.

This form of community - *Totalitarian community* (Nisbet, 1970) - stands in stark contrast to the socially empowered community envisaged in Kenny's approach to community development (1994).

Community development aims to transform unequal, coercive and oppressive structures in society. To fulfil this aim it challenges, provokes, presents unpalatable information, and even disturbs. Here community development overlaps with new social movements, such as human rights, and peace movements. Like them, community development challenges the presumed inevitability or naturalness of existing power structures and social systems.

Since all meaning in the former centres on exchange value, so, too, does policy formulation and social learning. As community constituents we experience, what Habermas calls, *scarcity in meaning resources* (1976). Symptomatically, it seems unnecessary to actively assert our rights to partake in decision making for decision making is reduced to logical responses to a need to generate exchange value. Hence, in as much as LETS system development conforms to systems logic, it can be said to propose extension of the new technology/market conjunction.

Tendencies for the institutionalisation of LETS lend weight to such concerns. In spring 1995, the Australian Labor Government's Department of Social Security advertised nationally (*The Australian*, 21/10/95) for the submission of research proposals to "...examine what action could be taken to progress the development and establishment of LETS throughout Australia over the next five years". A related project foreshadowed the possibility of state-wide LETS registers. Ostensibly, these initiatives conform with Kenny's view (1994) that, "Community development provides processes which mediate between the *State*...and ordinary people on behalf of the latter". Significantly, however, most of the systems explored here were unaware of these developments.

It is not difficult to imagine how LETS might be used by a government strapped for cash and looking for ways to cut social security budgets. It is a short step to making LETS membership an eligibility criterion for receiving social security benefits. Moreover, the possibility of state-wide LETS registers moots a capacity to overcome the main impediment to date to taxing LETS earnings (tax that, under current regulations, cannot be paid in LETS units). In other words, LETS proposes a means for further rationalising the social security net.

At the same time, closer acquaintance with LETS - in my case, as a participant - suggests latent potential for LETS to play an important part in the struggle to maintain values peculiar to local communities. This potential has remained

largely unrecognised, probably by bent of an ideological tendency to emphasise conflict avoidance. As Williams also notes (1995), LETS now attracts people from a wider array of backgrounds than before. This means that LETS systems stand to incorporate more than one community of meaning, and, complementarily, potential for conflicts of meanings. As Habermas (1976, 1979) and others in the field of education observe, conflicts of meaning are a condition for *active social learning* (4); i.e. potential to generate new, more democratic communities of meaning. It is this potential that I have set out to explore, in a preliminary way, in forthcoming considerations.

Methodology

The research presented here make no claim to be of the disinterested kind. It is based on case studies of eight LETS groups in Victoria, Australia. It therefore commences not with a hypothesis but with an objective. The objective is two-fold. One, to identify structures and developments providing entry points for considering LETS potential for new, more democratic communities of meaning; i.e.

Community development [that] aims to transform unequal, coercive and oppressive structures in society. To fulfil this aim it challenges provokes, presents unpalatable information, and even disturbs. Here community development overlaps with new social movements, such as human rights and peace movements. Like them community development challenges the presumed inevitability or naturalness of existing power structures and social systems. (Kenny, 1994)

The informing themes and theoretical assumptions are outlined in the introduction. The second objective is to identify and encourage groups interested in participating in Action Research, as a means for furthering community developments associated with LETS. Whatever way a particular system may define its goals, action research promises increased potential for the general membership to experience ownership of the system. This aspect of the exploration can be regarded - to borrow from Kenny - as a modest attempt to facilitate people's efforts to gain control of their own lives. Taken overall, then, the exploration relates to the first of the four functions of social research identified by Merton (1967) - namely, initiation.

The focus of exploration relates to claims for LETS as a means for community development, which, as already observed, implies social empowerment. Social empowerment is a correlate of strategically geared, collective 'meaning making', so it largely depends on access to decision making (Ingleby, 1984, 1993). For this reason, attention focuses on LETS' decision making. LETS' early promotion by 'Green alternatives', together with its more recent attraction for interests wider afield, makes it unlikely that LETS systems follow a single path of development or approach to decision making. It is therefore necessary to gain some insight about 'real life' LETS decision making and its developmental context; hence the choice of a case-study approach for the purpose.

The selection of case study groups sought to include a variety of development possibilities. Spalets more or less serving as the initial point of reference by bent of my membership; Kyneton, Goldfields, and Ballarat, offering generative potential by their geographical relations to Spalets; Sunbury for its unambiguous origins in an attempt at job creation; Stony Creek for its location in a traditional working class area; Merrilets and North Melbourne for their inner suburban locations.

The approach to information collection involved informal but systematic interviews with consenting committee members (27 in all), reference to relevant documentation specific to the particular system (directories, newsletters, promotional materials, and the like), and, where possible, included attendance of meetings and/or trading days. In the case of Spalets, it also drew on my experience as a LETS participant, bearing in mind of course, associated issues outlined by Wadsworth (1984). A random telephone survey of thirty members from Kyneton and Spalets - sixty members in all (amounting to 35% and 10.6% of memberships respectively) - was conducted with a view to tentatively identifying members' points of view on issues associated with decision making. The limited value of this information for purposes of generalisation is obvious. Nevertheless, the information gained offers a basis for formulating further, more substantial research into social learning associated with LETS. Two other methods bear noting. The first relates to the analysis of directory entries. These were designated into one of three categories; manufactured goods, raw animal/plant produce and prepared foods, and services (including semi skilled and unskilled labour). Gender categories were ascribed according to names accompanying directory offers. The second relates to membership numbers referred to in the report. These relate to individual members.

The presentation of the findings takes the form of observations and reflections, the latter being largely reliant on a discursive style. The order more or less conforms with the path of the original exploration: that is to say, follows the course describing the order in which questions were raised and answered.

Summary of findings

Ostensibly, the LETS systems considered here loosely fall into two categories; those more or less formed as direct extensions of mainstream agendas and others that have emerged as expressions of the 'Green/Alternative' lifestyles movement. Both lay claims for LETS as a means for community development. In the former case community development appears to be geared to the reintegration of marginalised persons into the general community, and tends to involve a paternalistic (i.e. doing for rather than doing with) approach to organisation and decision making; in the latter it is bound up with aspirations to environmentally sustainable ways of living. In both cases, however, organisation and decision making are all but exclusively geared to exchange activity.

This tendency seems strongest in 'Mainstream' LETS; probably because the expectations describing these systems' development tends to mirror a welfare approach where conception of LETS as a tool for community development is bound up with need for an economic safety net. While decision making in all these systems formally recognises the need for conflict resolution, there is no evidence in the sample here of any conflict of the kind needed to catalyse a review of assumptions as to the purpose of LETS. At the same time, these LETS evidence traces of historical roots in traditional forms of community resistance to market based economy. This moots important possibilities. For instance, in the event that federal government policies polarised the community these LETS stand to be identified with - to become extensions of - community elements politicised in the process. For the time being, however, this potential to contribute to broader formations of new, more democratic meanings, remains a matter for speculation.

Differently, the three 'Alternative' LETS were more or less established as extensions of self designated communities of meaning. The original organisational form of all three systems was reportedly anarchic. In these instances, decision making practices have evolved according to perceived need. Two of these systems underwent a period of rapid growth which effectively incorporated expectations and points of view exceeding those of the respective founding communities; i.e. incorporated potential for conflict. This potential manifested by way of decision making practices geared to system expansion, and in both cases catalysed apparent democratisation of decision making practices. Nevertheless, like the Mainstream systems, the decision making of these Alternative LETS remains centred on exchange activity, and, indicatively, member participation in LETS tends to be measured in terms of trading levels. This tendency is compounded by the predominantly individualistic character of trading activity and mitigates against a consensus elevating social interests.

In conclusion, these systems *involve* significant potential for new, more democratic communities of meaning. This potential is unlikely to be realised until or unless these LETS can be socially grounded - that is, until or unless these LETS be related to socially defined need. In the absence of a clearly recognised social frame of reference - and like the mainstream market - LETS' development is bound to trace a path that accords with system logic at the expense of social needs. Trading practice stands to submerge rather than affirm values that cannot be described in economic terms.

Observations and reflections

1: System Formation and Potential for New Communities of Meaning.

System Age and Duration:

Systems included in the sample here range widely in their ages. Spalets is 8 years old, Goldfields is 6, Kyneton and North Melbourne LETS are both 4, Ballarat 3, Sunbury 1, and Merrilets 6 months. Stony Creek survived for 3 years but is now dormant⁽⁵⁾. This range permits use of system age as a tentative reference point. It provides a means for considering the extent to which the development of each system's decision making structures/processes might reflect social learning integral to interactions within the system (as distinct from being founded on social learning uncritically imported from, hence extending, mainstream institutional influences). For example, the fact that older, more mature systems - Goldfields and Spalets - have tended to *formalise* decision making provisions (as distinct from resorting to a standard constitution) can ostensibly be seen as a development of active of social learning reflecting directly experienced need. However, in small, embryonic systems like Merrilets, which have been more or less founded with fully developed *standard* constitutions (as were Stony Creek, North Melbourne, and Ballarat systems), it invites regard as evidence of passive social learning in the mainstream mould, i.e. a response to assumed - as distinct from directly experienced - need.

It bears noting that the age and rural location of the two oldest systems - Spalets and Goldfields, established in 1987 and 1989 respectively - (and, complementarily, claims by three of the younger systems included here, to have been influenced by Maleny and/or Blue Mountains LETS) raises questions regarding criteria for the view that LETS

establishment in Australia reflects an urban-to-rural diffusion of the LETS concept (Williams, September, 1995).

System Initiation and Mainstream Influence:

Five of the systems were initiated by way of support from conventional organisations and/or institutions. Of these, two were founded under community service umbrellas (one aided by a local government grant) one through a conference of churches (with informal assistance from a government employment agency), one as part of a regional employment project, and another with the aid of a state government grant. These instances provide ready explanation for these systems' adoption of standard constitutions from the outset, this being a requirement for incorporation. Where systems or their hosts become incorporated, they have access to government funding and are required to conform to standard constitutional provisions. So these instances also support the idea that comprehensive decision making structures in young/ embryonic systems directly reflect mainstream influences.

The Character of Initiating Mainstream Influences:

The North Melbourne and Merrilets umbrellas (respectively, a Neighbourhood House and Community Resource Centre) can be seen to have roots in more traditional forms of organised community resistance to a market based economy. For instance, a founding aim of community/neighbourhood houses, and - at least implicitly - community action resource centres, was to facilitate individual and community empowerment. Be this as it may, these organisations depend directly on government funding for their existence. Given the accountability procedures applying to such funding in Australia, and as the former's increasing dependence on Department of Employment Education & Training funding implies, these systems currently stand to be regarded as agents for the status quo.

Like Sunbury and Ballarat - though less explicitly - North Melbourne, Merrilets and Stony Creek can be viewed as being broadly constituted as extensions of mainstream agendas: symptomatic, perhaps, of growing pressures on conventional community organisations and institutions - in Stony Creek's case a Labor government - to maintain credibility with traditional constituencies. Viewed in this light, these systems appear to have emerged as products of paternalism (doing for, rather than with others, assuming a knowledge of what's best for the other). Consequently, to the extent that this approach persists unmitigated, each can be expected to elaborate mainstream interpretations of need, i.e. to undermine potential for new, democratic communities of meaning (Ingleby, 1994).

The five incorporated LETS are located in relatively dense population areas. The avenues of external support they draw on are comparable to avenues available to the three LETS located in rural towns. The existence of these LETS therefore seems largely dependent on access to established community resources. Nonetheless, MerriLETS' recent acquisition of organisational premises and facilities independent of its sponsor, and its current efforts towards an independent constitution, suggests that independence may become an issue were ideological conflicts to arise between MerriLETS and its sponsor.

In the case of the three unincorporated LETS based in rural districts noticeably attracting people interested in alternative lifestyles, independence from mainstream institutions has more or less been an issue from the outset.

LETS as extensions of alternative lifestyles:

On one view, Spalets, Goldfields, and Kyneton invite broad categorisation as products of the movement to alternative life styles. Spalets (originating with local Permaculture activities) and Goldfields (as an extension of a chapter of the Self-sufficiency Movement) confirm Williams' view that LETS established prior to 1991 were composed of 'greens/alternatives'.

The formative development of all three systems appears to follow an "anarchic model". On the one hand, there were no formal provisions for the exercise of power; on the other, exchange activity constituted an organising principle for purposes of system development. In the cases of Goldfields and Spalets, this mode of development seems to stem from their emergence as economic extensions of consensual relations based on resistance or reaction to dominant mainstream values. It points to a conception of LETS as an instrument for economically elaborating alternative communities of meaning; hence implies a form of consensus not specific to LETS as a system, but specific to a particular community.

Whether or not these a priori forms of consensus involve democratic potential rests on the nature of authority underpinning them: whether, for instance, it is based on the position and/or reputation of particular individuals, or is constituted in collectively identified ground (Fromm, 1960).

LETS Conceived as a Form of Community:

Formed on the joint initiative of a Permaculture enthusiast and a one-time Neighbourhood House coordinator, Kyneton invites regard as a product of a symbiotic relationship between environmental vis-a-vis life style concerns, and community development needs. Here anarchic' development suggests active social learning rooted in a vision of LETS as a form of community. In this respect, Kyneton is unique among the systems sampled, and moots a significantly new community of meaning.

Summary I: Two categories of system were observed. Mainstream LETS and Alternative LETS. The former's origins directly reflect established institutional influences, but evidence traces of historical roots in traditional forms of community resistance to market based economy, which moots important possibilities. The latter's moot potential for new communities of meaning. Whether or not they moot democratic meanings remains an open question.

2: System Growth and the Need for Formal Decision Making.

Goldfields and Spalets both experienced a lengthy period of administrative dormancy - a small group of traders remained intermittently active. Both shifted to formal decision making provisions within 12 months of their re-vitalisation. Kyneton also adopted a more formal approach around the same time.

System size as a reference point:

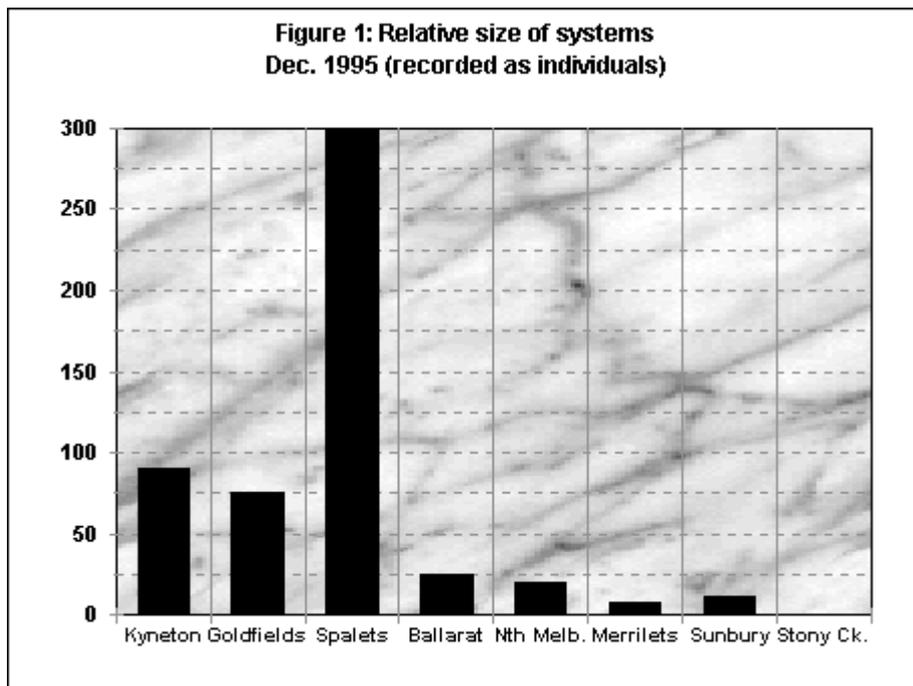
Kyneton moved to more formalised decision making in 1995, comprising some 80 or so members at the time. Ostensibly, this development in an immature system - i.e. one that is less than 5 years old (Williams, 1995) - suggests a relationship between system size, and differentiation of decision making structures. However, both Goldfields and Spalets were more than twice the size of Kyneton when differentiation occurred. This indicates that any relationship between size and the emergence of formality is subject to strong qualifying factors: for instance, rate of growth, mode of recruitment, mode of organisation, and ideological diversity.

Formality as a correlate of System Stability:

Williams' survey suggests a minimum membership of 50 as the threshold for system stability (survival). This supports the Kyneton committee's view that Kyneton's achievement of a level of stability corresponded with a need to expand system administration. One coordinator and a manual record keeping system were no longer sufficient to deal with system needs. Membership growth necessitated widening involvement in administration, hence divisions of labour, and, in Kyneton's case, the adoption of informal consensus for committee decision making purposes.

However, Kyneton's committee was self-designated, and subscribed to the view that, "Those who do the work should make the decisions". So the emergence of a committee structure hardly accounts for its decision, in 1995, to hold Annual General Meetings to elect committee members. Rather, the latter arose from news of conflict over the way decisions were made in the neighbouring Spalets system (as we will see, the conflict was ideological). This, and the fact that both Spalets and Goldfields systems were more than three times over Williams' posited survival threshold when they shifted to formality, indicates little relation between numerically defined stability and the emergence of formal decision making.

Figure 1 serves to illustrate this point, when we consider that, in December 1995, Kyneton and Spalets had formalised a process for arriving at decisions, but neither related decision making to a generally recognised basis for making policy decisions. That is to say, neither had a generally agreed basis for deciding such issues as formal affiliation with other kinds of organisations, newsletter content, whether or not to offer LETS labour to the local super market (hence invite displacement of workers earning federal dollars), whether or not to wipe members off the directory for lack of trading. These kinds of issues involve social as well as economic values, so their resolution presupposes a socially conscious basis for decision making.



Rate of Growth as a Reference Point:

Kyneton's rate of growth has been slow but consistent. Differently, Spalets and Goldfields systems both emerged from a period of dormancy to almost triple their original size in less than twelve months. This rapid rate of growth corresponded with a change in the ideological base of each system, so can be seen as involving a need for formal provision for decision making. Here, rapid growth incorporates a range of expectations and needs different from and/or exceeding the original communities of meaning, so involves a need for formal decision making.

Summary 2: These systems' growth suggest that any relationship between system size and the emergence of formality is subject to the impact of growth rate on the ideological base of the system.

3: Organisational Approach and Decision Making.

Organisational Resources as a Factor Bearing on the Emergence of Formality:

Goldfields and Spalets built on residual knowledge and experience accrued by their original memberships. The former's core group comprised a range of professional skills associated with management, administration, journalism, and market promotions. The latter, sponsored in the first few months by the local neighbourhood house and the Low Income Housing Network, largely relied on a 'skilled networker' (self designated) who facilitated membership growth and a core group (also self designated) who maintained the system. Considered in terms of skills and staffing, both systems were well equipped for administrative purposes. It seems that any relationship between growth rate and organisational resources had little bearing on either system's shift to formal decision making provisions.

Implications of Mode of Recruitment for Decision Making:

Kyneton recruits solely by word of mouth. The coordinator (one of the system's initiators and, until recently, the sole LETS worker) indicated that this approach was largely a correlate of lack of time and organisational skills, also noting that it protected against unwanted changes. The founding membership comprised friends and neighbours of the initiators who view this system's emergence as an affirmation of personal ties associated with life in general, as distinct from a particular idea or philosophy. Founding members comprised approximately 44% of total membership at the time of the shift to formality, the complement having accrued over three years or so through word of mouth. The nature and rate of Kyneton's current growth therefore offer little immediate challenge to assumptions constituting the form of consensus underpinning the system. However, this does not mean that it is immune from challenges in the long term, or in the event of a period of rapid growth.

Differently, Goldfields' and Spalets' growth rates imply incorporation of a range of expectations and needs different from, and/or substantially exceeding those of the original communities of meaning (i.e. original way of looking at - interpreting the meaning of - things and events). In Spalets' case, sponsoring organisations comprised community development networks open to LETS recruitment. Growth rate relates to a convergence of otherwise relatively independent communities of meaning, two of which *primarily* identified with social, as distinct from environmental, concerns. Here growth implies potential for conflicts of meaning, and maintenance of system stability requires more formal decision making provisions. The real(isation) of the potential for conflict in these two systems will be examined further on, when we consider its relation to differentiation in these systems.

In Goldfields' case, where an elected working party largely comprising new blood' - committed and professionally equipped to eliminate a heavy system deficit and promote new membership growth ("To market LETS") - growth rate relates to conceptions of LETS as a form of business. The business-like approach included a decision making model unsuited to facilitation of membership participation in - hence ownership of - decisions (the 'Board of Directors' held all decision making power). As we shall see shortly, it failed to account for the different *kinds* of concerns and expectations represented in its membership. Goldfields' re-emergence appears organisationally geared to a perspective directly elaborating mainstream meanings, such that subsequent growth effectively meant cultural colonisation of the system. This points to the organising perspective's influence on decision making.

Implications of Organising Perspective for decision making:

Goldfields' 'working party' constitutes a breach of continuity in the system's development of meanings, and a tendency to import mainstream decision making practices. The subsequently elected Board of Advisers (trustees), a modified version of the [Landsman Community Services](#) (Michael Linton's [the originator of LETS] community development vehicle) model, suggests the corporate mould, as does its Basis for Association (constitution) which, as noted above, formally vests decision making powers in the board. Where Goldfields originally served the purposes of a specific community, that community now served the purposes of the system (as a particular producer of exchange value). The organising perspective informing Goldfields' re-emergence implied a change of premise for development - from community relations to exchange relations; the new premise confirmed in centralised decision making primarily geared to system expansion.

Spalets' impetus for growth - hence organising perspective - corresponded with a Permaculture practitioner's vision of LETS' potential. For all intents and purposes (despite the sponsors' initiative) the original community of meanings continued to inform development in the re-emergent phase. This is reflected in the decision making practices of the period, consensus arrived at by way of informal discussion at open meetings held on weekly market days. The group's use of informal discussion as a way of (rather than prelude to) deciding suggests a tendency to assume the system as a whole comprised a single community of meanings: that informing the organising frame of reference. Lack of forecast meeting agenda and inability to distinguish between administrative matters and policy issues, points further to an assumed consensus of interests and values. In other words, decision making practices did not anticipate the need to negotiate different frames of reference: i.e. resolution of potential conflicts of interests/ meanings. So when conflict eventually emerged over administrative decisions involving policy stances, the system was unequipped to deal with it constructively. Rather, the system was subject (for twelve months or more) to profound and lingering resentment which inhibited some members' ability to freely participate in LETS activity.

Summary 3: Any relationship between growth rate and organisational resources had little bearing on system shift to formal decision making provisions. Growth rate appears to relate to mode of recruitment; in Spalets case to a networking style, in Goldfields, to a marketing approach. Both approaches to organisation preempted rapid expansion beyond each system's ideological base - i.e. increased potential for conflicts of interest - so generated a need for decision making practices anticipating a need to negotiate different frames of reference.

4: Conflicts of Meaning and Formal Decision Making.

Organisational Emphasis and Conceptions of Community:

The re-emerging Goldfields' growth elevated differences between 'old' members concerned about community building and 'new' members taking the view that "If you emphasise trading, the other will come". This latter approach is common to six of the LETS sampled. It directly draws on Michael Linton's [***\(link to linton\)***](#) conception of LETS as a system for exchange, and arguably subscribes to a conception of community constituted in exchange relations; i.e. stand to elaborate assumptions underpinning global market developments.

Stony Creek and Sunbury's views of LETS as means to job creation bears similar implications. Here, resonating with Australian Labor's economic strategies in the early nineties, community development is conceived in terms of productive relations (work). At bottom, then, given Labor's commitment to facilitating capital accumulation⁽⁶⁾, these groups' conception of community also seems to belong to the mainstream market community of meanings.

Recruitment of Mainstream Contradictions:

In conceiving of community building as an outcome of exchange relations, all eight LETS effectively propose access to opportunities for exchange as the basis for consensus; a basis mitigating against accommodation of different values and interests. This points to the prevalent influence of the passive (as distinct from active) mode of social learning. Despite apparently different organising perspectives, recruitment functions to draw a spectrum of mainstream meanings and expectations - values and interests - into the system, internalising mainstream contradictions between demand for system expansion and social needs unaddressed by exchange value - e.g. a sense of place. In other words, recruitment to these systems stands to localise the fundamental contradiction underpinning global capitalism, potentially grounding it in the language of members' every day life where it may be subject to active social learning. In this context, active social learning serves to promote distinction between those aspects of the individual's situation that are part of the human condition and those which can be changed where there is a political will to do so⁽⁷⁾. It predisposes to a new, more dynamic form of consensus wherein the individual can be independent yet related - can be both free to realise personal potential and be an integrated member of society⁽⁸⁾. In other words, to a form of consensus constituting the collective ground necessary to the individual's mobilisation as agent for - as distinct from subject of - social change. In this respect, these systems can be regarded as constituting potential for new, more democratic communities of meanings.

System Contradictions and Goldfields' Decision making:

Goldfields LETS' development evidences something of the different kinds of concerns and expectations involved in membership growth, and their implications for system development. As one a board member noted in October 1995:

There is still a degree of resistance to paying for work that 'should be offered freely'. I believe this is founded very much on the inability for many individuals to handle the contradictions of LETS and the conventional system. [The old members] believe they are being 'taxed' and 'their' money is being stolen, rather than stimulating the mutual system.

The same member had observed, in July 1995 in the course of mounting conflict, that:

The old members are disgruntled. They feel disempowered. They are not prepared to go through the political process because it is made up of new members. There is only one old member on the committee [board].

For old members, then, it was a question of *who owned* the system; what *kind* of purposes the system would serve. For new members - whose concern with system deficit focussed efforts on growth of exchange activity - it was more a matter of all members complying with the needs of the system, and these were conceived in similar terms to those of a business: e.g. Federal dollar fees were increased to pay for LETS promotion - public relations - and LETS unit fees were increased to pay the system's directors. Old members' belief that founding dollar fees had constituted life-long memberships, and that administration work should be voluntary (unpaid) was not accounted for, and ideological conflict ensued. A tendency to interpret system needs in purely economic terms served to screen out social/ideological considerations. So decision making served to facilitate social fragmentation rather than community development.

In light of Goldfields' decision making model - a model unsuited to facilitation of membership participation in, hence ownership of, decisions (the 'Board of Directors' holding all decision making power) - foregoing developments suggest that latent conflicts of meaning in the Goldfields system emerged by way of a shift to formal provisions for decision making. They point not to the existence of formal provisions as the catalyst for open conflict, but to the centralisation of power and singularity of purpose those particular provisions represented. This has been recognised by Goldfields' Board of Advisers, who have since introduced informal consultative meetings with members as part of policy decision making practice. Nevertheless, the constitution moots the possibility of further conflict over time; e.g. with changes in the administration's face/memory.

System Contradictions and Spalets Decision Making:

In Spalets case, conflicts of meanings emerged when some members noticed that some of the administrative group's decisions had involved policy stances. For example, the cost of membership was set at a rate geared to system running

costs. However, actual running costs included VicLETS affiliation fees and travelling costs of unelected participants in conferences. Apparently, it had been assumed that the majority of members valued VicLETS affiliation, and that conference participants' expectations reflected those of the general membership. This administration failure evidences a point of view wherein boundaries defining different functional spheres of decision making are dissolved. As one member of the administrative group put it, 'Administration and policy is the same thing.... LETS is based on trust'.

Conflict was triggered at the first general meeting called in 1994, to celebrate the system's successful re-emergence. Various individuals raised various issues - e.g. expenditure priorities, membership fees, whether to offer LETS labour to the local super market (hence invite replacement of workers on federal dollars), whether members were responsible for their spouse's account deficits, and my own proposal for guidelines for decision making. The main body of members apparently expected matters to be decided by the meeting. Uproar ensued when the meeting's power to decide was denied by the chairperson - an administration group appointee. Order was restored when the chairperson changed the ruling - not from a recognition of members' entitlement to decide, but as a means of dampening a volatile situation. As the intervening argument revealed, there was no commonly held understanding on who had the right to decide what. Events demonstrated the need for decision making provisions, so when the motion was eventually put, it was carried.

Consider here that the administration group largely comprised Permaculture adherents, while the bulk of the meeting comprised members recruited from the community networks sponsoring Spalets' re-emergence. Each held a different point of view as to what constituted appropriate organisational process (a different idea of what a LETS community is or should be). The former's meanings largely related to Spalets' founding anarchic model where decisions were based on a form of consensus that emphasised conflict avoidance. Voting and associated decision making procedures were viewed as 'bureaucratic' and against the spirit of LETS. The latter saw voting and associated decision making procedures as part of a democratic right to disagree; as an aspect of citizenship.

These developments point to Spalets' shift to formal provisions as being catalysed *by* conflicts of meaning. The core group had planned the general meeting as an opportunity to report developments, not decide them, decision making being viewed as the province of market day meetings. However, since these latter meetings operated without a notified agenda, they were effectively confined to those with something to sell on the day and/or an administrative commitment to fulfil (i.e. they reflected the global market's tendency to define citizenship rights in terms of the power to consume - in terms of exchange relations). Like Goldfields, however, activity promoting system economic expansion arguably generated a recognised need for consensus on the social criteria for deciding policy - i.e. for deciding issues involving social as well as economic values. For example, whether administration labour should be voluntary or paid, and whether membership should involve taking some responsibility for system administration (issues relating to community development vis-a-vis the sense each person brings to the notion of community), and whether membership entitlements are confined to the right to trade (an issue relating to choice of decision making provisions and criteria for policy formulation vis-a-vis notions of citizenship).

System Stability and the Development of Decision making:

Goldfields and Spalets offer cases in point of conflicts of interest more or less impacting on the social, if not numerical, stability of 'mature' systems. In both cases, the emergence of ideological conflict seems to have (at least temporarily) impacted on system size. Unresolved conflict saw Goldfields' membership drop to some eight members as founding members withdrew from the system. The impact on Spalets is less clear, but anecdotal evidence suggests that some members left as a consequence of open conflict. Both instances allow us to surmise that latent conflicts of interest - and/or lack of decision making provisions distinguishing between administration needs and policy issues - may also have played a part in the decline of the relatively high proportion of LETS to date (Williams, 1995).

For instance, in Ballarat, North Melbourne (which registered no transactions in 1995), and Stony Creek (dormant since 1994), half or more of the respective memberships comprised employed professionals and semi-professionals. According to coordinators, these members joined LETS more from a desire to support community building than from economic necessity (Ballarat deleted this group from its directory in December 1995). Although included in directory listings, many of these members' mainstream employment obligations precluded their participation in LETS. So system credibility was undermined when other members sought to access their offers. Although similar tendencies exist in four of the other five groups (Sunbury being the exception), they bear a different significance. Whereas the former is paternalistic in its character, professional support for community building in the other four is expressed as part of an exploration of alternative options. In the former instances, differences in members' needs and/or nature of commitment invite regard as latent conflicts of interests bearing consequences for system stability.

Summary 4: All systems sampled subscribe to a conception of community constituted in exchange relations - i.e. a technically defined community of meanings that mitigates against accommodation of different values and interests, so serve to localise the fundamental contradiction underpinning global capitalism. This has consequences for decision making practices. In Goldfields, open conflict emerges by way of formal provisions effectively precluding general participation in decision making. In Spalets an open decision making style geared to active trading effectively promoted conflict leading to the adoption of formal provisions for decision making. In both cases conflict impacted on system stability.

5: Cultural Contradictions and Potentials for New Communities of Meaning

Education as a Reference Point for Potential Conflict of Interests:

Results from a survey of Kyneton and Spalets memberships education levels serve to highlight a broader tendency (implied in the preceding observation); namely, that the systems sampled largely comprise members who have received three or more years post secondary education. Ostensibly this aspect of LETS lends weight to the notion that LETS is a province of the disaffected middle-class. It serves to draw attention to the part played by cultural residues of conflict characterising traditional class relations. Stony Creek's experience points to the concept of class as a basis for understanding some of the cultural difficulties involved for systems seeking to attract members willing and able to offer sought after services otherwise largely unavailable to LETS membership. Currently dormant, Stony Creek identifies one its major problems as "Too many people offering professional skills, not enough basic services (services such as plumbing, child care, etc., which are historically associated with the traditional working class)".

A survey of Kyneton and Spalets members indicated similar problems for rural systems, (23% of Kyneton respondents, and 14% of Spalets respondents expressed concern about unavailability of some services - trade skills child care, and manual labour being specifically mentioned). Despite Stony Creek's location in the heart of a 'working class' area, it was "unable to attract the working class". Kyneton reported unsuccessful attempts to attract unemployed workers. Stony Creek noted something of the cultural dimension of class differences that may be involved: "Maybe once you've been excluded from the mainstream you need to have resources (self-esteem, skills, etc.) to come to grips with LETS, e.g. if you lost your job, you need to have an approach that allows you to explore things you're not familiar with". More or less corroborating this, some of Spalets' small contingent of 'working class' members claim histories as union delegates, and/or experience with other forms of collective activity.

Directory service offerings are largely of a kind that either directly draw on some form of post secondary education as distinct from traditional trade apprenticeship (e.g. accountancy, teaching, counselling, consultancy) or are predominantly associated with needs more commonly associated with 'middle Australian' professionals and/or alternative life-stylers (e.g. advice on Permaculture, massage, tarot readings, various forms of arts and crafts). In this light the kind of cultural capital largely characterised in the formal educational achievements of LETS memberships in the sample here bears some relationship to these systems' inability to provide skills that are historically the province of the traditional working class.

Directories of all but one of the systems sampled indicate few if any opportunities to access manual skills (e.g. fencing, carpentry, plumbing). Sunbury seems to be an exception confirming this tendency. In this case - as can be seen in the coordinator's observation that lack of 'professional know how' threatens system survival - insufficient cultural capital hinders development. Hence it can be said that a contradiction exists between the cultural make-up of these systems and the need for system expansion. This suggests a need for a general consensus on system priorities that accounts for cultural residues characteristic to traditional class relations: i.e. a form of consensus beyond that implicit in the act of subscribing to LETS membership. This need is clearly apparent when we consider (and here I draw on my own working class background and experience as a union organiser) that traditional working class organisations were largely built on a vision of society where 'each receives according to need and gives according to ability'. In other words, membership drew on a set of social values incorporating a shared sense of *human rights*⁽⁹⁾. These values were collectively projected as a vision that was, to use Habermas' words, a task for political practice and a context for policy making underpinning economic decisions.

A Glimpse of the Dynamics of LETS Contradictions

Although members do not comment on the cultural make-up of LETS as such, it clearly impacts on system viability in several ways. Comments offered by some Spalets respondents, and anecdotes from coordinators of four other

systems explored, support an observation also noted by Williams (1995). "Many professional members are reluctant to offer their professional skills in LETS, but tend to see it as more for their 'hobbies'". For these respondents, LETS is primarily an avenue for personal development. Here we instance a tendency to withhold skills possibly valuable in recruiting members willing and able to answer otherwise unmet requests, i.e. a contradiction between some members personal needs and the need for system expansion.

Respondents draw attention to a further contradiction; also with implications for system viability. For some, "Skilled people are reluctant to work on LETS; (because LETS payment for professional time amounts to swapping dollars for LETS). For others, demand for their skills/services means earning more LETS than can be spent in the system (sometimes at the expense of opportunities to earn federal dollars); hence a need to either strictly limit their trade in LETS, and/or incorporate a substantial dollar component in their prices. Here, conflicting interests effect both a contraction in LETS specific trade, and devaluation of system credibility and currency - diminution of system potential to attract members willing and able to offer expansions in services.

Both examples evidence underlying conflicts in members needs. The first points to conflict between personal needs and system's need for professional skills: the second, to the conflict between members who are advantaged, and others who are disadvantaged, by LETS-only trade. Both demonstrate a need for strategies designed to redress directory imbalances without alienating sections of the membership. System stability and growth may come to depend on each system's capacity to facilitate general consensus as to LETS' social purpose and what it might mean in terms of priorities and commitment. That is to say, may come to depend on each system's capacity to articulate commonly held social values formulated as criteria for economic policy making. Achievement of such consensus would arguably constitute a new community of meaning: trading would become a means of affirming shared social interests.

Perceptions of LETS and Potential for Consensus:

Asked to describe LETS in terms of their own experience, 70% of Kyneton respondents, and 77% of Spalets respondents saw it as a system for exchanging goods and services (3% and 5% of these respectively referring to LETS as 'alternative money'). Complementarily, 37% of all Kyneton respondents and 24% of all Spalets respondents saw 'community' as an important feature of LETS, 17% of the former and 7% of latter singularly defining LETS as 'community'.

LETS is primarily experienced in terms of economic rather than a social activity. At the same time, when asked to indicate the most attractive thing about LETS, 44% of Kyneton respondents, and 30% of Spalets respondents referred to economic advantages, whereas 50% of Kyneton respondents and 70% of Spalets respondents referred to opportunities for social interaction. These findings suggest that individual members of Kyneton and Spalets experience conflict in the values they ascribe to LETS. This reflects a view of LETS as a vehicle for building social interactions. It overlooks the fact that the predominantly individualised character of trading activity mitigates against general articulation of commonly held social values - against development of a form of community capable of bridging, hence sustaining, difference.

These findings can therefore be seen as evidence of LETS' tendency to elaborate mainstream meanings - of a tendency for community and exchange relations to be conceived as equivalents or, put another way, for social relations to be experienced as dependent on opportunities for exchange. In this respect, these memberships can be seen to reflect aspects of the form of individualism characteristic of information society (Ingleby, 1993), so there is a distinct possibility that achievement of consensus in these systems may mean elevation of the influence of 'virtual' community; i.e. a deepening of pseudo - as distinct from real[ised] - community.

LETS and the Need to Establish Social Contacts:

Respondents' suggestions for LETS' improvement corroborate this surmise. Of Kyneton respondents, 47% offered suggestions, all aimed at promoting trading activity. Of the 100% of Spalets respondents offering suggestions, 77% focused on a perceived need to increase trading activity. Bearing in mind foregoing considerations, these figures evidence expectations of opportunities to experience a sense of community flowing from opportunities to trade. Particularly when read in the light of the fact that a significant proportion of respondents (50% of Kyneton and 60% of Spalets) arrived in their residential districts during the 1990s; i.e. are relatively recent arrivals. So there is reason to suppose that for many of these members LETS answers a need to establish new social contacts. However, apparently motivated by the individual's desire to avoid a sense of isolation, these social contacts evidence more in the way of a need to conform than they do the development of a form of community predisposing to personal independence.

Although Kyneton and Spalets findings are not generalisable, it is worth noting that Goldfields' membership largely comprised relatively recently settled members and, further that an estimated 50% of North Melbourne's membership comprised "Transients: students and squatters, and so on". The withdrawal of Goldfields' original members in late '95, serves to emphasise this aspect of the system's current character. The fact that an estimated 50% of North Melbourne's members are, "Skilled senior citizens...[who] joined to give support, but are too committed elsewhere to do more", suggests that this system's actual membership (as distinct from supporters of the idea) comprised 'transients'.

Likewise, it is reasonable to suggest, given Stony Creek's centre in a suburb subject to gentrification in the 80's, and the Sunbury community's growth in the same decade, that the emergence of these systems' largely reflect needs associated with resettlement. Ballarat, who redirected recruitment efforts to SMB TAFE⁽¹⁰⁾ students in early 1996 - an attempt to avoid dormancy due to lack of participation on the part of general residents - also seems destined to be a substantially mobile membership. In these cases, we may reasonably suppose that a need to establish contacts serves to reinforce notions that the ability to experience a sense of community depends on trading opportunities. If Fromm's (1977)⁽¹¹⁾ observation of the effects of atomised society is correct, the mobility aspect of these memberships can be read as a predisposition to a form of consensus affirming 'pseudo' community.

LETS' Ethnicity:

Although North Melbourne's host community included large numbers of Vietnamese and Spanish peoples, the system attracted only Anglo Saxons. The tendency to a narrow ethnic base is clearly apparent in at least seven of the systems in this sample (indications of Stony Creek's ethnic make-up being unavailable). Insufficient information about host communities makes it difficult to attach specific significance to this fact here. This points to a need for research into LETS' relationship with the wider community. Nonetheless, Kyneton and Spalets offer some room for insight. 90% of respondents indicated 'Australian' or British parentage, yet both host communities include significant groups of post war immigrants of non-English speaking backgrounds. Taken at face value, the tendency to ethnic homogeneity in these two cases appear symptomatic of LETS lack of appeal for pre-1980's residents in the host communities. More likely it correlates with heavy reliance on recruitment through word of mouth and alternative lifestyle forums (73% of Spalets respondents, and 53% of Kyneton respondents were recruited by word of mouth, a further 20% through 'alternative' forums). In any event, these two LETS, and North Melbourne, suggest a predisposition to ethnic insularity, and serve to raise the question of system ethnicity as one of some importance for understanding LETS' significance for social learning, and potential for consensus on the meaning of 'community'.

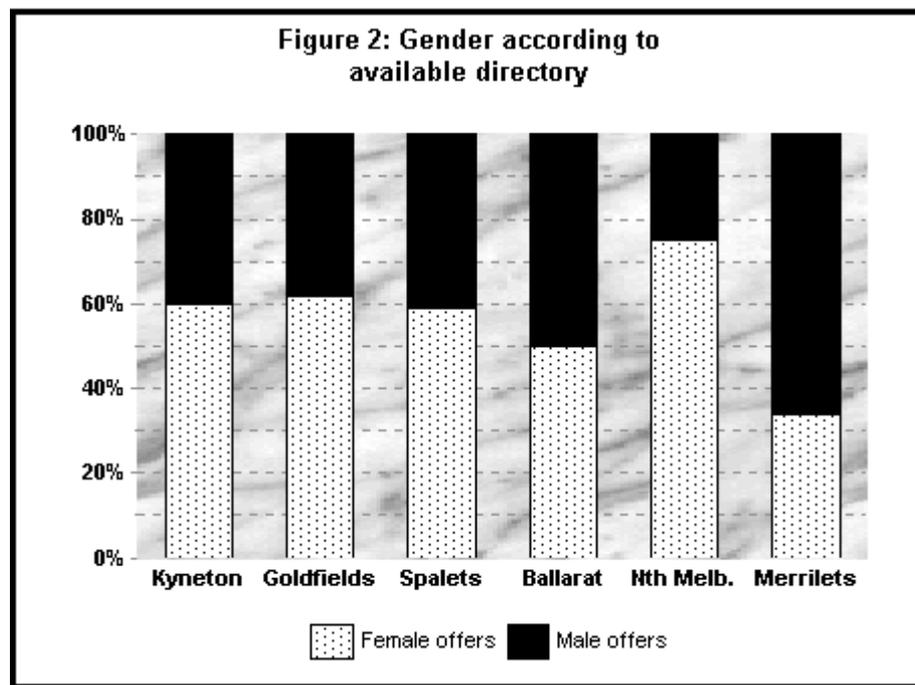
Summary 5: The cultural make-up of these systems constitutes contradictions which impact on their viability. They point to a need for a form of consensus that accounts for cultural residues of traditional class relations, and is capable of reconciling qualitative contradictions in the needs of their existing memberships. Achievement of such a consensus would constitute these LETS as new communities of meaning. However, members' contradictory expectations of LETS - together with each system's tendency to draw from migratory populations - mitigate against such achievement, for they suggest that social interactions promoted by LETS are experienced as dependent on trading opportunities. This points to a form of consensus elevating 'virtual' rather than real(ised) community; i.e. a technically defined kind of community. The systems' respective ethnic compositions lend weight to this in that they suggest tendencies to ethnic insularity.

6: Gender and Potential for Democratic Communities for Meaning

Gender as a Reference Point:

As Figure 2 shows, the memberships of at least five of the eight LETS in this sample - Stony Creek figures being unavailable - are predominantly women (though the trend for Merrilets has yet to be firmly established). Significantly, six of these systems more or less interface with community resources largely supportive of women's needs. Kyneton and Spalets, for instance, hold weekly market days at their respective Neighbourhood Houses, and Goldfields uses local community education centre facilities for meetings and trading days (although both these kinds of community organisation cater for men and women alike their approach to community needs largely reflects their feminist' origins). Ballarat interfaces with WRISC (a women's group) and Merrilets was launched with support from a feminist collective. North Melbourne and Sunbury highlight the import of these connections. The former reported lack of support from Neighbourhood House coordinators (apparently due to coordinator turnover and the impact of new

government guidelines for Neighbourhood House funding at the time North Melbourne emerged). Sunbury lacked comparable community interface; its main connection being with the Commonwealth Employment Service (an arm of the Department for Social Security), its one other connection being that of a tenant in the offices of a citizen advisory service. Given this light it is possible to read Figure 2 as an indication of feminist roots for the tendency observed earlier; the tendency for the systems in the overall sample here, to promote LETS as a sociable form of economy offering something more than additional opportunities to trade. In this respect LETS arguably owes a debt, albeit indirectly, to women's contributions in the mainstream community sphere as active promoters of community in the way of resource centres, community houses, etc. This reading more or less concurs with Jackson's observation in the New Zealand context (1994) of a tendency for women to perceive LETS as compatible with the 'feminist agenda'.



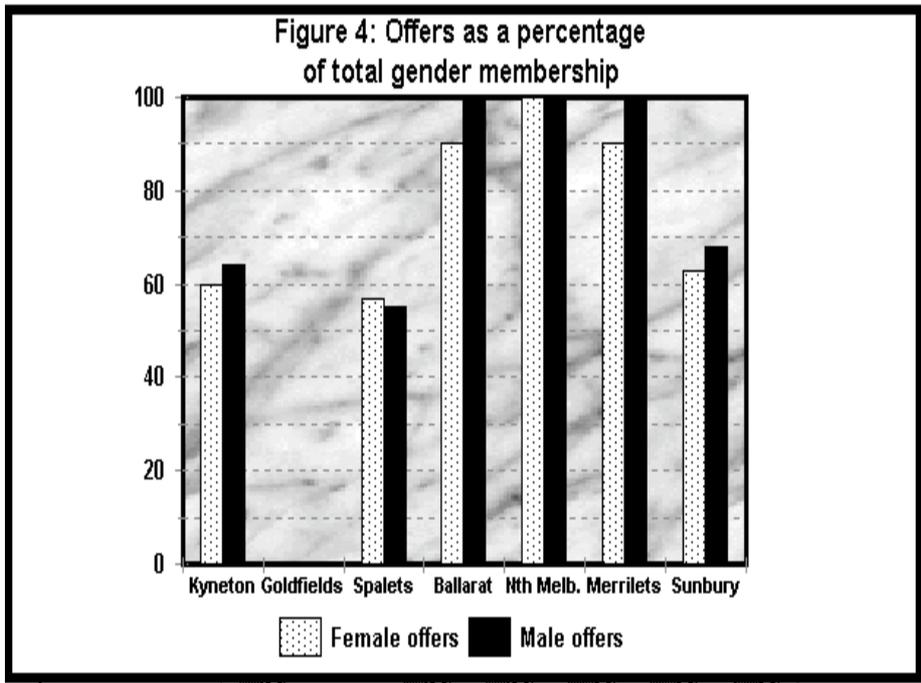
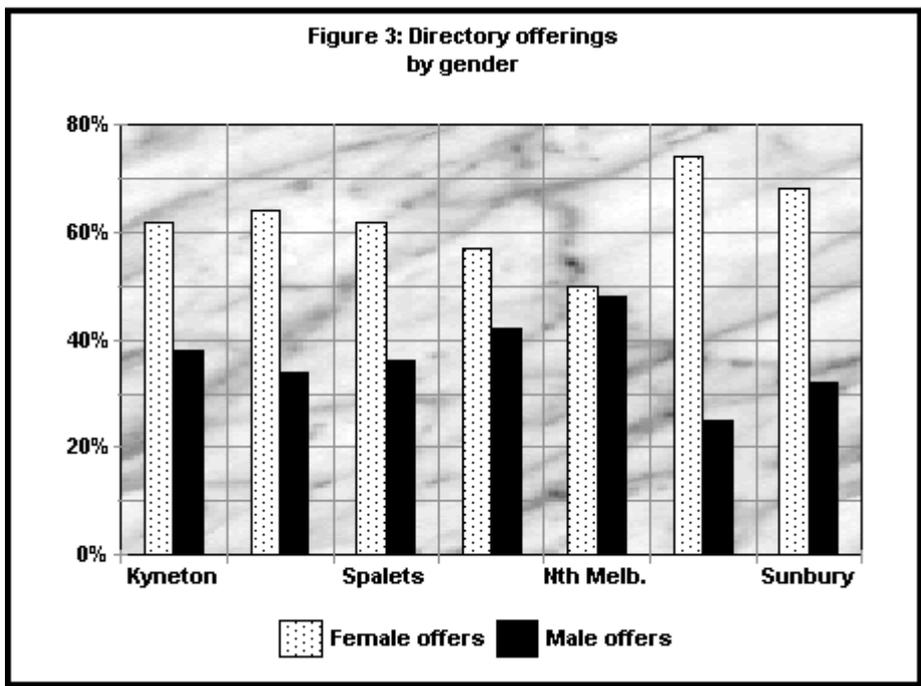
Note: Merrilets sample is likely to be distorted since it was still in its establishment phase when this information was collected. Information on Stony Creek is unavailable.

At the same time it is possible to read Figure 2 as reflecting a creative response to women's economic marginalisation in the national restructuring of industry. In any event, the apparent 'feminisation' of these systems points back to earlier observations of LETS contradictions with regard to the need for system expansion, and perceptions of LETS social value. It might partly explain demands for particular kinds of goods and services, hence bear specific implications for strategies facilitating development of consensus on system priorities.

Marginalisation or New Meanings for Work?

As might be expected given the information represented in Figure 2, Figure 3 shows more directory offerings from women than men. At first glance, this reads as a direct reflection of the predominantly feminine (or feminist) character of these systems. Considered as a percentage of the system's total female membership the proportion of women members listed in four of the directories is, as Figure 4 shows, less than the proportion of male membership listed.

On the one hand, men seem more inclined than women to actively promote opportunities for trade; on the other, individual women are inclined to make a larger number of directory offers than individual men. This suggests several possibilities. One, that men tend to focus more on LETS' economic potential than women: another (given the high educational levels characterising most of these systems) that there is a flow-on impact of earlier mainstream gender distinctions in cultural capital: e.g. the pre-80's tendency for women to be channeled into the caring' professions - teaching, nursing, social work, etc. LETS request lists indicate little demand for caring professions. This would help explain why LETS female members seem more inclined to offer a medley of small services, rather than professional expertise. To the extent that this proves to be the case, and bearing in mind earlier observations of basic service issues, it suggests a potential for LETS to deepen the mainstream tendency to marginalise women.



Relative to each system's total male membership male offers are proportionally higher in four systems, (Goldfields information was insufficient for purposes here).

Inward Looking Community or Outward Going Community:

Read from another point of view, comparison of Figures 3 and 4 supports some members' view that a greater proportion of women have their LETS needs met without actively promoting opportunities for trade in the directory. Excepting Merrilets, all systems sampled provide evidence pointing to some members' reluctance to answer requests from 'strangers', 'unfamiliar faces'. This reportedly stems from a fear of being 'ripped off' or otherwise disadvantaged. Here the preference is to start by attending trading and market days held on neutral territory (in public space rather than private homes). For others it is a matter of finding something to offer. But neither of these cases fully account for discrepancies between actual and listed members.

A Spalets' coordinator reports that some members limit their offers to members met in the way of common interests

outside of LETS, e.g. as Permaculture or natural healing enthusiasts. In other words, some offers are confined to relationships existing independently of LETS, hence their absence from the directory. This supports earlier observations on the original function of Alternative LETS in this sample. It also suggests potential for LETS to become grounded in - i.e. become an integrated aspect of - the kind of multi-faceted relations characterising authentic community. By this I mean potential for trading activity to affirm (rather than constitute the context for) expression of social values. Substantiation of this possibility requires an understanding of the relationship between LETS and the networks implied in members' interactions with other community groupings, and the extent to which these latter are an integral part of the community at large. For instance, if independent but related groupings (e.g. Permaculture, an active proponent of LETS) play little or no direct role in social issues emerging in the wider community, LETS will serve to insulate its members from (rather than provide an avenue for) understanding their wider community context: i.e. may mitigate against development of democratic meanings.

Summary 6: Evidence suggests a tendency for women members to view LETS as a sociable form of economy that is compatible with the 'feminist agenda'. It also suggests that these LETS owe a debt to women's contributions in the mainstream community sphere of life. While comparison of gender directory offerings indicates some potential for LETS to deepen mainstream tendencies to marginalise women, other evidence points to the presence of attitudes belonging to a predominantly social category of needs where work has meaning beyond that of exchange value. This supports earlier evidence on the need for consensus on social values informing criteria for economic policy making and the potential for new communities of meaning.

7: Participation in decision making and a socially conscious form of consensus

Decision Making and System Capacity for Social Consensus:

Six of the systems involve decision making practices which effectively mitigate against achievement of general membership consensus. Goldfields' Basis for Association is arguably a decision making model undermining community development in promoting centralised decision making power for it does not account for ongoing membership participation in policy making. It can be read as constituting a microcosm of the conflict between the corporate model of decision making adopted by the Australian government, and the need for economic priorities compatible with a democratic form of *social* cohesion (as distinct from trade links): a need publicly voiced by organisations such as the Australian Council for Social Services, the Council of Self Help Groups, and the Council of Churches.

While the decisions of those systems with standard constitutions are theoretically subject to general membership consent, in practice they largely remain the property (as distinct from the responsibility) of their respective committees; Each of these systems reported difficulties in attracting attendance of general meetings. Four of these committees - Merrilets being too new to comment on in this respect - sporadically - sought greater membership involvement. However none appear to have made generation of membership participation in decision making a priority.

Ballarat, Sunbury and North Melbourne stand as clear examples of the inherent contradiction between a paternalistic approach and the needs of a viable LETS. Decision making practices (as distinct from formal provisions) effectively centred on the ideas and skills of the initiating coordinators. Ballarat recognised the dangers in this, recently increasing committee size and actively encouraging members to take up positions. As to the other two systems when their respective coordinators left to take positions elsewhere, their memberships were neither conceptually nor organisationally equipped to properly continue. Hence, in December 1995, North Melbourne was brought to choose between administration by an outside body, or folding altogether. Sunbury too spoke of the possibility of folding. Both evidence something of the tendency for a paternalistic approach to mitigate against broad based participation by retarding potential for a shared experience of system ownership. Geared from the outset to 'doing for rather than with others', system activity tended to elaborate power relations characteristically pertaining between parent and child; a form of consensus affirming membership dependence on the power of others to make the system work. In other words, effective organisation was undermined by an approach predisposing to membership dependence on a single individual or group, and system survival was directly undermined.

Consultation, Participation, and the importance of Common Ground:

While all systems more or less subscribe to LETS as a means for building community, each tends to speak of participation solely in terms of trading activity (though it bears noting that even those with computerised accounts do

not monitor trading activity to the extent recommended in the LETS manual). The implications of this are perhaps clearest in the case of Kyneton. Survey evidence suggests that the establishment period of this system involved a high level of membership participation in decision making (60% of respondents indicated attendance of at least one meeting⁽¹²⁾). Like Spalets, meetings in this early phase were held as extensions of trading days. However, growth in administration meant committee decision making in consultation with core traders to the effective exclusion of low traders.

Taking Linton's view, this latter appears as evidence of general consensus giving first priority to economic aspects of LETS (all members agree to trade). In the view taken here, however, it evidences consensus limited to - hence corresponding with - sectional interest at the expense of low traders' needs and predisposing to exacerbation of imbalances in system activity. For Kyneton's decision making effectively concentrates organisational resources around actualised trade rather than potential trade: e.g. 10% of Kyneton respondents indicated a complete lack of demand, and 21% insufficient demand, for their offers, a finding suggesting need for assistance in identifying other options for trade. Yet, to paraphrase the committee's view, it is entirely up to individual members to work out viable trading options.

There is no reciprocal relationship between individual members and the Kyneton system as a whole. System activity effectively declares some traders redundant, and administrators assume a market constituted as a level playing field, so overlook differences in members' access to cultural capital necessary for formulation of further trading options. The notion of equal access to the market is technically defined, and precludes recognition of situational differences between members. Consequently, there is no perceived need for affirmative action regarding low traders. There is no collective framework by which system resources might be channeled into facilitating growth of low traders' options: surveys of trading potentials for instance, or broad based idea exchanges. Here we see something of what is meant by counter productive decision making practice, where decision making geared to the interests of the most active traders potentially retards system capacity for expansion, and mitigates against achievement of the socially conscious kind of consensus necessary to authentic community development: i.e. necessary for the transformation of unequal, coercive and oppressive structures in society (Kenny 1994).

Differently, but equally problematic regarding a socially conscious form of consensus, is Spalets' attempt to facilitate general participation in decisions affecting system development. From early 1994 it gave advance general notice of forthcoming policy issues, most of these being raised by general members rather than administration. However in the absence of any generally recognised social criteria for policy making, issues were inevitably decided according to priorities perceived by those who turned up at the particular meeting. This meant that policy decisions stood to alienate sections of the wider constituency.

While it seems that a significant proportion of the membership participated in meetings of one sort or another (50% of Spalets respondents indicated attendance of at least one meeting) different issues attracted different members, each issue tended to be treated in isolation rather than for the contribution it might make to overall system development. Consequently these decisions tended to gear the system to particular - sometimes contradictory - ideological interests related to different conceptions of community⁽¹³⁾, and effectively served to undermine general confidence in the system's potential to operate democratically. Here, apparently democratic decision making practices become counter-productive when applied in the absence of consensus on social criteria for policy making.

Facilitation of Membership Participation in Decision Making:

Table One suggests that Kyneton and Spalets members' willingness to participate in decision making is more or less undermined by a lack of certainty as to whether or not they know enough to make a contribution.

Table 1: Respondents' perceptions about involvement in decision making

	Kyneton	Spalets
Would like to have a say in how things are done.	64%	60%
Don't know enough to be involved	47%	50%
Being involved in decisions doesn't take the fun out of being a LETS member	73%	83%

Note: sample = 30 members from each system.

This points both to the importance of accessible decision making practices, and a need to acquaint members with how the system works. The former seems to be catered for by all systems here. All eight systems (including those with standard constitutions) employ decision making practices aimed at achieving 'consensus' by way of open opportunities to 'talk things through': formality being more or less a last resort. The more challenging problem is members' need to know more about how their system works. Educationally speaking participation in administration can be seen as a correlate to informed decision making. In other words, for democratic purposes, efficient administration includes facilitation of members' access to 'hands-on' experience.

Five of the administrations here employ well defined divisions of labour. In the cases of Ballarat and Sunbury, these conform with standard constitutional provisions, but depend on the secretary/coordinator to do most of the work. Goldfields and North Melbourne (the latter similarly dependent on its coordinator) generally follows the Landsman services model. Kyneton employs a hybrid of both, and is the only system to emphasise communication (the committee includes 2 newsletter coordinators and a newsletter editor). Of these systems, Kyneton alone makes provision for training members willing and/or interested in assisting with administration. In this case, however, a desire to be 'more business like' means that members' access to administration experience is vetted by the committee; "It's who we think will do the job best. We know the people, so we know who's likely to take on too much, or who is not appropriate".

Differently, Stony Creek's administrative tasks were identified and allocated by and among committee members as the occasion warranted. While this approach need not be at the expense of training provisions, it can be problematic for those members needing to be clear as to the nature and extent of commitment involved. For instance, some Spalets' respondents say they are wary of becoming involved if there is no clear boundary to indicate where their commitment begins and ends: they don't mind helping, but refuse to be left with more work than they were led to expect. In Merrilets (yet in its establishment phase) the initiator coordinates and allocates tasks according to skills volunteered by members. There is an awareness here, however, of the potential for administrative burn-out, hence an intention to include task guidelines in their new constitution. However, like Stony Creek, and most other systems sampled, Merrilets has not anticipated a need to provide members with 'hands-on' experience of how their system works.

Intent on broadening membership participation in 1994 Spalets re-organised administration around 'rotating task-partners': a sort of apprenticeship system where each volunteer worked with someone who - having been trained in the previous cycle - was familiar with the task in hand. The scheme fell away after the first twelve months, largely due, it seems, to three oversights: one the need for a collective framework within which to identify and carry out responsibilities (individuals tended to work in isolation, hence the potential for both social learning and the sense of belonging generated through shared experience was undermined; learning activity became hard unrewarding work). Equally important, was the need to break tasks into undemanding 'bite-size' portions; and third, the need for continuity in administrative overview (as distinct from direction). The first two can be seen as a consequence of the latter which was necessarily inhibited by lack of a socially conscious form of consensus on criteria for policy making; since a change in administration effectively meant a change in the perceived purpose of the system.

Summary 7:

We have observed four different examples of how lack of a socially conscious basis for policy decisions can undermine organisation and potential for community development. In systems formed around consensual relations, based on membership dependence on the power of others, activity mitigated against general participation in decision making and effective organisation was undermined. In another case, where participation in decisions was limited to core traders, strategic planning failed to account for differences in access to viable trading options, so activity served to exacerbate system imbalances. In a further example, we see how the absence of a socially conscious form of consensus can lead to a tendency for open participation in policy decisions to undermine general confidence in the system's capacity to operate democratically. And finally, we note that even where member participation in administrative work is seen as a correlate of informed decision making, the absence of a socially conscious form of consensus can mean an inconsistent and sometimes counter productive approach to organisation.

8: Participation, Communication and Social Learning

Social Learning and the Potential for Consensus:

Considered from another point of view, the development of Spalets administrative sphere moots a possibly evolving

consensus through social learning. The system has experienced four administrations, each of which can be seen as a response to contradictions revealed in the problem solving efforts of its predecessor.

For instance the system - originally conceived as essentially 'anarchic' - emerged reliant on a founder already short of time, and a computer program capacity only partly understood. We see the catalyst for social learning in the drop from 60 to 20 active members. As one member saw it, this was "Because there was only one person doing it, nobody knew how". Another observed that, "Unless there is a recognised structure of organisation, all the work will fall on one person's shoulders". A third pointed to the role of the computer. "[It was] central to the original LETS concept - [a] capacity and promise of real information cheaply".

A public meeting addressed complaints about illegible accounts and "One member dominating the system". Evidencing lessons learned, a committee of seven was formed (intended to rotate annually), and administration was "Divided into edible chunks" amenable to manual operations; a core group undertaking computer training by way of an "Apprenticeship scheme". The committee "Fell apart" in 1990, due to time demands.

Apparently drawing on these experiences, the third administration - while centred on one individual - comprised a self-designated core group who shared administration tasks, and provided for ongoing member feedback through open weekly market day meetings. Here, lack of provisions for both general notification of imminent policy decisions and conflict resolution catalysed learning for the fourth self-designated administration; one based on decision making guidelines and a recognised need to actively facilitate member involvement in administration.

We can evidence a similar process at work in the other seven systems explored. In Goldfields, the committee was brought to call - albeit informally - general consultative meetings for policy purposes. Kyneton, aware of the Spalets conflict over decision making, moved to include AGMs in its decision making practice, and, somewhat differently, Stony Creek reflects on the consequences of an unbalanced directory and the need to attract the working class. The remaining four systems each point to direct experience when they acknowledge, in one way or another, the dangers of paternalism. Together with the experiences of Stony Creek, Ballarat, North Melbourne and Sunbury, all these point to system survival as being largely dependent on active membership participation in running LETS; the latter two specifically mentioning the need to equip members with organising and administrative skills; Ballarat, deciding to focus its attention on recruiting. "Real members" as distinct from those attracted solely from a desire to help needy others. Merrilets, drawing on non-LETS experience, and preparing for a shift to independence, has made development of a full constitution a priority, "So we have something to fall back on if something goes wrong".

In all these systems, then, and despite differences in the particular learning paths, social learning can be viewed as implying recognition of one or more conditions for the achievement of consensus as to the purpose of LETS.

Participation and communication

When the number of participants in Spalets administration dwindled in early 1995, it was assumed that either members had lost interest, or that a view apparently held by some members - that administration had become 'too bureaucratic' - had effected a general 'talking down' of the system (effected a lack of willingness to put time into administering it).

Since only 10% of Spalets survey respondents took issue with administrative changes, the latter seems an unlikely cause. The former seems also unlikely, for when the problem eventually became more widely known, nine members stepped forward to work as an administration collective (subject to AGM nomination). Given that newsletters of the period make no mention of administration problems (unlike Kyneton's which clearly call for help as needed), a more probable explanation is inadequate communication. This points to the importance of keeping members informed of problems and shortfalls in all aspects of operations. The implications of oversights in this respect are apparent if we note that in Spalets case, trading continued and newsletters and system balance sheets came out on time, albeit from the efforts of one or two people. Effectively, inadequate communication stood to reinforce an arguably general tendency to believe that the system could manage without help from its members - that the system, to quote one survey respondent "just happens": apparently of its own accord, because there is always someone(else) to administer it.

Communication and the Potential for Consensus:

All seven systems operating in 1995 - and Stony Creek in its pre-dormant days - more or less regularly published newsletters (most at two monthly intervals). These include contact numbers, notification and reports of meetings and other events, new member lists, occasional offers and - where system size does not warrant a separate trade directory -

an updated directory of goods and services. Kyneton, Goldfields and Spalets also include the system's balance of accounts. With the exception of Ballarat those systems not issuing individual accounts and/or system balance sheets, provide them, together with minutes and other system information, on request. Five systems (Goldfields and Ballarat the exceptions) provide new member kits; while the pre-dormant Stony Creek produced an impressive, 'user-friendly' manual covering all aspects of the system's workings.

As can be observed from this, communication/information is for most part confined to technical - i.e. politically neutral - system needs. While Spalets and Kyneton newsletters have occasionally included members' articles on issues of personal concern, these have been so rare as to effectively highlight a general tendency to conceive LETS potential in essentially apolitical terms; a tendency for communication to focus attention away from the need for open debate on issues important to the formation of democratic consensus. We can note a view of the purpose of communication/information that has much in common with that implied by mainstream media's apparent obsession with 'economic indicators'. Symptomatically the communication processes in these systems seem to exclude rather than promote opportunities for raising issues.

Yet, if the notion that an issue is important is indicative of a level of interest in it, then it would seem - in the case of Kyneton and Spalets, at least - that a significant potential for mobilising member participation towards achieving consensus remains largely overlooked.

As Table 2 indicates, a majority of Kyneton and Spalets respondents attributed a decided level of importance to some LETS issues (respectively, four and seven of the eight issues listed). Moreover, if the percentage of undecided views are included in considerations we find only one issue in Kyneton's case - that relating to political ads in the newsletter - and none in the case of Spalets, can be assumed relatively unimportant. Indeed, there is room to argue that the level of indecision displayed on some issues implies a level of importance, i.e. an inability to entirely disregard certain issues without further consideration.

Table 2. Percentage of respondents rating issues as important or very important.

	Kyneton	Spalets	Ku	Su
Payment of LETS tax	60%	70%	17%	17%
Affiliation with another organisation	40%	67%	50%	24%
Opening LETS to small business	73%	73%	27%	10%
Raising membership fees	40%	53%	17%	23%
Government regulation of LETS	40%	53%	10%	3%
Amalgamation with another LETS	57%	76%	20%	0%
Ads. for political events in the newsletter	36%	30%	7%	26%
Involvement in InterLETS	90%	80%	7%	7%

Note: Ku = Kyneton undecided. Su = Spalets undecided. Total sample = 30 members from each system.

Since these responses indicate neither support nor opposition to a particular issue, it is reasonable to suppose that the importance attached also reflects conflicts of interest identified earlier; between perceived social and economic values of LETS. This points again to the importance, to borrow from Habermas, of discursively thematising and testing the purpose of LETS, and, correspondingly, to the need to actively promote debate through LETS newsletters and informal discussion groups, as well as general meetings. Considered in terms of social learning, it will be the nature of relations characterising LETS activity that will determine the focus of any consensus achieved - whether or not consensus looks to social considerations as the context for economic decisions.

Character of Trading and Potential for Consensus:

Directories of all eight systems serve to underline the individualistic character of trading activity. Group memberships are few and largely describe the administrative needs of InterLETS trading and systems' access to community venues/facilities. It bears noting though, that Goldfields and Merrilets directories respectively include a Permaculture group, and Spalets a child care centre, primary school, film group, home schooling group, and community garden group: all of which can be regarded as independent but related collective potentials in so far as LETS is concerned.

Generally speaking, however, the dominant form of transaction involves two individuals in complementary benefit as distinct from shared experience. In other words, the dominant mode of activity centres on individual needs in the absence of recognised collective ground. This means that LETS activity effectively maintains a psychological distance between participants, by dint of the individual's identity as either a buyer or a seller at any one time. In social learning terms, then, activity for most part serves to maintain if not elevate individual isolation, and mitigates against the formation of consensus on system social needs - against formation of collective ground.

Interest in Action Research:

Five systems in this sample expressed interest in opportunities to participate in action research: Spalets, Goldfields, Kyneton, Merrilets and Sunbury. The significance of this interest with regard to foregoing issues is ambiguous. While it seems tied to concerns for widening membership participation in LETS, it is unclear as to whether this goal is conceived primarily in terms of trading or community activity. Whatever way the particular system may define its goal for action research, commitment of this kind promises increased potential for the general membership to experience ownership of the system. However, there are no grounds for supposing that a general experience of ownership will, in and of itself, constitute collective recognition of social as distinct from economic needs.

Summary 8: On the one hand, the social learning in all eight systems - despite differences in learning paths - can be seen to involve one or more conditions for the development of a socially conscious form of consensus. On the other, narrowly defined communication needs underline broad based membership participation in overall system development. Communication serves to exclude opportunities for raising and debating issues important to the development of collectively defined approach to the social aspects of LETS purpose. This directly reflects the predominantly individualised character of LETS trading activity. It points to a tendency for trade based social interactions to elevate technical definitions of need and submerge social consciousness. Consequently, although some systems expressed interest in action research as a means for widening membership participation, we cannot assume that success in such an undertaking will, in and of itself, constitute a socially conscious basis for consensus.

Conclusions

While the findings here are necessarily tentative, they offer some basis for consideration of social learning issues associated with LETS. The foregoing considerations suggest that LETS involves significant potential for new, more democratic communities of meaning. However this potential seems unlikely to be *realised* unless or until these LETS can be related to generally recognised social values, i.e. to a social frame of reference for policy making.

On the one hand, system growth tends to incorporate conflicts of interest which have given rise, in two instances at least, to active social learning mooted broadening membership participation in administration and decision making. On the other hand, decision making activity is all but exclusively focussed on the need to expand opportunities for exchange. The combined effects of these features may serve to promote a *need* for consensus on social criteria for LETS policy making. But the predominantly individualistic character of trading activity, together with the focus of decision making tends to exclude rather than promote general discussion of social issues, so effectively mitigate against articulation of common social needs. This implies that LETS cannot, *in and of itself*, generate collective ground: or put another way, and bearing Kenny's definition in mind, does not constitute community development as such. This might explain why systems explored here mirror much in the way of mainstream tendencies to technical definitions of community.

Be this as it may, the possibility of LETS being employed as a *tool* for community development remains open. Although LETS may not generate a collective frame of reference, it may nevertheless incorporate and elaborate collective potential; for it can involve groups whose trading activity is a means of achieving socially defined aims and objectives. We glimpse something of this possibility - albeit in a rudimentary form - in Ballarats inclusion of WRISC and Goldfields' and Merrilets' inclusion of Permaculture groups, and, more broadly indicative, Spalets recruitment of a

child care centre primary school, film group, home schooling group, and community garden group. Although these groups vary considerably in terms of purpose, as group memberships they can be seen to constitute independent but related collective potential in so far as LETS is concerned. As such, they propose LETS as an organisational resource for purposes of elaborating interactions between otherwise discrete expressions of community based interest. In other words, to the extent that LETS can attract community based interest groups, it stands to elaborate - hence foster a capacity to articulate new meanings implicit in the host community.

In the sample here, however, group memberships are few, and the growth of their number as a proportion of overall membership is arguably dependent on recruitment strategies emphasising community development as the context for trading opportunities. As we have seen, all eight systems currently tend to conceive of LETS development primarily in terms of trading activity, and their approaches to recruitment tend to reflect this. It therefore seems unlikely that these systems will become grounded in the short term. This need not be the case in the longer term, however; assuming these systems survive and continue to grow. It is possible in the case of Spalets, for instance, that its collective approach to administration may serve to offset the individualistic character of trading activity, by providing important opportunities for shared commitment and experience of mutual support.

Indeed, effective collective activity in this sphere of LETS may well be all that is needed for the kind of change in recruitment emphasis necessary for the grounding of LETS. Yet as Spalets experience to date indicates, the development of an effective collective is by no means unproblematic, for it presupposes the basic compatibility of individual intentions, perspectives, personalities and needs. At the same time its attempts and outcomes provide a basis for important insight in this regard. It is conceivable, for example, that a workable model might be found in task specific 'working parties' comprising several task partners and recruited and assisted by a member of an elected collective. This would go some way to answering the kind of problems emerging with Spalets' efforts to increase membership participation in administration; i.e. the weight of responsibility carried by individuals and the tendency for tasks to be performed in isolation, the need for clearly defined tasks broken into 'bite-size' proportions, and the need for some continuity in overview.

As for other systems considered here, prospects for development of a recruitment emphasis conducive to grounding are less clear. While interest in action research seems linked to concerns for widening membership participation in LETS, it is unclear as to whether goals are conceived primarily in terms of trading or community activity. It is possible that tendencies to widening membership participation will eventually give rise to goals and processes elevating the latter, but it cannot be assumed that this will necessarily be the case. From my point of view, a view of subscribing to Kenny's definition of community development much depends on members' expectations and perceptions of possibilities. Although opportunities for social interaction appear highly regarded by respondents, the question remains as to whether community and exchange relations are conceived as equivalents (though in the Spalets' instance, attempts to a collective approach suggest the contrary). Nor is available information on respondents' attitudes towards issues currently emerging in LETS of much assistance in this respect.

Considered in the light of the overall exploration conducted here, LETS role in the development of new, more democratic communities of meaning remains largely inadequate. However, the exploration points to at least two areas promising fruitful research. One directed towards better understanding the relationship between LETS and the networks implicit in members interactions with other community groupings, and the extent to which these latter can be said to be an integral part of the community at large: the other to a more comprehensive understanding of the expectations and attitudes characterising LETS constituencies. Importantly, in the view taken here and ethically speaking, such research requires a collaborative approach in the form of Action Research since this would mean that the acquisition and subsequent use of information are matters for membership agreement.

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1. The sense we bring to a word depends on the experiences and values we relate to it. For example, as economic rationalists we tend to think of the earth as a source of wealth, as something to be exploited; as ecologists we tend to think of the 'earth' as a complex system of life. We are usually members of several communities of meaning. [Back to text](#)

2. The term 'social learning' encapsulates the view that while we are all endowed with an innate *ability* to learn, the *process* by which we learn is essentially a social one; i.e. depends on communication with others. [Back to text](#)

3. I have used the term '*democratic*' here, to refer to communities of meaning that distinguish between citizen rights and consumer rights. [Back to text](#)

4. There are two modes of learning: active and passive. Passive learning refers to learning that is mediated by an unquestioned form of authority. In contrast, active learning is predicated on self-reliance. Here all claims are potentially subject to question. Active learning takes place in the context of our real life experience, by way of critical discourse with others and ourselves. Assumptions are questioned, and retained or dismissed on the basis of practical argument (Habermas, 1976, 1979). [Back to text](#)

5. Goldfields and Spalets also experienced a dormant period, but unlike Stony Creek, dormancy seems to have been confined to administration activity; core trading more or less continuing. [Back to text](#)

6. When the Australian Labor Party came to power in the 1980s, it was on the basis of an agreement with the Australian Council of Trade Unions: an agreement known as The Accord. The platform of this agreement gave central priority to the facilitation of capital restructuring, the idea being that a cooperative framework for industrial relations would produce a social democracy by way of 'the back door'. [Back to text](#)

7. Here I draw on Eric Fromm's work as presented in 'The Sane Society' and 'Fear of Freedom' [Back to text](#)

8. *ibid.* [Back to text](#) 9. For instance, right to a livelihood, healthy and safe living and working environments, and, in the case of the struggle for the eight hour working day, the right to eight hours for recreation and eight hours for rest. [Back to text](#) 10. A post secondary education provider that operates separately from, but in conjunction with, universities. [Back to text](#) 11. Fromm argues that in an atomising society, the individual stands to be subjected to a profound sense of isolation - an experience referred to as moral aloneness. He points to Nazi Germany as a clear example of the *kind* of consequences involved. [Back to text](#) 12. References to meeting attendance relate to early trading day meetings in the main. Trading day meetings eventually lapsed, apparently around the period of the shift to committee structure, the AGM provision coming into being in early 1995. [Back to text](#) 13. For example, Spalets

members arguing for system involvement in InterLETS' trading tended to conceive of community in national or global terms (a form of community dependent on technical mediation), whereas members arguing against system involvement in InterLETS largely conceived of community in terms of local interactions (form that is not necessarily dependent on technical mediation). In the absence of a socially conscious framework for policy making, decisions tended to promote a view that these positions were mutually exclusive. [Back to text](#)

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