

Why Do People Join Local Exchange Trading Systems?*

* Many thanks to Bob Williams, Sue Pett, Liz Shephard, Peter North, Tomoo Machiba, John Barry, Colin Williams & Tony Fitzpatrick.

Caron Caldwell

*Dept. of Applied Social Studies
University of Luton
Park Square
Luton LU1 3JU, United Kingdom*

International Journal of Community Currency Research

2000: Volume 4
ISSN 1325-9547

1 INTRODUCTION

Over the last few years the social policy literature dealing with ecological issues has been growing in both volume and importance (e.g. Cahill, 1994; Ferris, 1991). Indeed, it is now claimed by some that Green social and political thought has emerged as the first ideology of the twenty-first century, challenging existing conceptions of self and society and conventional forms of political and economic organisation (Cahill, 1995).

Parallel to this rise in ecological concern has been the reappearance onto the political agenda of the concept of social justice. However, "*social justice and ecological sustainability do not necessarily go together*" (Fitzpatrick, 1998a, p5). If so, how are we to develop appropriate theoretical frameworks? Fitzpatrick (1998a, 1998b) emphasises the growing importance of what he terms the 'fifth' welfare sector. Within this sector, welfare associations are emerging which are based on the principles of mutuality and community and so possess a radical potential with a strong ecological dimension (Fitzpatrick, 1998b, p166)¹. Such welfare associations are non-profit making, rooted in civil society, dependent upon volunteers and distinguished by their long-term idealistic emphases (Fitzpatrick, 1998b, p167). One example of an association which may reconcile ecological considerations with social justice are Local Exchange Trading Schemes (LETS).

LETS are schemes to encourage people to exchange goods and services within their local communities, creating an alternative economy outside and parallel to the wider money economy as a systematic form of barter. Although LETS are now popular objects of academic research, there has been little attempt to classify the Green motivations and principles of the members within these schemes. LETS have been analysed as potential tools for addressing specific social problems, e.g. unemployment (Williams, 1996a), but this has subsequently meant that any radical Green potential they may embody has been viewed as almost incidental despite numerous references to the predominance of 'Greens' within their membership.

In order to rectify this omission I conducted a small-scale empirical study, the purpose of which was to address the following three objectives: to examine and classify the motivations of LETS members; to locate Green values and principles within that classification; to assess the potential of LETS for driving forward the Green movement by linking theory to practice. The next section describes the theoretical framework that informed this study.

2 THEORETICAL FRAMEWORK

2.1 The Environmental Movement

Castells defines a social movement as "a purposive collective action whose outcome, in victory as in defeat,

transforms the values and institutions of society" (Castells, 1997, p3). If the success of social movements is judged in terms of their impact on cultural values and society's institutions, then the environmental movement has undoubtedly earned itself a distinctive place in contemporary society. Environmental concern has, over the last thirty or so years, permeated through society from supranational organisations to local initiatives. What, then, are the themes that bind the environmental movement together?

Firstly, there is an ambiguous but deep connection with science and technology. Both Beck (1992) and Giddens (1990, 1991) discuss modern societies as characterised by global risks and ecological degradation; and they suggest that only a reflexive conception of science can address the problems that science, itself, has helped to create.

Secondly, Green thought also advocates a narrowing of the gap between a) the concentration of wealth, power, information and b) human experience - this is what Castells (1997, p125) terms 'control over space'. Greens therefore advocate a personal autonomy based upon bottom-up, grassroots democracy and call for small-scale government, privileging the local community and the widespread participation of ordinary citizens.

Thirdly, and alongside this control of space, there is the recognition of the need to 'control time' with the introduction of 'glacial' time, or the implication that the relationship between humanity and nature is long-term and evolutionary (Castells, 1997, p127). Therefore, concepts of sustainability and sustainable development imply an intergenerational solidarity, i.e. it is necessary to provide environmental security not only for ourselves but *also* for future generations. In order to achieve this control over space and time, Castells argues that there is the need to re-evaluate our relationships within society, not just in relation to other species but where we locate ourselves globally. This implies the formulation of some kind of Green culture where the interconnectedness of all living creatures is both respected and valued.

These concepts can then be viewed as the fundamental challenges of the environmental movement to the dominant structures of the network society. Is it possible to reconcile these with social justice? Most in the environmental movement now recognises the fact that it is not possible to divorce ecological concern from social issues. Therefore, as the environmental movement enters a new stage of development it is necessary for it to embrace the concept of environmental justice which balances the value of all forms of life against the interests of wealth, power, and technology (Castells, 1997, p132). Offe (1992) argues that the prospects of social justice within capitalist welfare states have been limited by what he terms the 'productivist syndrome', or the assumption that production and productivity are desirable *in themselves* (Offe, 1992, p67). He therefore calls for the expansion of the 'possibility space' within the area of social policy to admit a concept of social justice that would emancipate society from the dictatorial imperatives of economic growth.

But if the above themes bind the environmental movement together, there is much disagreement within the movement about which approach is needed to achieve these aims. Dryzek (1997) offers a means of sorting through the various debates and disputes by using a discourse analysis. Within Dryzek's taxonomy, four basic environmental discourses are identified: Environmental Problem Solving, Survivalism, Sustainability and Green Radicalism.

'Environmental Problem Solving' acknowledges the existence of ecological issues as serious enough to warrant attention but does not deem them serious enough to demand a fundamental change in the way society is organised. They are therefore regarded as being manageable within the basic framework of the political economy of industrial society (Dryzek, 1997, p61). Thus, solutions to ecological problems can be promoted through public policy and a hierarchy based upon subordination to the state and the dominance of 'experts' and managers (Dryzek, 1997, p78). LETS would therefore not sit comfortably within this approach as associations deriving from new social movements advocate widespread change from within civil society, preferring to influence policy through the weight of public opinion and informal organisations rather than structures of authority (Martell, 1994, p113).

Similar reasons also rule out a survivalist approach because this also assumes a fixed, social hierarchy. 'Survivalism' treats populations as objects to be managed by an elite group consisting of scientists and political experts. Therefore, although survivalism accepts the finite qualities of the resources upon which the continuation of the human race depends, it fails to recognise that human beings are social creatures capable of devising co-operative arrangements, social movements, resilient ecosystems, states and interest groups (Dryzek, 1997, p34).

Dryzek's third environmental discourse is that of sustainability. This is a moral concept which implies that "people living in the future should have the opportunity to experience the same well-being from, and the use of, natural environment as the present generation" (Jacobs, 1990, p9). The core emphasis of sustainable development begins with the recognition that the growth path of the industrialised nations cannot accommodate the developmental aspirations of the world's peoples. However, some economic growth is required for the alleviation of poverty to both satisfy the

legitimate needs of the world's poor and prevent the ensuing environmental degradation that this poverty entails. Thus, economic growth should be promoted but guided in ways that are both environmentally benign and socially just (Dryzek, 1997, p129). LETS would therefore sit fairly comfortably within a sustainability framework given their emphasis on local shared consumption. However, sustainability implies that social improvement is about moving into an environmental era where personal human growth can be achieved without compromising economic growth, environmental conservation or social justice. Is it really possible to have it all? If not, then reforming social and welfare institutions in ways consistent with Green precepts may require an alternative stance.

Dryzek's (1997, p15) fourth discourse, 'Green Radicalism', rejects the basic structure of industrial society and the way the environment is presently conceptualised. One such approach to social policy is offered by Fitzpatrick (1998a, 1998b). According to Fitzpatrick the present model, to which the principles and institutions of social welfare currently conform, is a 'productivist model'. Within the model's nucleus resides the doctrine of economic growth as a social good in itself. This, coupled with the work ethic in which only paid employment is seen to equate to work and women are still penalised by a sexual division of labour, generates what Fitzpatrick calls the 'accumulative impulse'. Or, in other words, individual worth is measured against a materialistic yardstick where welfare equates to material affluence. In Fitzpatrick's ecological model of welfare, the elements identified in the above productivist model would need to be re-conceptualised in order to "foster a civil society of equal autonomy" (Fitzpatrick, 1998a, p11). Indiscriminate growth would need to be redefined and ecological indicators developed for the purposes of welfare reform. There would therefore be a re-evaluation of the connection between government spending, individualistic aspirations and lifestyle expectations. Within this model of welfare, the employment ethic would progress to a post-employment ethic, implying a re-evaluation of non-wage-earning, informal activity. This in turn would allow 'self-actualisation' and the transition from an accumulative impulse culture to a philosophy of post-materialism. Hence the importance of the fifth welfare sector and its new forms of associations such as LETS which are dedicated to the principles of mutuality, community and, arguably, social justice (Fitzpatrick, 1998b).

2.2 A Taxonomy of Members' Motivations

It was on the basis of this fourth discourse (or post-productivist model) that the empirical research was designed. The first step was designing an appropriate taxonomy (see figure 1).

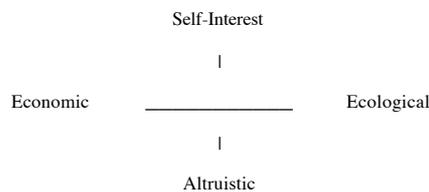


Figure 1

The horizontal axis in the taxonomy contrasts ecological motivations with economic ones. Do people join a LETS because of the *economic* potentials of such schemes, or do they join because they are aware of their *ecological* potential? The vertical axis contrasts those who join out of self-interest as opposed to those who join for altruistic reasons. The aim of this taxonomy is to provide a heuristic framework from within which to consider peoples' motivations for joining LETS and their perceptions of its radical Green potential. It is not therefore the intention to suggest that it is a precise description of participants' motivations, but is a tool that bridges the gap between theory and the data collated from the research project.

Before elaborating on the research it is first necessary to examine in further detail the objectives and principles behind the development of LETS themselves.

3 LETS

LETS was intended to build local currencies into a sustainable social system according to the following five criteria (Lang, 1994, p7):

- it is non-profit making,

- there is no compulsion to trade,
- information about balances is available to all members,
- the LETS unit is equal in value to the national currency,
- no interest is charged or paid.

LETS are therefore schemes to encourage people to exchange goods and services within their local communities, creating an alternative economy outside, and parallel to, the wider economy as a form of systematic barter. The participants in a LETS can trade goods and services with each other using the group's own local currency, the value of which is usually pegged at a rough parity with sterling (Machiba, 1998). Members are encouraged to trade a wide range of goods and services, including those that often appear redundant in our contemporary high-tech, functionally specialised economy (Bowring, 1998). Members search the catalogue until they find goods or services they require, telephone the person offering those goods and services and negotiate a price in their local currency. The purchaser then writes out a cheque which they send to the group's administrator. Their account is then debited by the said amount and the provider's account is credited. Unlike sterling, credits do not have to be earned before they are spent. Local currency is not issued by a bank but by its members; therefore, this money is theoretically unlimited and economic activity need no longer be restricted by a lack of money. No interest is payable on either negative balances or savings. A negative balance means a 'commitment' to the group to render goods and services in the future (Lang, 1994). As there is no incentive for people to accumulate savings, because the money is worthless outside the group, the quick circulation of the local currency by earning and spending can and should be encouraged. This has prompted some people to examine various ways of preventing people hoarding, for example, credit ceilings or the 'demurrage' concept of giving credits a shelf-life after which they become obsolete (Lietaer, 1998).

Why, though, have LETS received such widespread attention? Williams (1996b) states that the principal economic objective of LETS is to help rebuild localised economies by making them less reliant on outside sources for goods and services. These local economies, by running parallel to the national economy, would therefore act as a buffer against external economic exchange. This buffer, it is argued, would in turn facilitate financial security and therefore encourage people to invest in ecologically friendly projects (Fitzpatrick, 1998b, p167). It has been argued that local currencies would also encourage local trading and therefore place less pressure upon national and international infrastructures. This may reduce excessive transport and fuel costs, which in turn would cut pollution in the atmosphere and the pressure on the road system (Machiba, 1998, p25). LETS can also encourage the conservation of resources by advocating the sharing and repairing of goods and creating environmental awareness (Barry and Proops, 1998). LETS have also been heralded as a way of alleviating inequity between the rich and poor (Machiba 1998, Williams, 1998b). Williams (1996b) in particular addressed the concept of LETS in relation to unemployment, stating that LETS can be viewed as a way of reducing social inequalities by encouraging the unemployed's participation in informal work. The unemployed are able to both trade their time to enhance their standard of living and to improve their chances of finding work in the formal economy.

The recognition of this potential for the promotion of social equity has led to over one hundred local authorities now directly supporting LETS and establishing new schemes via their anti-poverty, social services programmes and Local Agenda 21 (LETSLINK UK, 1998). These positive signals are currently being contradicted by new Social Security Housing Benefit regulations which treat local LETS units equal to income in sterling. There is however a significant and growing cross-party support from MPs calling for a simple amendment to social security regulations to enable people on low incomes to participate in LETS without the fear of losing their benefits. Without such promotion from both local and central government Williams (1996b) believes that LETS seem likely to remain small-scale initiatives of little use to the vast majority of people who could potentially benefit from them.

Bowring (1998), however, is critical of LETS, stating that evidence from previous research suggests that inequalities between skilled and unskilled workers, and between men and women, are being reproduced and consolidated by such informal exchange (Bowring, 1998, p103). However, Bowring neglects the extent to which LETS can and do foster a broader conception of work and so provide the opportunity for people to undertake a variety of tasks that may have been previously gone unrecognised as a source of value (Fitzpatrick, 1998b, p167). And if LETS are one type of welfare association (Fitzpatrick, 1998a), or a 'reflexive community' continually undergoing a process of renewal and re-definition, they could offer their members the ability to rethink the current tendency to measure ourselves in materialist terms (Fitzpatrick, 1998b, p167). For instance, LETS have the potential to create a structural framework within which social networks can develop through the medium of multilateral reciprocal exchange (Williams, 1996b, p90). Through trading in LETS members can meet each other personally and therefore increase friends and acquaintances. Many LETS recognise this as an important aspect of their agenda and subsequently often hold regular social events to foster trust and friendship amongst their members. This in turn can help to promote redistribution through mutuality as members are free to negotiate their own prices based upon a shared perception of the relative

worth of goods rather than their production costs or scarcity value (Bowring, 1998, p101).

It is therefore possible to see that LETS do have the potential to combine social justice, based on the principles of mutuality and redistribution, with ecological considerations, based on the principle of sustainable consumption. It was in order to test this hypothesis that the following research project was established.

4 NORTH HERTS LETS

To conduct this research the North Herts LETS was identified through LETSLINK UK, the national umbrella group. Postal questionnaires were distributed to the group's members to gather information on: the membership profile, reasons for joining the group, trading patterns and their views on the environment and society. Nine people (5 women and 4 men) consented to unstructured, in-depth interviews. North Herts LETS was established in 1994. Its currency is called the 'Nort' which is approximately equal to 1 sterling. The average annual turnover for the group is 10,000 Norts. There is an annual membership fee of 10 for which new members automatically receive 100 Norts to encourage them to start trading straight away. The group produces a directory of the goods and services on offer which is updated every three months.

95 questionnaires were sent out and 51 returned, a response rate of 54%. Out of the 51 questionnaires returned, 78% of the respondents were female, and 22% were male and over half of the respondents had been a member for between three to four years. The highest percentage of those members that responded to the questionnaire fell into the 46-60 age category. The employment status of the respondents is illustrated in Figure 2.

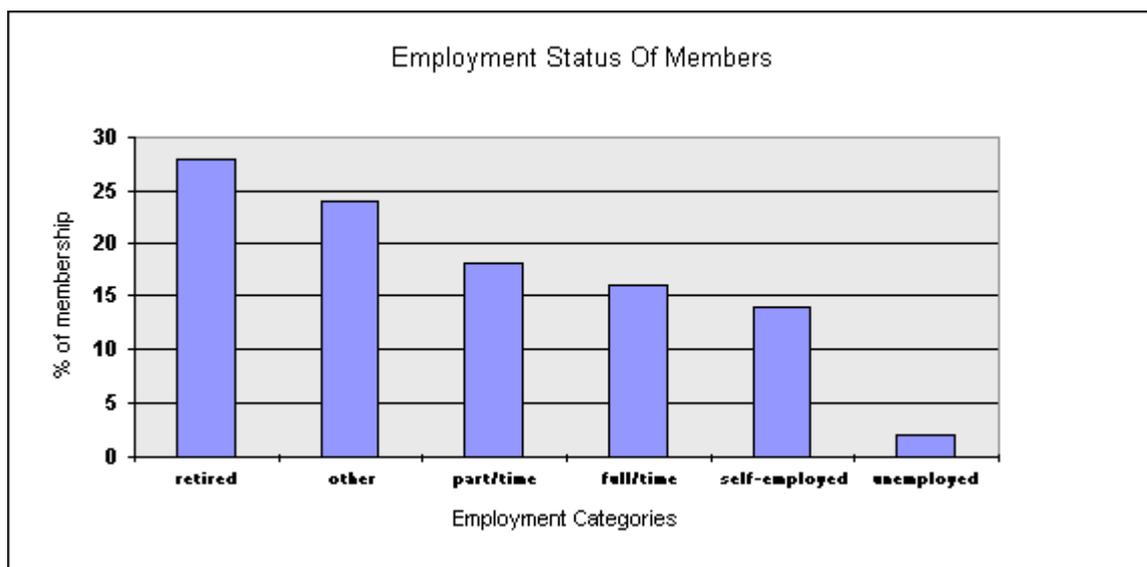
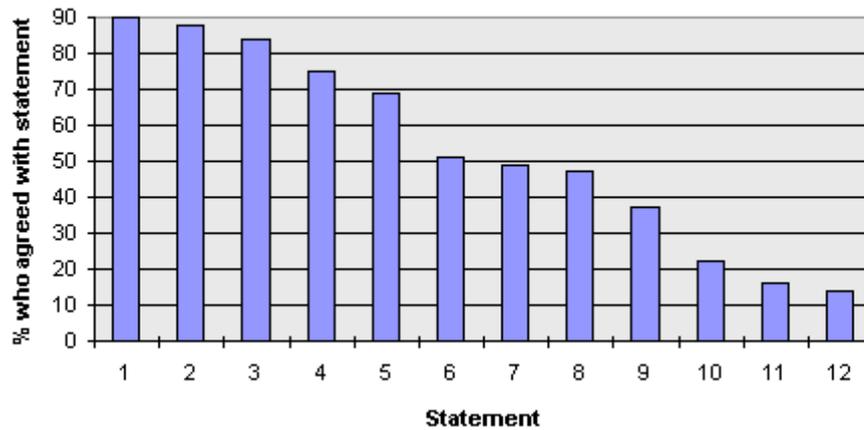


Figure 2

In the population of North Herts as a whole 52% of the population are said to be economically active (North Herts District Council, 1998), compared to 48% in the LETS (18% in part-time employment, 16% in full-time employment and 14% self-employed). The unemployment rate for North Herts is 2.4% it is therefore possible to see that the figure in the North Herts LETS (2%) is slightly below this figure and well below the 5% average in Britain as a whole.

The most popular reasons people gave for joining North Herts LETS are illustrated in Figure 3.

Motivations for Joining LETS



Statements

- | | |
|---|----------------------------------|
| 1. Provide goods and services. | 7. Ecological beliefs. |
| 2. Obtain goods and services unable to do for self. | 8. Boost the local economy. |
| 3. Obtain goods and services unable to afford. | 9. Change in lifestyle. |
| 4. Promote a more equal society. | 10. Acquire new skills. |
| 5. Meet new people. | 11. Compensate for unemployment. |
| 6. Use skills ignored by the job market. | 12. Promote own business. |

Figure 3

We can see that people offered many reasons for joining, but economic reasons appeared to be given the most important. However, when I examined the trading patterns within the group, a different picture began to emerge. When asked about the amount of trading that they had done over the last three months the research revealed that there was relatively little trading going on. 28% of the respondents said that *none* of their household income derived from Norts. Of those that had traded, the most popular goods and services that people had obtained with their Norts are given in Figure 4.

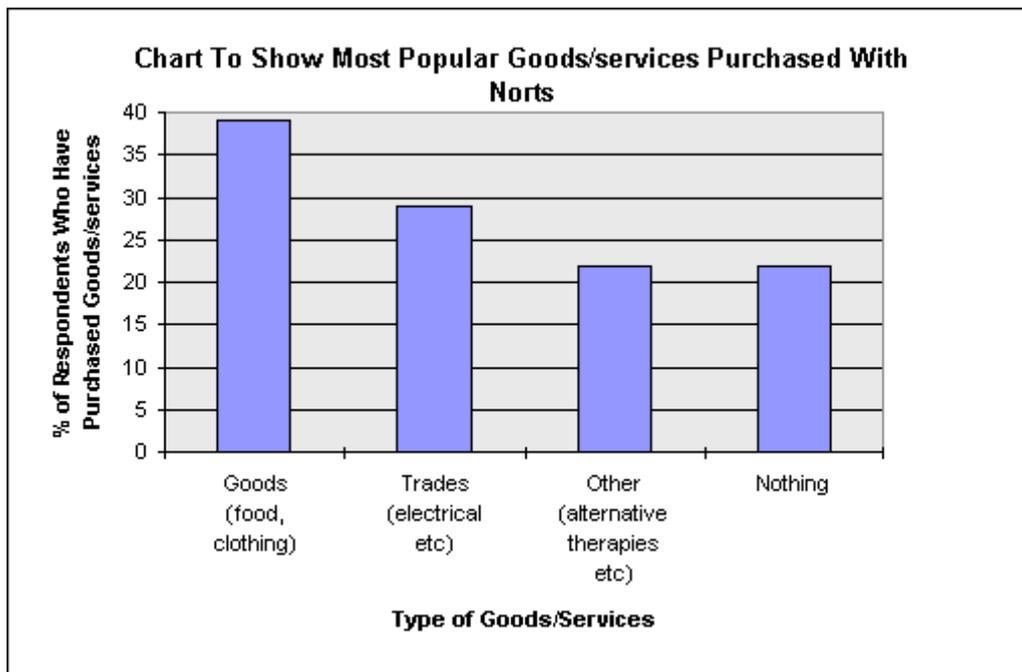


Figure 4

80% of respondents said that their LETS accounts had never gone into a negative balance, indicating that the North Herts group did not seem to use LETS as a cheap form of borrowing. When asked what, if anything, discouraged them from trading 42% said that there was nothing in the directory that they required, 23% said 'other' (which included people refusing to provide the goods or services provided) and only 12% said that they were worried about their benefit implications. Yet, when asked how satisfied they were with the scheme the results were as in Figure 5.

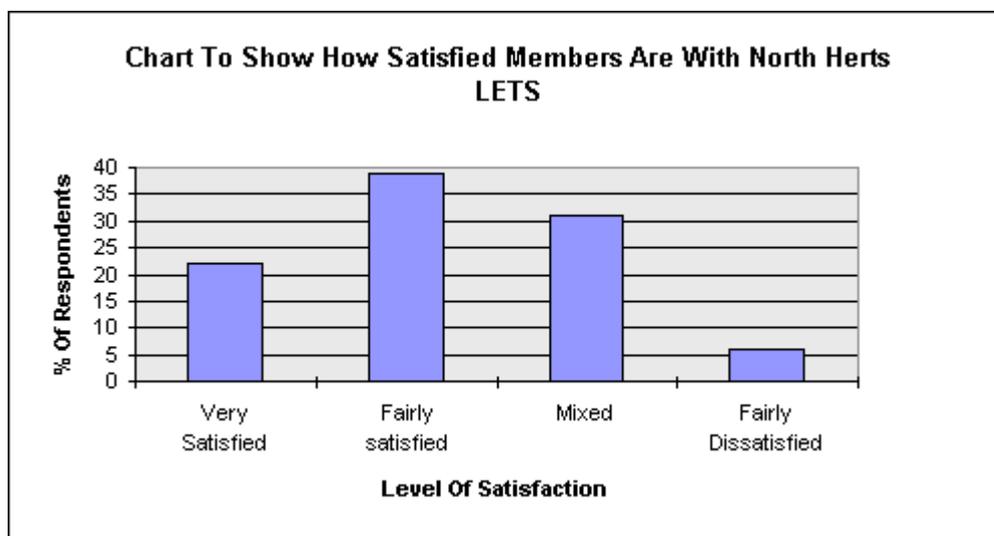
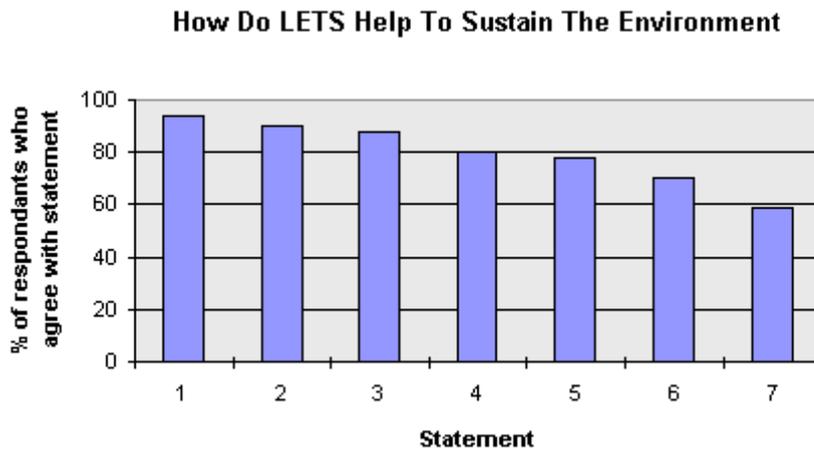


Figure 5

There did, therefore, appear to be conflicting evidence emerging from the questionnaire. On the one hand, people were saying that they were joining for economic reasons, even though only 10% believed that LETS had met any of their income security needs. On the other hand, 61% were either fairly or very satisfied. As the majority of the respondents had belonged to the scheme for 3-4 years this suggests that people were satisfied with this low level of trading and

therefore perhaps their motivations for remaining in the scheme were not economic after all.

When asked how they felt that LETS helped to sustain the environment the results were as in Figure 6.

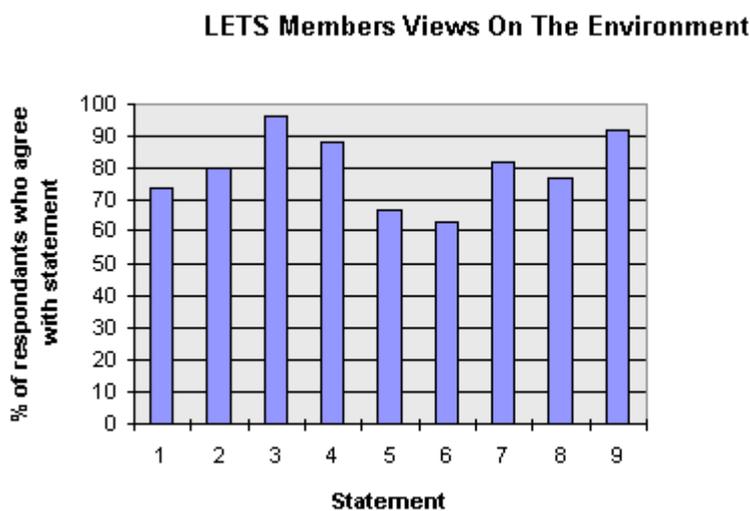


Statement

- | | |
|--|--|
| 1. Alternative to concept of profit and competition. | 5. Encourages environmentally friendly projects. |
| 2. Redistribution through mutuality. | 6. Rebuilds communities. |
| 3. Keeps resources local. | 7. Encourages people to consume less. |
| 4. Broader definition of work. | |

Figure 6

When asked to what extent they agreed with certain political statements, the results were equally orientated towards a wealth of Green ideas and principles (see Figure 7).



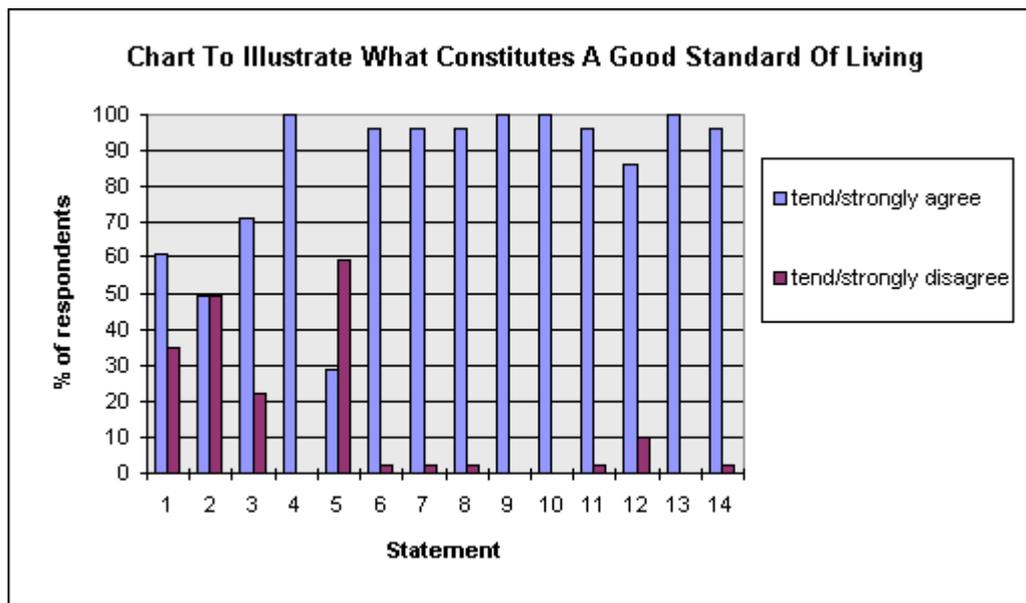
Statement

- | | |
|--|--|
| 1. Healthy society = low but sustainable growth. | 6. Society is too politically centralised. |
|--|--|

- 2. Prepared to pay for a cleaner environment.
- 3. Present society too wasteful.
- 4. People should have more say in government decisions.
- 5. Welfare is too remote and impersonal.
- 7. Welfare provision should be more local.
- 8. LETS help people control their lives.
- 9. LETS help to sustain the environment.

Figure 7

Respondents therefore appeared to hold very strong views regarding environmental issues. Of the respondents, 41% belonged to either a mainstream environmental organisation, or an environmental activist organisation but only 16% of respondents belonged to a political party. Interestingly, a number of respondents expressed ‘post-materialistic’ values and opinions (see Figure 8).



Statements

- 1. Enough money to own a home.
- 2. Enough money to own a car.
- 3. Enough money to do what you want.
- 4. Enough time to do what you want.
- 5. A highly paid job.
- 6. A fulfilling job.
- 7. A sense of community.
- 8. Access to public services.
- 9. Access to parks/open spaces.
- 10. A clean and safe environment.
- 11. Environmental security for future generations.
- 12. Financial security for future generations.
- 13. Love and support from family and friends.
- 14. The preservation of natural resources and species.

Figure 8

The answers tended to suggest that the respondents held some post-materialistic values with only 29% agreeing that a well paid job constituted a good standard of living as opposed to 59% who believed that it did not. Initial analysis also indicated that there was a strong sense of community within the group. 69% had joined to meet new people, 56% said that LETS had met their friendship needs, but 48% said that they had not actually taken part in any community activities.

To summarise: the initial analysis of the quantitative data had indicated that people were motivated to join North Herts LETS for diverse reasons. However, the low levels of trading within the group indicated that although people were not having their economic needs met, they were generally satisfied and so remained within the scheme. Initial analysis also indicated that the members within the scheme held a number of Green ideals and principles. During the qualitative interviews I therefore wanted to develop my taxonomy, in an attempt to explore the distinction between economic and ecological motivations. Each of the interviewees was ‘allocated’ to one of the four quadrants in the taxonomy (see

Figure 1).

4.1 Economic Self-Interest

This group consisted of those who joined North Herts LETS for economic reasons and for their own benefit. I placed two out of the nine interviewees into this group. Both were women who could be termed 'vulnerable'. One was disabled with a young family to support and the other elderly who lived on her own and who was in poor health.

"I found myself in the position of having this great big house and lots of things that needed to be done and being in a difficult position to cope with it all" (interviewee no.7).

"Its my security blanket" (interviewee no.3)

4.2 Economic Altruism

This group consisted of those who had joined for economic reasons but who wanted to help other people as well. I placed one male interviewee in this category and called this group 'philanthropists'.

"In LETS, people are individual, it is not a group of Green people, or religious people, or political people, its just people who want to help other people" (interviewee no.9).

4.3 Ecological Self-Interest

This category refers to those who had joined because they had strong ecological beliefs but regarded LETS as an expression of an alternative lifestyle. I placed one male and one female interviewee into this group and called them 'bohemians'.

"I'm a Reiki master so I can attune people. I do reflexology, astrology and dowsing with a pendulum. I thought LETS would give me a bigger clientele outside the traditional economy" (interviewee no.2)

"It's (LETS) not exactly an advanced spear-head crusader of a new Left-wing, Green thinking, political force, they are basically a bit dodderly and incapable. I'm not being critical, but they are hardly a force to be reckoned with. I think that it is unbecoming to talk about politics when you are talking about people who are basically a bit cranky" (interviewee no.8).

4.4 Ecological Altruism

This group represented those who not only held strong ecological beliefs but who wanted to translate those beliefs into something practical for the good of society. I placed four interviewees into this category and called them 'Green idealists'.

"there are alternatives, not only political ways of doing things, but social, and society can do things and there are lots of alternatives" (interviewee no.1).

"I like the emphasis on local, and the idea of helping people - it's not so much about making money out of it or getting things for just the energy expense" (interviewee no.4).

"A personal investment in society" (interviewee no.6).

"LETS is a way of helping to redress the balance and bringing the wealth back into the community" (interviewee no.5).

Now that I had identified my four quadrants from the qualitative data, I wanted to see if it was possible to substantiate these four categories from the original quantitative data. To do this, the data was analysed using the 'Access' statistical package. Out of the questionnaire respondents, 16 people could be classified as motivated by economic self-interest, 25 people as motivated by economic altruism, 25 people as motivated by ecological self-interest and 33 people could be classified as motivated by ecological altruism². So, it is possible to see that the largest single group was that

containing Green idealists. Each group was then run through SPSS once again to identify some commonalities within each group.

Motivation for joining	% of Group Vulnerables	% of Group Philanthropists	% of Group Bohemians	% of Group Green Idealists
To provide goods/services	88	100	88	97
To obtain goods/services which could not otherwise afford	100	84	84	82
For a change in my life-style	25	44	48	49
To meet new people	69	84	72	82
To help boost the local economy	38	52	48	55
To help sustain the environment	50	48	76	66
To help promote a more equal society	69	92	76	91
To promote my ecological beliefs	38	40	76	61
To obtain services I am unable to do for myself	94	84	92	85

Figure 9

The table in Figure 9 illustrates that fewer people with economic self-interested motivations (vulnerables) joined to help to boost the local economy and that those who joined for ecological reasons (bohemians and Green idealists) had a higher percentage of members who joined to help sustain the environment and to promote their ecological beliefs. Unsurprisingly, the highest percentage of respondents who joined to help promote a more equal society were to be found in the 'altruistic' groups (philanthropists and Green idealists).

4.5 Vulnerables

This group had the most Norts debited from their accounts over a three month period, indicating economic need, but the least Norts credited. This could be due to the fact that 31% of this group said that they were discouraged from trading because of the possible implications for their benefits (compared to 12% of the overall group). This group also contained the smallest number of people in full-time work (13%). 31% said that their employment status was 'other', which included housewives and mothers. The group also had a higher percentage of respondents in the age group 31-45. These results therefore suggest that people are motivated to join for economic and self-interest motivations if they are economically inactive but of employment age. Not surprisingly then, this group had a high percentage of women (81%). When examining the type of goods/services this group exchanged for their Norts, it was predominately domestic services. Although they still held strong views on the environment (94% thought that sustaining the environment was either very or fairly important), 69% strongly or tended to agree that a healthy society has high levels of output and economic growth. They were also the least likely to take part in community activities.

4.6 Philanthropists

The highest number of respondents in this group were retired. Philanthropists were more likely to take part in social activities than vulnerables or bohemians, with 32% saying that they had taken part in all or many of those activities on offer. 96% of this group believed that sustaining the environment was very or fairly important, but the group was split with 44% agreeing or tending to agree and 44% strongly or tending to disagree that a healthy society has high levels of industrial output and economic growth.

4.7 Bohemians

This group, as expected, demonstrated strong views regarding the environment. They were also more likely to belong to a mainstream environmental organisation than any of the other groups. However, they were the least likely to trade. 32% had not used their Norts to purchase any goods or services over the last three months and 53% had not had any Norts credited to their account in the same period. They were also less likely than either the philanthropists or the Green idealists to go to social functions. This could therefore explain why those LETS that have previously been categorised as 'Green' or alternative have not been able to fully exploit their radical potential. I therefore believe that it is important, when referring to the proportion of members within LETS who are considered to be Green to make the distinction *between those who join as an expression of an alternative lifestyle for themselves and those who join to promote a Greener society for everybody.*

4.8 Green Idealists

This group held strong beliefs regarding the environment, but had also had the most Norts credited to their accounts over the last three months and 33% had taken part in either all or many of the social activities on offer. It also had the highest percentage of people who belonged to an environmental activist group.

5 CRITICAL ANALYSIS

There is little consensus amongst commentators as to whether LETS can act as an effective remedy for unemployment. Bowring argues that should LETS become officially regarded as a viable alternative to formal employment this could result in a two-tier economy and a two-tier welfare state, leaving the unemployed further disconnected from mainstream society. Bowring (1998, p108) therefore proposes that LETS should not aim to supplement or replace formal employment, but should aim to expand the sphere of 'strictly self-determined activities' through the promotion of people's practical self-reliance and autonomy (Bowring, 1998, p108). According to Bowring, LETS should also adopt currency units of time rather than market values.

Whilst I agree that LETS should adopt currency units of time and that LETS help to promote peoples' self-reliance and autonomy, I believe that Bowring does not attach sufficient significance to the community aspects of LETS, nor does she address the possibility of society adhering to anything other than an 'employment ethic'. According to Fitzpatrick (1998a, 1998b), new welfare associations challenge the 'productivist' model to which society currently conforms. The productivist 'employment ethic' reflects the assumption that jobs should be the principal means by which income and status are distributed to the vast majority of people. Fitzpatrick argues that welfare associations like LETS allow a more 'pluralistic' work ethic which recognises and values work within both the formal and informal sectors. When asked whether LETS helped to encourage a broader definition of work, 78% of the total responds agreed or tended to

agree that it did. *"If you get away from the idea of money and payment and time you do become a bit more fluid and less selfish"* (interviewee no. 4).

Previous research has indicated that LETS promote a sense of community (Williams, 1996b, Machiba, 1998, Barry and Proops, 1998). The research also suggests that it is this sense of community which has the potential for alleviating social inequalities as closer personal contacts allow people to recognise each others' abilities (Machiba, 1998, p71). This could be explained by Fitzpatrick's definition of LETS as *"reflexive communities, continually undergoing a process of renewal and re-definition"* (Fitzpatrick, 1998b, p166), thereby allowing people to reassess their ideals and values by, for instance, regarding time as a more important currency than money.

However, Barry and Proops (1998, p15) argue that LETS members are against the idea of trading in hours of 'equal worth' because this would undermine the economic viability or attractiveness of such schemes. Their argument implies that LETS are simply a *reaction* to the down-turn in the formal economy and can act as an informal response to some of the problems associated with economic recession. They seem to suggest that LETS act as a community-level buffer to the worse side-effects of the larger economic system, rather than something which offers an alternative to that system.

This view, though, is contradicted by my research which indicates that 94% of the total respondents agreed that LETS can offer an alternative to the concepts of profit and competition. It is also contradicted by the fact that people were remaining within the scheme even though they felt that their economic needs were not being met. My research also identified a significant percentage of respondents (the Green idealists) who believed that LETS represent a potential tool for radical change. *"You don't have to do everything just for profit, there doesn't have to be a profit motive because I don't believe that that necessarily makes everything work"* (interviewee No.1).

Barry and Proops (1998, p14) also acknowledge the significance of LETS as a social learning mechanism by suggesting that LETS members are educated about ecological issues. However, they suggest that LETS achieves this education of its members by an 'invisible hand' rather than a conscious concern for the environment. My research demonstrates that there is considerable concern regarding the environment within the North Herts LETS. 98% of those who responded to the questionnaire agreed that sustaining the environment was either very or fairly important. Barry and Proops (1998, p5) also argue that LETS members are typically not seen as being all of the same mind ecologically, and this is related to a concern that LETS should not be identified as 'ecological' or the preserve of the ecologically-orientated. Again my research questions this assumption. Not only did a large percentage of the respondents express a high level of ecological concern but I also found that it was possible to locate and classify Green ideals and principles within the North Herts LETS. I therefore propose that North Herts LETS can justifiably be viewed, predominantly though not entirely, as an *ecological association*. However, further research, perhaps employing my taxonomy of values, is needed across a wider sample group to substantiate or generalise these claims.

Research by Barry and Proops concluded that LETS participants feel alienated from mainstream politics and that members are not an homogenous group in terms of their political views, beliefs and perceptions. However, when North Herts LETS members were asked about their views on society and the environment there was a considerable consistency of replies which indicated a wealth of Green ideals and principles. However, what members appear to be unable to do is to express these ideals and principles through conventional political channels. I would question Barry and Proops' (1998, p2) statement that, whilst LETS participants feel alienated from mainstream politics, the present political system is generally felt to have the capacity to reform itself. My research suggests that members are not particularly enthusiastic about the current system. There was a strong feeling from the qualitative interviews of members' disenchantment with the present political system, particularly regarding ecological concerns. *"I used to vote Lib Dem if there wasn't a Green Party representative, but in the last election, I didn't vote at all"* (interviewee no. 5).

Basically, then, this research has highlighted a significant proportion of North Herts members, Green idealists, who believe that LETS possess a considerable degree of radical potential for social and environmental reform. LETS are viewed not only as a way of helping to sustain the environment, but also as a way of promoting social justice by redistribution through mutualism. It is not therefore my intention to suggest that LETS are a panacea to all the social ills of society, but if they do indeed combine ecological concerns with social justice they appear to be one good area from where to start.

6 Conclusion

LETS have received much attention over the last few years but continue to be viewed primarily as economic associations. Whilst it has been recognised that a significant proportion of their membership can be identified as

'Green', the radical consequences of this membership has been neither fully recognised nor explored. The aim of this paper was to develop a taxonomy in an attempt to locate and classify members' motivations with particular reference to Green ideals. It argues that to dismiss LETS as simply an expression of an alternative lifestyle may ignore the fact that a significant proportion of members are aware of, and wish to promote, the radical Green potential of these schemes. Given the current lack of practical Green alternatives within social policy this potential should not go unrecognised.

FOOTNOTES

1. The fifth sector is distinct from state, market, voluntary and informal types of welfare provision that, respectively, represent the first, second, third and fourth sectors of welfare provision. [return to text](#)

2. Because two groups have been combined these totals add up to a greater number than the initial respondents. These figures are not therefore intended to give precise measurements but to highlight how motivations were distributed across the taxonomy. For further information on the methodology used see Caldwell (1999). [return to text](#)

REFERENCES

Barry, J. and Proops, J. (1998) Local Employment and Trading Systems: linking citizenship and sustainability? *ESRC Global Environmental Change Programme Briefings* 18.

Beck, U. (1992) *The Risk Society: Towards a New Modernity* London: Sage.

Bowring, F. (1998) LETS: An Eco-Socialist Initiative? *New Left Review*. 232: 91-111.

Cahill, M. (1994) *The New Social Policy* Oxford: Blackwell.

Cahill, M. (1995) Robertson. In George, V. and Page, R. (Eds) *Modern Thinkers on Welfare* Hemel Hempstead: Prentice Hall/Harvester Wheatsheaf.

Caldwell, C. (1999) 'Why Do People Join Local Currency Trading Schemes?', Occasional Paper no. 1, Dept. of Applied Social Studies, University of Luton.

Castells, M. (1997) *The Power of Identity: The information Age: Economy, Society and Culture, Volume II* Oxford: Blackwell.

Dryzek, J. (1997) *The Politics of the Earth* Oxford: Oxford University Press.

Ferris, J. (1991) Green Politics and the Future of Welfare. In Manning, N. (Ed) *Social Policy Review* Essex: Longman pp.**

Fitzpatrick, T. (1998a) The Implications of Ecological Thought for Social Welfare. *Critical Social Policy*.18: 5-26.

Fitzpatrick, T. (1998b) New Welfare Associations. In Jordan, T.& Lent, A. (Eds) *Storming the Millennium*. London: Lawrence & Wishart pp.**

Giddens, A. (1990) *The Consequences of Modernity* Cambridge: Polity Press.

Giddens, A. (1991) *Modernity and Self-Identity: Self and Society in the Late Modern Age* Cambridge: Polity Press.

Jacobs, M. (1990) *Sustainable Development: Greening the Economy* Fabian Tract London: Fabian Society. 538: 1-27.

Lang, P. (1994) *LETS Work: Rebuilding The Local Community* Bristol: Grover.

LETSLINK UK (1998) *LETS Regenerate Communities*, LETSLINK UK, Portsmouth.

Lietaer, B. (1998) *Community Currencies: A Tool for the 21st Century*

<http://www.transaction.net/money/cc/cc01.html>

Machiba, T. (1998) 'Do Community-Based Civil Actions Work Towards Sustainable Consumption?' Unpublished MPhil Thesis, University of Sussex.

Martell, L. (1994) *Ecology and Society* Cambridge: Polity Press.

North Hertfordshire District Council (1998) *Economic Development Strategy 1998-2001 Consultation Draft*.

Offe, C. (1992) A non-productionist design for social policies. In Van Parijs, P. (Ed.), *Arguing for Basic Income* London: Verso.

Williams, C. C. (1996a) *Local Exchange and trading Systems (LETS) in the United Kingdom: Tool for Community Economic Development?* Centre for Urban and Environmental Management (CUDEM), Leeds Metropolitan University.

Williams, C. C. (1996b) The New Barter Economy: An Appraisal of Local Exchange and Trading Schemes (LETS) *Journal of Public Policy*. 16: 85-101.

Caron Caldwell *Why Do People Join Local Exchange Trading Systems?*

[International Journal of Community Currency Research](#)

2000: Volume 4

ISSN 1325-9547