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COMPASSIONATE ECONOMICS: LOCAL EMPLOYMENT TRADING SYSTEMS (LETS) TOWARDS ALTERNATIVE ECONOMIC RELATIONSHIPS

by

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A thesis submitted in conformity with the requirements for the degree of Masters of Arts
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ABSTRACT

This study explores in what ways one particular local currency, Local Employment Trading Systems, (LETS) restructures impersonal economic relationships found in our present global monetary economy by reconnecting social and economic obligations.

This is accomplished in several ways. First I contrast the structural aspects of earlier and modern forms of currency. I then compare the impact of forms of exchange on social life and culture in Subsistence and Capitalist economies. Next I assess how local currencies support the informal household economy's emphasis on human relations based on care, trust, and personal understanding of one another. Additionally I examine the distinctive structural features of the LETS' local currency and its role in creating alternative economic relationships. Lastly I describe and analyse how integrated social and economic relations actually play out in women's experience in LETS Toronto in order to understand the central role and nature of community-building outcomes in LETS.
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This thesis is written in memory of my father, James Eugene Donovan and his brother, Thomas Stanley Donovan.
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INTRODUCTION

My husband and stepdaughter and I live in a rental apartment near the downtown core of an urban metropolis. For the most part, we do not know our neighbours and our family members are spread out across the country, separated from us by as much as 1000 miles. With few exceptions, we rely on money to purchase most of the goods and services we use. Almost everything we consume is produced by distant multinational corporations (food, clothing, automobile fuel) or produced or controlled by centralized government bureaucracies (energy, education, health care). How or where these goods are produced is not readily apparent to the consumer. The workers employed to produce such goods, and their living and working conditions, are almost entirely unknown to us.

We know it has not always been this way. I only have to look at the experience of my grandparents in the Maritimes just one generation ago to see how production was not always completely removed from the household or community. They sewed clothing, grew food, slaughtered pigs and cows for meat and cut wood for heat. Their own music and conversation served as the main staples for entertainment and babies were born at home with the assistance of mid-wives. Although they required money to purchase needed goods and services, a far greater proportion of their needs were met through mutual-aid between neighbors and kin than is the case in our lives now. While some of
these self-sufficient ways were still present during my childhood in the Maritimes, the number of people who participate in such subsistence forms of livelihood has steadily declined in the last 30 years.

In earlier societies much of what was consumed was produced either in households or in local communities, and as a result economic and social connections were woven together in complex ways. Two hundred years ago, relationships between manufacturers and consumers were relatively simple. The manufacturer (craftsperson) generally sold (or bartered) the product to the consumer. For example, the weaver produced blankets and sold them to the buyer face-to-face. This personal exchange allowed the craftsperson to have a personal, direct relationship with the buyer, and to learn a lot about the buyer's personal requirements. Equally important, often the consumer was also a producer within the household and/or the local community. Almost everyone in the community contributed to providing for community needs unlike the case today. As a result production methods were highly visible. These production patterns created economic relationships based on social and personal knowledge. These integrated social and economic relationships provided the basis for trust, common values and mutual-aid, leading to the growth of unique local cultures. This is still true in parts of the pre- or semi-industrialized world where much of production is for direct household or community consumption.

It is important to acknowledge that both in the Maritimes and in the pre- and semi-industrialized world, this subsistence way of life was often difficult, vulnerable to the
whims of nature. No one would deny the convenience and range of choices provided by modern global markets for those with sufficient money. However, it is my belief that for individuals, communities or regions to totally abandon this traditional way of life’s production for use, means that we are unwittingly making ourselves poorer, socially and economically.

Modern money within a globalized-market economy has created great disparities between people, communities and nations. As we become increasingly dependent upon money and not on each other, we are eroding the wealth of communities. A healthy economy is one where a dollar is spent six to eight times before it leaves the community (Nozick, 1992). Communities dependent upon global capital-markets find that their dollars bounce out of their communities almost immediately. Wealth is less likely to circulate in communities for long because money always goes where it will find its greatest increase (Dobson, 1993, p.38).

Intertwined in the global monetary economy’s power to undermine local community wealth is its role in facilitating social fragmentation and inequity. Advanced capitalist relations fueled by modern money have led to concentrated ownership of wealth. The gap between the world’s rich and poor, both within and between countries, is growing. In 1992, according to United Nations Development Programme (UNDP) reports, 20% of those who live in the world’s wealthiest countries receive 82.7% of the world’s income, while only 1.4% of the world’s income goes to the 20% living in the world’s poorest countries. When UNDP estimated the global distribution based on individual incomes
rather than on national averages, the average income of the top 20% was 150 times that of the lowest 20%. ¹

This monopolization of wealth has also facilitated the creation of large capital-intensive enterprises that require ‘middle men’ to carry out complex production processes. As a result, producers and consumers are rarely located within a single community. This has contributed to anonymous economic relationships, increasingly defined entirely by the market, further separating social considerations from financial ones.

Additionally, more and more activities once produced in the household, are now sold as commodities in the global-market place for the purpose of profit, i.e. motivational cassette tapes and therapy commodified versions of emotional support once supplied within a family or community. This ever increasing process of commodification of our social relations in our households and communities means non-monetary caring relationships run the risk of being transformed into mere commodity relations shaped by impersonal and naked economic relations.

These changes, combined with the dominant ideology that glorifies the individual within a self-regulatory market, erode the social relationships that support community life, contributing to the breakdown of communities. Filipino economist, Sixto Roxas, argues that the main problem with conventional economics is that it focuses its analysis on the interests of the individual and the firm rather than those of family and the community.

According to Roxas, people are reduced to flesh and blood machines that earn wages and generate profits, but whose non-economic existence is not recognized. "What is left behind is a gigantic mess of virtually unsolvable problem's: health, education, environmental preservation, care for the poor and the handicapped", (Roxas, 1994).

Swift notes that in the US and the UK, where conservative governments have promoted individualism, there is increasing social inequality and poverty. He claims that the norms of reciprocal conduct are usurped by an individualist stance promoted by an all-pervasive capitalist market (1993, p. 319). He states that this individualism fuels a strong antisocial force evidenced by crime and the 'diseases of civilization, such as depression, suicide and alcoholism" (1993, p.308).

Our growing dependence on the global monetary economy as opposed to local economies leaves us unprotected as individuals/households and local communities/regions from the global-financial-roller-coaster-ride that could soon be headed for a crash. The difference is that we in the individuated modern world are even more at risk than those previous generations, as we are less likely to have the means, the knowledge and the solidarity with others to sustain ourselves locally if it becomes necessary. And if the series of financial crises such as the 'Asian melt-down' (Dillon, 1997), are any indication of what is to come for other parts of the world, we abandon a local economy, in favor of a solely global economy, at our own peril.
It is my belief that the global capitalist economy and the processes of capital accumulation undermine the material bases of community life and create alienated social and economic relations. The global capitalist economy’s medium of exchange ensures that money flows out of communities and up the hierarchical pyramid to be accumulated by a relatively small but powerful group of people who wish to move their capital unimpeded globally, for the purpose of extraction of value through profit rather than the production of use of value. This in turn adversely affects communities in three fundamental ways: scarcity of money to meet community needs, complex production processes that depersonalize production and consumption and commodity social relations. The question becomes then, are there complementary alternatives to the present global monetary economy that would enhance the local economy? Are there ways to resuscitate and incorporate positive characteristics of previous integrated economic systems? How can we create an alternative local economy that connects social and economic obligations?

Part of the answer, I would suggest, lies in the patterns of integrated forms of reciprocity, redistribution and gift-exchange found in communities in pre- or semi-industrialized societies that relied less on money and more on people fulfilling their social obligations to one another based on kin or neighbourhood relationships (Polanyi, 1968, p. 119). When money was used in these pre-capitalist societies it simply cancelled debts that were embedded in these social obligations. An example of how reciprocity operates within a contemporary setting might be useful. In Toronto, within the transplanted Maritime community of my birth, people’s lives are connected by intertwined social and economic
obligations. Patterns of reciprocity are complex, sometimes mysterious and indirect, fueled not by money but by trust, care, common values, shared history and mutual need. Such non-monetary reciprocity has its roots in a province where there is high unemployment and scarce cash. We learned that to make ends meet we needed to cooperate and share what we had within our communities. Compared to more industrialized urban settings we met more of our needs through barter or mutual-aid. “You do a favor for me, I do a favor for you”, was rarely ever spoken but always understood. Yet such models of reciprocity have limitations in a large urban metropolis where there is less social stability as people are more mobile, are not connected by shared history and are likely to lead more individuated lives. How do we recreate and nurture such reciprocal forms in our urban environment?

One tool that is designed to resurrect desirable aspects of earlier subsistence economies yet accommodates modern lives, is the Local Employment Trading System, or LETS. LETS is a local association whose members make offers of, and requests for, goods and services and then exchange them priced in local currency. It is a closed system based on a local or regional boundary that uses a currency that does not leave the community. This local currency helps to put local resources in local hands. Therefore it keeps the ownership and control of both production and consumption in the community by creating local circuits for production, distribution and exchange. By creating local markets for the necessities of life, LETS supports the rediscovery of the skills necessary for people to sustain themselves. It reinforces personal relationships on a community level, rather than relying solely on global markets for the necessities of life. And because the currency is
created at the time of exchange, the medium of exchange is never scarce. In short this currency supplies, a “skin” to the economy (Milani), closing production/consumption loops, optimizing self-reliance and recirculating the ever-abundant medium of exchange.

For the past several years I have been a member of a LETS. This means I exchange goods and services with other members, using a local currency called “green dollars” that is created at the time of exchange. While I joined LETS in order to combat the financial stresses of leaving my full time job and returning to university, I found something more than financial relief. I also found an increased sense of social and economic security. LETS began to make more visible the existing skills, talents and abilities of people in and around my neighbourhood that could be exchanged. It also provided a structure within which personal relationships were created leading to greater opportunities for accountability and acts of community generosity to occur between members as well as encouraging a more holistic knowledge of each other.

In this system of local exchange, members are more likely to have to deal with each other repeatedly than within the large-scale monetary economy because LETS green dollars can only be spent locally. This repeated contact gives members an opportunity to get to know one another in a more holistic way and thereby provides the means to determine who they can trust or depend on. As one LETS Toronto member put it, LETS is like the loom where individual economic threads are woven together to form a strong community fabric. Through my own experience, I have witnessed how the LETS local circuits of production and consumption begins to create new relations that help people meet their
material needs through the strengthening of their social connections. In this thesis I will study how the community building aspects of LETS are absolutely essential in constructing an alternative to the existing global economy through a systematic examination of the experience of eight women members of the Toronto LETS.

In chapter one I will offer a contrast between the structural aspects of earlier and modern forms of currency. In chapter two I examine the transformation of our economy from earlier subsistence economies to the capitalist controlled industrial economy in order to ascertain their respective impact on social life and culture. In chapter three I will explore alternative economies such as the informal household economy and local currencies in order to assess how their shared emphasis on “production for use” creates human relations based on care, trust, and personal understanding of one another. Additionally I will examine LETS Toronto, how LETS works and its distinctive structural features that support the informal economy. In chapter four I describe and analyse how integrated social and economic relations actually play out in women’s experience in LETS in order to understand the central role of social outcomes in LETS.
CHAPTER ONE

MONEY

Meaning of Money: Early Versus Modern Uses

In present global capitalist economies money and its accumulation and distribution are based on extracted value. Its purpose is to generate surplus value or profit that can be easily moved around the world. The social relations of production within global economies have become increasingly disparate and fragmented. Before we can understand how modern money and the process of capitalist accumulation distort social relations, it is necessary to examine the social context and initial functions of money within subsistence economies.

Modern money is problematic for two reasons. One, modern money is disassociated from personal social relations within production and consumption and two, modern money has moved beyond its original function, which was simply the cancellation of debt for special purpose, to represent general purchasing power.

Traditional forms of money were a social phenomenon, one in which religious, legal, moral and economic institutions appeared simultaneously, involving the discharging of multiple obligations. For example, the marriage gifts among the Tikopia, a Polynesian tribe, involved nine major transfers of goods between the kin of the groom and those of the bride, with more than that number of subsidiary transfers between other kin (Firth,
1939). After marriages such as this, everyone was connected to everyone else in one way or another. And after a half a dozen marriages and as many initiation ceremonies and funerals (whose exchanges were even more complicated than those of marriage), these exchanges created social relations that produced “ongoing and generalized indebtedness, gratitude, expectation, memory, sentiment – in short lively social feeling.” (Hyde, 1983, p. 84)

Unlike modern money, different kinds of money within subsistence economies were used for special purposes. Early money was not multipurposed, but was rather used specifically for single purposes in order to cancel debts (that were of a non-economic nature) between individuals and communities. Different kinds of objects were employed in the different money uses; moreover, the uses were instituted independently of one another. For example, in Hammurabi’s Babylonia barley was the means of payment; silver was the universal standard; in exchange, of which there was very little, both were used along with oil, wool and some other staples (Polanyi, 1968, p. 168).

Polanyi in his collection of essays, Primitive, Archaic and Modern Economies provides one of the most useful frameworks to understand money and its several functions (1968). He offers four categories of money use or what he also refers to as accounting and payment practices. Money is defined here as quantifiable objects used to fulfill special functions. The first is payment. Payment is the discharge of social (religious, political or kinship) obligations through the handing-over of quantifiable objects. There is no

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1 Polanyi, K, “The Economy as Instituted Process”, in Primitive, Archaic and Modern Economies
exchange; money (quantifiable object) is used to pay a debt. The obligations here do not commonly spring from economic transactions and usually are used to discharge more than one obligation (1968, p.167). Payments are regularly made in connection with the institutions of marriage, family or community, as in the above example in Polynesian society where multiple payments are made between the kin of the groom and those of the bride.

The second category that Polanyi describes is *Standard of Value and Unit of Account*. This is the equating of amounts of different goods either for the purposes of barter or in any other situation involving the need to keep a record of transactions. The use of money to determine a standard helps to measure or account for the value of quantifiable objects. This process involves attaching numerical values to the various objects so that their summations may be eventually equated. The earliest temple economies of Mesopotamia as well as the early Assyrian traders practiced the clearing of accounts units using written symbols or verbalizations (1968, p. 168). Some peoples of the Congo employed "simply as a token" straw mats or grass cloth originally of square shape, but eventually reduced to tangle of hay, "practically of no value at all." (1968, p. 176) ²

The third category is the *Store of Wealth/Value*. This is the hoarding of quantifiable objects for future disposal. In this instance persons prefer not to consume or otherwise dispose of quantifiable objects, but to defer their use for the future. Within the context of primitive society, hoarding or storing wealth had its origins largely in the need for

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payments. This involved the storage of goods at the centre so that they may be passed out to be consumed. For example in stratified societies like those of Micronesia and Polynasia, the high chief as representative of the first clan, received staples and treasure for later redistribution in the form of generosity among the population (1968, p. 200).  

And last is the *Means of exchange*. This is the use of quantifiable objects for indirect exchange. People seek the possession of some objects in the desire for other objects. People accomplish this through acquiring units of quantifiable objects (tobacco, grain, gold) through direct exchange in order to acquire other objects through another act of exchange. Once exchange-money is present it readily lends itself as a store of wealth. For example, in early societies this use of money was primarily used for external trade. Foods, salt and iron were favoured articles for indirect trade. The internal use of money as a means of exchange was greatly restricted.

The meaning of money, however, is significantly different in modern societies. In primitive society it was more difficult to disentangle the economy from the general tissues of society. The modes of measuring and canceling out of debts were not solely of an economic nature, but were rather related to social obligations of kin or neighbours. In a modern market-exchange system the canceling out of debt is instead immediate and can create “an effective separation from concern for other people’s survival.” (McBurney, 1990, p.74; Sahlins, 1972)

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3 Ibid
The intellectual roots of our modern market-driven economic structure can be traced back to Adam Smith's, *The Wealth of Nations*, (1937, [c1776]). Smith proposed a "self-regulating" market paradigm, which argued that our economic relations should allow the market mechanisms to be the sole determinant of the fate of human beings and their natural environment (Dobson, 1993, p.5). Smith viewed market-exchange relationships as independent of social obligations, operating on the basis of self-interest. He believed that unfettered pursuit of private wealth would result in unlimited public good. He assumed that market-exchange relations would produce social forms of behaviour that prevented conflict because of people's interdependency. These assumptions perhaps would have some merit if the workings of such a market exchange economy were solely made up of small buyers and sellers (as Smith presumed). Family farms and businesses were the mainstay of the economy, much in the spirit of Adam Smith's ideal. For example, in 1776, 96 percent of Americans farmed. In 1940 the number of Americans who farmed dropped to 30 percent of the total population. By 1994, it dropped to less than 3 percent (Critchfield, 1994, p. 4).

Today, market-driven economic relations have become an unbridled force shaping society, giving birth to massive and impersonal corporate monopolies that are structurally impervious to local social considerations. Polanyi suggests that the separation of integrated economic and social relations occurred when money changed from being

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It is important to note that Smith's ideal was a market made up solely of small buyers and sellers. Smith was strongly opposed to any kind of monopoly power. He repeatedly condemned corporations or governments for suppressing the competitive forces of the market (Reference; Adam Smith, *An Inquiry into the Nature and Causes of the Wealth of Nations* (1776: New York: Modern Library, 1937, p. 123). Ironically Smith's ideas for an unregulated market exchange system have been co-opted by corporate libertarians to rationalize unrestrained corporate greed.
special purpose to all-purpose money. In non-modern societies, the different forms of money use, as described earlier, are characterized by a separation of functions. Each "accounting or payment practice" fulfilled a special purpose or function. By contrast, modern money is characterized by the fusion of functions and fulfils multi-purposes. Multi-purpose money restructured relationships between people's social and economic lives. The impact of money used as both a store of value and means of exchange has steadily undermined local economies and thus eroded community life.

The Problem With Modern Money

Money as a means of exchange is not necessarily a bad thing. Simmel considered modern money to have numerous advantages (1990[1900]). While the money economy may produce a fragmented, impersonal and disconnected culture, it is also a culture of unprecedented individual freedom and choice. This is so because money translates the real, concrete value of goods and services into a universally interchangeable symbol of value. Money in this context, is a tool to help us facilitate the conversion and measurement of the sharing or transferring of goods and services. The problem emerges, however, when money becomes an end of economic exchange and not simply a medium of exchange. As money changed from a symbol of value to being accepted as value itself, "it eventually took on the characteristics of the commodities that it first exemplified" (Dobson, 1993, p.20) leading to the storage of value. The storage of value function allows money to be hoarded by the few at the expense of the many, contributing to national and international competition for scarce money (Linton, 1987).
As multipurpose money assisted in the separation of value from its original source and in the accumulation of value by a few, those who have more than they need amass considerable social, economic and political power and therefore can attract more money to themselves by their control (Milani, 1996, p. 30). Solomon (1996) observes that central banks collect funds from all regions in the country, and then lend these funds to investors, resulting in the over development of certain regions or communities in order to maximize their financial returns. As a result, the out migration of money deprives economically stressed communities and countries of their buying power. Thus local communities increasingly lose political control over their ability to sustain themselves.

For the past 80 years, this flawed characteristic of multi-purpose money, supported by new technologies, exacerbates the structural destructiveness of the capital accumulation process on a global scale. For example, it has steadily encouraged money market speculations that result in currency fluctuations that make local economies vulnerable. The growing “financialisation” of the economy, free trade in money, encourages money-farming (‘growing’ money from money) on a more global scale where the goal is short-term rather than long-term investment (Korten, 1995, p. 188). It is estimated that only 5% of foreign exchange transactions relate to physical trade, the remainder being trade in money (Robertson, 1989). In addition, national currencies are mobile, and are easily exported from local economies by banks and corporations with outside interests. Consequently much of the value generated from the local exchange of goods and services ultimately leaves the site where it first originated.
Much has been written about the negative economic effects of externally controlled investment in local economies (Robertson, 1985; Gunn and Gunn, 1993; Solomon, 1996). It is claimed that there are only small and temporary benefits as internationalised capital will always move on to find cheaper labour resources. In particular, within transnational corporations, when profits are repatriated out of the host economy, local enterprises suffer, only limited links are made with the surrounding economy, and therefore wages are the main source of economic benefit to the host economy (Seyfang, 1994). For example, Christopher and Hazel Gunn (1993) conducted a case study comparing an international fast-food franchise and a locally owned and operated restaurant. They asked how much surplus value (profits) left the community in each case. Their findings indicated that 75% of the profits from the fast-food franchise left the community, while virtually all of the profits from the locally owned business stayed in the community.

Multi-purpose money has not only facilitated the external control of value generated in local economies, but has also allowed for the increasing commodification of our ordinary, daily, social relationships. This trend has tremendous implications for community and economic life, as more and more aspects of our lives are converted for sale for the purposes of profit-seeking. This means that within a global monopolistic economy, as value from these activities is continually siphoned out of households and communities, we not only lose value created, we become strangers. When there are fewer economic threads that directly connect us locally, then people’s exchanges within the market are reduced to more ‘naked’ economic relations, shaped solely by profit-seeking motivation. This moves us further away from more integrated economic relations where social
obligations or considerations are factors in the exchange relationship. The structure of our economy becomes built on symbols used for measurement rather than what people do for each other.
Prior to capitalism, community and economic life were inextricably linked. The means by which people provided for their material satisfaction were primarily through clan or neighbourhood relationships. Capitalism, however, created a breach between community and economic life that continues to widen to this day (Polanyi, 1957). While many complex forces contributed to this separation, the focus of this chapter is to explore the way modern money upset these once locally integrated relationships. Specifically, I will examine several structural elements that are of particular significance to this thesis: alienation between consumer and producer, disconnection between the social and economic value of goods and services produced, and the commodification of social activities and relationships.

To trace the origins of this present-day split between our social and economic lives, I will begin by examining the historical characteristics of subsistence and then later capitalist societies to determine how modern money altered the relationship between our economic and social lives. Following a similar conceptual format, I will demonstrate why the strength of LETS is its community building aspects.
Subsistence Economies

Prior to the 15th Century in Europe, most of the population of working age was engaged in agriculture, forestry, fishing or some other form of primary production. Production networks were small, composed of independent agriculturists or trades people. Most farming was done in open fields, with families holding the rights to small and scattered strips of land. Even those without such rights were able to provide for themselves from the common lands, which provided grazing for animals, small game to eat, and wood for fires. (Korten, 1995, pp. 45–48).

This was also true for Euro-settlers in Canada prior to 1840, where the majority of the populace was engaged in agrarian pursuits; the family farm was the unit of production upon which a sizeable proportion of inhabitants depended for their livelihood. The centre of economic activity was the small rural village, which was a virtually self-contained economic unit (Rinehart, 1975). Many household essentials were produced within the home. Farm families made their own soap, candles, and sugar, wove clothing on handlooms, and produced their own ploughs and harrows (Spelt, 1955; Ryerson, 1973).

The rural economy also had gristmills, breweries and distilleries, and small village workshops where artisans set their talents to manufacture needed goods. These enterprises were small, usually employing less than five people, and they catered to individuals within a limited geographic area. Most production was in response to personal orders from local inhabitants.
Medium of Transferring Resources

During this period, “people worked, played and lived together” (Lower, 1958, p. 261). Their economic and social lives were inextricably linked in the fusion of work, sociability, and play, characteristic of the activities of many pre-industrial farm families. One prevalent pattern of labour was the ‘bee’, a gathering of neighbours who collectively assisted with necessary chores. Bees were occasions for entertainment and sociability as well as plain hard work. As Guillet describing ‘bees’ in Upper Canada says: “Besides large quantities of food and drink, it was customary to provide a dance or a ‘hoe-down’ as the main amusement, while those who chose not to dance engaged in sports, games and conversation” (Guillet 1964, p. 120). This tradition of cooperation also shaped other tasks around which bees were formed. There were bees for quilting; home, mill and barn building; ploughing; hay cutting; fence making; paring; butchering; preserving and linen spinning.

Similar community-based sharing was also prominent in earlier non-industrial societies. Anthropologists such as Malinowski (1921) observed that “primitive” societies had communitarian exchange relations. These were characterised by compensatory flows of resources from rich to poor, facilitated by elaborate customary rules of economic and social behavior which “...enmeshes the whole community into a network of reciprocal obligations and dues, one constant flow of gift and counter-gift” (p.8). These redistributive systems of ‘generalised reciprocity’ applied to people with close social
relationships and can be described as the ‘equality of unequals’, whereby all members of
the community had an equal chance of survival.

Malinowski also observed how gift-exchanges, universal among tribal people, often have
a social use that far exceeds their practical use (Hyde, 1983, p. 13). For example Kula,
the ceremonial gift exchange of Massim peoples who occupy the South Sea Islands near
the eastern tip of New Guinea, consisted of the exchange of armshells and necklaces.
Both armshells and necklaces moved continually around a wide ring of islands in the
Massim archipelago, passing from household to household. The presence of one of these
gifts in a person’s house enabled him “to draw a great deal of renown, to exhibit the
article, to tell how he obtained it, and to plan to whom he is going to give it. And all this
forms one of the favorite subjects of tribal conversation and gossip…” (Malinowski,
1922, pp. 81-97). As a rule it took between two and ten years for each article in the Kula
to make a full round of the islands.

Referring back to Commons’ (1992 [1934]) and Maucourant’s (1996) shared definition
of currency, the means of transferring resources in subsistence economies involved
money as an institution that set rules for the creation and cancellation of debts. “The
institution that sets the rules for exchange [was] the community whose members relied on
each other for their survival”. In short, the subsistence economies’ medium of
transferring resources was enmeshed in a group’s ability to provide for their material
needs.
Purpose of Transferring Resources

Prior to capitalism, production in most parts of the world was production for use. Goods were produced to be used, not sold. Priorities of work and life were not ordered strictly in terms of economic criteria. Use-value, not exchange value, was the goal and result of pre-industrial production. Prices, profits and wages were not the sole or decisive determinants of productive activity. Producing to sell for profit was typically regarded as immoral, a perverse way of life inspired by greed, pride, gluttony and vanity (Polanyi, 1957). The structure of the pre-capitalist economy dictated a rather casual adherence to the maximization of commercial gains. Activities were carried out with an eye to producing necessities. Local markets, lack of agricultural surpluses, domestic production, a barter system, and workshop and artisan production geared to personal orders, all combined to form a matrix which provided the basis for a subsistence economy (Rinehart, 1975, p. 28).

Implications for Social Life and Culture

Referring to this earlier way of life as 'subsistence peasant culture', Douthwaite (1996) asserts that the subsistence economy gave birth to unique local cultures and was the source of all religions. University of Chicago anthropologist, Robert Redfield described subsistence culture as possessing, "an intense attachment to native soil; a reverent disposition toward habitat and ancestral ways; a restraint on individual self-seeking in favor of family and community (Redfield, 1956, p.78).
Village life, the soil from which this peasant culture sprung, produced social relationships that encouraged stability, face-to-face recognition, shared values and moral accountability (Critchfield, 1994, p. 440).

It is, however, important to not idealize the subsistence economies, as they had many shortcomings. Positive social relations not only upheld early pre-industrial society norms of generalized reciprocity, but also more negative ones - ridicule, negative gossip, public shaming and various degrees of ostracism - enforced the norms of sharing and cooperation (Draper, 1993). Studies conducted in the Kallahari describe the sand people’s practices of ridicule and humour as a means of maintaining social control to enforce the role of sharing (Draper, 1994).

Jane Jacobs (1997) in her essay, The Economy of Regions, gives a less than idyllic portrayal of the subsistence economy in rural France early in the sixteenth century. She describes life in such societies as not only hard but also boring and mean. In her account of life in a little hamlet in France, Jacobs reveals, “...tradition has it that people in Bardou were accustomed to stealing one another’s garden produce by shifting boundary markers in the night, then interminably squabbling and feuding over the thefts. Such were the excitements for about three and a half centuries.” (1997, pp. 107–108)

Although the resources of subsistence communities supported their populations in the past, that support was at very low levels indeed – levels that would be completely unacceptable by Western European and North American standards today. Life was
difficult and mortality high. People had few possessions and lived simply. Local resources were stretched to the extent that failure in any one of them could result in real hardship (Douthwaite, 1996, p. 7). While remembering these hardships helps remind us not to make the error of romanticizing people in early subsistence economies, it should not deter us from critically examining the more positive social relationships that emerged in these economies.

The purpose of highlighting aspects of the subsistence economy is to acknowledge and understand that the underlying cooperation and sharing behaviours had a material basis within a clan or neighbourhood. Their economic survival locally was dependent upon social cooperation (Draper, 1993, pp. 45 – 46), an integrated economic pattern that has become much less prevalent in our more modern global relations.

Despite the limitations of earlier peasant subsistence societies, they show us several features that are central to integrating social and economic lives. Individuals produced for the purpose of use for their households or communities. In this way people were both consumers and producers, as households and as communities located in small geographical areas. Through small-scale local production, these subsistence economies were rooted in familiar and personal relationships which gave rise to social patterns that in turn shaped unique local cultures. Successful subsistence communities sustained themselves through cooperative means. These local cultures developed sophisticated traditions regarding reciprocity and redistribution that were imbedded in the complex social relationships within a local community.
Capitalist Controlled Industrial Economy

The transition from a subsistence economy to a capitalist one in England dramatically changed the social relations of production. By the 18th Century a mercantile class was emerging that was made up of people who had consolidated larger properties through exchange, rental, marriages, inheritance, purchase and land enclosure. Members of this class began small cottage industries that were the precursors of factories. The production of goods and services increasingly moved from small, decentralized modes of production to larger, centralized ones (Rinehart, 1975, p. 52).

Enclosure Acts were introduced throughout the latter part of the 18th Century by larger landed interests (prosperous farmer-producers). These pieces of legislation essentially further facilitated production for the market and profit. As enclosures progressed, the poor were increasingly deprived of access to land that they had once earned a living from. With no source of livelihood, they were forced to work as labourers for the larger farmers. The resulting surge in the labour pool depressed wages and increased profits for larger landowners. By the 1800's introduction of land taxes forced many smaller farmers to sell what bits of land they held, resulting in a major consolidation of land holding and a continuing flow of people from the countryside to the city. These displaced people supplied the labour for factories in an emerging industrial revolution (Korten, 1995, pp. 46-48).
The people involved in a subsistence way of life did not leave because their way of life was inferior to that of the city. They left because the process of industrialization had obliterated their means of livelihood. Over time, small landholders were displaced by systems of agriculture that used industrial inputs like fertilizer, chemical pesticides and tractors to enable food to be produced at progressively lower prices. Eventually, they were left with too little income to sell or buy even the limited range of goods and services they needed from the outside. Additionally, when people were expected to pay taxes, they required money to pay for this. Taxes, therefore played a major role in forcing people to engage in activities that generated money to pay for their taxes.

Those affected had no option but to give up their largely independent way of life and become almost totally reliant on the industrial system for their needs. External circumstances compelled them to give up making, catching and growing almost everything they needed and instead rely on wages earned from an employer in order to purchase their necessities (Douthwaite, 1996, p. 10).

Medium of Transferring Resources

The spread of modern monetary relationships within the context of impersonal consumption and production relationships helped to further disintegrate the social fabric. Traditional economic relationships were always closely linked to overall community bonds, and involved forms of reciprocity and redistribution of resources for the common good. Hugh Brody writes in his book on Irish rural life, *Inishkillane*, that some form of mutual aid “composed of claims and counter-claims between farm households has
prevailed in virtually every society where small farming has been the basic activity." He quotes Isabel Emmett's study of a Welsh village: "To farm this district, a man [sic] must either have the constant daily co-operation of his fellows, or he must have very large sums of money behind him." 5 However, as subsistence farming gave way to more specialized production for sale to exporters, it became possible to save cash for a rainy day rather than storing up favours with one's neighbors. Economic relationships embedded in personal relationships, as well as a commitment to the common good, gave way to economic relations based on individual cash for service.

When the production and consumption processes occurred locally, community reciprocity helped people in villages to give and take in complementary ways. Their exchanges didn't need to be one-on-one, and the "give" and the "take" could be separated in time. But this was only possible because people knew each other and could trust in the group (Milani, 1996). In Ireland, Brody says, there is little evidence that the households involved in a mutual-aid relationship ever bothered to keep an account of each other's obligations. "It seems that the details were vague and the fact of the relationship more important than the memory of particular exchanges that occurred within it. What households knew was the neighbours they could look to for help, and to whom they would not refuse to give help if asked themselves." He likens the relationship to that of savers in a bank. "The giver, by giving, guaranteed that he would be the receiver in the future. In that way, the giving of surplus to friends and neighbours is not very far from the giving of surplus to the cashier in a bank. The quality of integrated society, like the

5 Cited in Douthwaite, 1996, pp. 62 - 63
legal rules of banking, guaranteed that the gift would not be forgotten and a future claim ignored.”

By contrast, with the rise of capitalism, the capitalist economy's modern money facilitated the immediate anonymous "creation and cancellation of debts" (Maucourant, 1996), and simultaneously created "an effective separation from concern for other people's survival" (McBurney, 1990, p.74; Sahlins, 1972). Modern money helped to create more impersonal relationships with fewer obligations, paving the way for a less integrated and complex society of strangers. Georg Simmel observed that as modern money pervaded every aspect of life, it objectified relationships (1990, [1900]).

Purpose of Transferring Resources

During the ascent of capitalism the purpose of almost all production outside the home became oriented to monetary gain or what Marx refers to as the "never-ending process of profit making", rather than production of necessities for use (1967, [1933], p. 138). Sale has become the necessary prerequisite for use and the expansion of value as its primary objective.

This conversion of ordinary activities to sources of profit reflects the increasing trend toward the commodification of our social relations in our households and communities. The trend has major implications for the texture of our social lives, when surplus value

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6 Ibid, p. 62 - 63
takes precedent over other more moral values that underlie many of our non-monetary caring activities in our society.

This new emphasis on gain rather than use, coupled with the versatility of money, meant profits left the communities in which they were generated to gain the highest rate of return for owners or investors. This opened the way for the increasing concentration of wealth. This wealth, or capital, formed the foundation on which large-scale enterprises could continually expand at the expense of local communities. By the mid 1800s, governments and big business, through central banking institutions, took actions to control economic activity by restricting the supply of money, resulting in recession and poverty (Dobson, 1993). Powerful interests continue to manipulate money to maintain scarcity and ensure unequal industrial relationships. (Milani, 1996).

Over the ensuing decades, unrestrained, laissez-faire capitalism created massive dislocation and hardship. Governments of industrial-based economies in wealthier parts of the world developed institutions, laws and programs that attempted to address the social needs and labour rights of their citizens. In Canada, the rise of the Welfare State after the Second World War and its ensuing social institutions represent such developments. These social institutions developed largely in response to popular movements that struggled for justice and for society to take responsibility for the survival of others. In effect, they struggled for laws and services that would counter industrialism's excesses, and therefore compensate for the disappearance of social considerations in this newer mode of economic relations. While government intervention
in the market-place tried to address social needs (or suppress unrest, perhaps), the structure that was created to meet those needs reflected many of the impersonal characteristics of the industrial economy. 7

*Implications for Social Life and Culture*

According to Critchfield (1994), an American journalist who has reported on life in villages around the world for the past quarter century, the demise of the peasant economy has had huge social implications for the integrated society. Peasant values, such as a commitment and reverence to ancestral ways, the environment, family and community, are quickly being pushed into extinction. The industrial system has no respect for the environment or tradition, and regards land as a mere factor of production. Its predominate belief is that the market should determine the search for profit, not the community. Industrialism's supporters also believe that family should not stand in the way of an individual’s career and that people should move to where the jobs are regardless of their community ties.

Critchfield sees peasant culture as humankind’s’ greatest achievement and is concerned that industrial culture may not evolve to provide a satisfactory replacement. This is because the codes of conduct and attitudes that have helped peasant cultures to survive throughout the century are the direct opposite of those fostered by the industrial system (Douthwaite, 1996, p.11). He maintains that since peasant culture is the source of the

7 It is important to note that this social infrastructure did not address the social needs of all members of society, in particular those with the least power and voice: women, poor people, people of colour (Pietila, 1993, p. 5).
world's major religions and concepts of morality, urban industrial society is failing to ensure that moral codes are successfully transmitted from generation to generation. It is, in fact, eroding the ethical basis on which it is built. Critchfield therefore urges us to seek “a substitute for the rural basis of our soon-to-be global urban culture” (1994, p. 427).

Progressively our industrial economic relations have led to the reduction and specialization of our social and personal lives – socially, we are reduced, by the primacy of market-place economics, from active, producing communities to aggregations of workers and consumers (Dobson, 1993, p. 5). Today, opportunities for human exchange within a working process have been virtually eliminated in the name of effectiveness in the monetary economy. For example, postal workers can no longer chat with seniors and others when delivering mail if they wish to avoid management retribution for unfulfilled quotas defined by company “time experts”. Telephone operators hang up the phone before they exchange the bare pleasantries such as a mere ‘goodbye’ in order to avoid criticism from management about “unnecessary” seconds wasted per call. Those of us living in a complex urban society have become accustomed to “being together as strangers.” (Young, 1990).

Opportunities for human exchanges are increasingly being eliminated not only in our working lives, but also within our so-called “caring” institutions. The government institutions within welfare states have created overly bureaucratic programs and laws that are impervious to community input at local levels.
Ignatieff (1984) describes the contradictions inherent in government social programs that try to address the “needs of strangers”. For example, the social work profession grew out of an advanced industrial economy’s need to have a workforce that, at best, attempted to fill the void created by naked market economic relations or, at worst, attempted to control the social fallout of such individualistic economic relations. Training in professional schools of social work accommodates the impersonalism of an advanced industrial economy’s social welfare infrastructure. While these schools ostensibly strive to increase empathic skills, there is at least equal emphasis placed on maintaining ‘professional’ distance from the ‘client’.

Other social facets of our lives, such as education of young people, have also become increasingly divorced from relationships within a locality and possess a less integrated quality. For example, when 470 one-and two-room school district schools in Prince Edward Island were consolidated into five administrative units, students were bussed from their small communities to huge schools - the loss of local schools having a detrimental impact on rural communities (Sharpe, 1989). Local schools had played an important role in bringing people together in these once largely farming communities. In addition, parents and others in the community were very involved in the school affairs. School life and neighbourhood life were highly integrated. Holidays conformed to the cycle of planting and harvesting of crops. One of the most active organizations centered in the school, the Women’s Institute, went to one school prior to its closing and removed everything they felt they owned. When the Department of Education truck arrived, only a piano and a couple of old closets remained. Interestingly, the demise of the small schools
paralleled the demise of the small farm. From 1951 to 1971 there was a 55 percent
decrease in the number of farms in production. In 1901, 69 percent of the people were
employed in farming. By 1971 it was no more than 18 percent (Sharpe, 1989, pp. 133-
134). Conversely, systems of agricultural production grew larger in scale, replacing the
small farm with monopoly owned farming and corporations such as McCain and Irving.
One could argue that the disintegration of small, integrated schools had profound
repercussions for communities and families, contributing to the erosion of their
subsistence forms of livelihood and hence cultural life. Students in centralized schools,
removed from their community life, became educated in systems that enabled them to
become “better prepared for the 21st Century” urban-industrial economy by encouraging
them to see the source of their economic livelihood beyond their communities.

Wendell Berry, the poet, novelist, university lecturer and Kentucky tobacco farmer, in his
essay, “The Work of Local Culture”, states that ‘if there is no household or community
economy, then family members and neighbours are no longer useful to each other. When
people are no longer useful to each other, then the centripetal force of family and
community fails, and people fall into dependence on exterior economies and
organizations.”

Once the labour of young adults is no longer needed locally as is increasingly the case in
a global capitalist economy, they go away, rarely to return. This in turn breaks the
succession of the generations, the old stories are no longer told and local history and
culture are lost.
The Global Capitalist Economy

As concentrated capital generates larger and larger enterprises, industrial economies have grown in scale and complexity. Corporations have emerged as the dominant governance institutions on the planet, with the largest among them stretching into virtually every country of the world and surpassing most governments in size and power. There are now 40,000 corporations in the world whose activities cross national boundaries; these firms ply overseas markets through some 250,000 foreign affiliates.\(^8\) New calculations by the Institute for Policy Studies (IPS) indicate that the top 200 of these global firms account for an alarming and growing share of the world's economic activity, most of them larger than many national economies.\(^9\) For example, of the 100 largest economies in the world, 51 are corporations; only 49 are countries. Wal-Mart, the number 12 corporation, is bigger than 161 countries, including Israel, Poland, and Greece.\(^10\) Mitsubishi is larger than the fourth most populous nation on earth: Indonesia. General Motors is bigger than Denmark. Ford is bigger than South Africa. Toyota is bigger than Norway.

In fact, the combined sales of the world's Top 200 corporations are far greater than a quarter of the world's economic activity. IPS calculations indicate that the Top 200's

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\(^10\) The number of countries in the world has been changing rapidly. At latest count, there were 191. There are 30 countries whose GDP is greater than Wal-Mart, and 161 whose GDP is smaller. (IPS, 1999)
share of global economic activity has been growing rapidly over the past decade. In 1982, the Top 200 firms had sales that were the equivalent of 24.2 percent of the world's GDP. Today, that figure has grown to 28.3 percent of world GDP.

Additionally, the top 200 corporations' combined sales are bigger than the combined economies of all countries minus the biggest 9; that is, they surpass the combined economies of 182 countries. At latest count, the world has 191 countries. If one subtracts the GDP of the big nine economies: the United States, Japan, Germany, France, Italy, the United Kingdom, Brazil, Canada, and China, the combined GDP's of the other 182 countries is $6.9 trillion. The combined sales of the Top 200 corporations are $7.1 trillion (IPS, 1999).

For the past two decades the industrial economy has transformed into a new world economic order in which corporations have grown so large that they have the ability to shift production from one country to another thus weakening the bargaining power of any given locality (Korten, 1995, p. 126).

These new transnational corporations arrange their global operations to produce products where costs are the lowest, sell them where markets are the most profitable, and shift the resulting profits to where tax rates are the least burdensome (Korten, 1995). Global corporations are not as likely to maintain relatively autonomous production and sales facilities in individual countries, establish local roots or present themselves as good corporate citizens. The trend is toward the integration of a firm's global operations
around vertically integrated supplier networks. Although transnational corporations may choose to claim local citizenship when that posture suits their purpose, local commitments are temporary (Korten, 1995, p. 125).

While advocates of this economic development strategy cite increases in jobs as an important benefit to local communities, studies show that approximately 75% of profits made by a multi-national corporation leave communities (Gunn and Gunn, 1993). The remaining value that stays in the community in the form of wages is often eroded by government subsidies to multi-national companies. In addition, many of these jobs are not permanent, as corporations are likely to relocate plants to communities that can offer even further reduced overhead costs.

As a result of this shift in the balance of power, local communities are in fierce competition with other countries or communities for global corporate crumbs. If they are successful in luring large manufacturers to set up production locally, these communities wind up absorbing the real social, environmental and other costs. Governments at all levels spend billions of dollars on recruiting, screening and training workers for new plants, offer subsidies on labour and other production costs as well as covering infrastructure costs such as roads and public utility costs (Perry, 1987, pp. 43 - 56).

These large-scale corporations are also increasingly unaccountable to nation states. Governments support various international free-trade agreements and laws that allow the owners of capital to move goods and capital freely around the world to wherever offers
the greatest return. Shifts in the balance of power between local community and global corporate interests have rendered many of the political roles of government obsolete. Companies with globalized operations routinely and effortlessly sidestep government restrictions. The Multilateral Agreement on Investment (MAI), and its more recent incarnation, bylaw changes to the IMF’s Articles of Agreement, would require member countries to commit to full capital account liberalization, which would remove all barriers to capital flows, undermining a nation’s ability to pursue independent regulatory economic policies (Singh, 1998). This deregulation of capital controls would relinquish a government’s power to control investment flows, thus leaving its citizens vulnerable to financial crises on a larger scale.

Additionally, national governments have steadily reduced corporate taxes to win business while simultaneously increasing personal income taxes. For example, in Canada, corporate tax contributions represented 25% of all federal revenue in 1955. In 1973 they were at 17%. In 1996 they accounted for only 12% of federal revenues. Personal income taxes rose from about 40% in the mid-1970’s to 45% in 1996. Since the 1970’s Unemployment Insurance premiums have gone from about 5% of the system to 14%. 11 In the United States, in 1957 corporations provided 45 percent of local property tax revenues. By 1987 their share had dropped to about 16 percent (Korten, 1995, p. 130).

New technological innovations have sped up and solidified the expansion and corporate control of the global economy. New technologies have helped corporations make not

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only localities or nations but also labour irrelevant to their operations. Advances in technology have decreased the importance of labour in the production process of the new global economy. Now only a few farm workers, miners, foresters, and fishers are needed to meet the primary production needs of the corporations. The manufacturing sector is shrinking, the service sector is expected to shrink; meanwhile, the number of people who are involuntarily without work has grown (Rifkin, 1995).

The increasing influence of global corporate interests on governments is evident in the state’s changing the regulation of trade and flow of capital and the social welfare of its residents. Canada, like most industrialized nations, has been moving away from the model of the welfare state, which was premised on the expectation that governments were responsible for meeting the basic needs of their citizens (Brodie, 1999, p. 15). Now the state is regularly attacked for its remaining role in providing a social welfare net (Jessop, 1989). Critics claim the provision of social services raises the costs of Canadian production in the international marketplace, thus hindering the nation’s ability to compete in the global economy.

**Purpose of Transferring Resources**

While industrial capitalism focussed on the accumulation of wealth for investment in large-scale production, new global financial markets have increasingly abandoned productive investment in favour of extractive investment. Globalisation of finance has surpassed the globalisation of production and has gained a life of its own. Kavaljit Singh (1998), co-ordinator of the Public Interest Research Group says global financial flows are
no longer associated with the flows of real resources and long-term productive investment. Attracted by short-term speculative gains, these flows are highly liquid and can leave the country as quickly as they have come. The goal of financial capital is to conduct high-speed, short-term transactions that make money grow at a rate greater than the prevailing rate of interest. This growth depends on the ability of the system to endlessly increase the circulation of money in the financial economy, independent of any increase in the output of real goods and services (Korten, 1995, p. 189).

Joel Kurtzman, formerly business editor of the New York Times and currently editor of the Harvard Business Review, estimates that for every $1 circulating in the productive world economy, $20 to $50 circulates in the economy of pure finance – though no one is certain of the exact ratio. In the international currency markets alone, some $800 billion to one trillion dollars changes hands every day, far in excess of the $20 billion to $25 billion required to cover daily trade in goods and services (Mathews, 1993, p. H-1).

Medium of Transferring Resources

The expansion of industrial capitalism is fueled by modern money. It has been the “exchange-value” of mass-produced goods and services which has comprised wealth under industrial capitalism (Milani, 1996, p. 30). Yet in the rapidly changing global financial world, where the expansion of money value is increasingly unrelated to the production of goods and services, global wealth is increasingly based on the exchange value of money itself.
Extractive investment is favoured over productive investment, without regard to human consequences. The popular Canadian TV program, *Traders*, a fascinating portrayal of the inner workings of cowboy finance capitalism illustrates how far removed the world of financiers is from the lives of real people. During one episode, a trader on the floor expresses her moral qualms about profiting from a national disaster that killed thousands of people in a very poor country. The head trader, Marty, sneered at his employee's dilemma and barked, "Here on the floor our only concern is making money, not the human tragedies that help us make money."

*Implications for Social Life and Culture*

The process of economic globalization has huge implications for our social life and culture because in the process of replacing local markets with global markets, diversity and uniqueness of place and culture are lost. In today’s world, “community” is fast becoming a thing of the past with urban neighbourhoods, small towns, whole regions and even third world countries being written off as bad investments, laid to waste in the economic restructuring of the world according to the dictates of global “economic efficiency” (Nozick, 1992). With all the billions of dollars and political attention going to institute this “new world order” of corporate monopolies, we seem to have overlooked our grassroots, our “venacular” world (Illich, 1973), the non-monetary things that matter to people, and even people themselves, who are increasingly left out of the economic equation.
Detachment, rootlessness, transitoriness, and dispossession are the fall-out of the increasing dominance of globalization and global competition. Socially, people are expected to be mobile and go where the jobs are and as a result are not able to form ties and therefore become more and more dependent upon the global economy. The notions of security, belonging and community are losing ground, and so is our affiliation with where we live, the people around us, nature and the things we consume.

The demand of the market moves people’s social lives more toward individualistic kinds of lifestyles and away from cooperative ones. The trend toward individuality is predicted to increase. A study conducted in the UK suggests that by the end of the century the largest household category will be the single person household (Bird, 1989, p. 34).

Moreover, social activities that were once provided by the household, local community or public institutions are increasingly converted for sale for the purposes of profit or, in other words, commodified. The social consequences of commodifying health, childcare and education within a large-scale capitalist controlled industrial economy are vast. As the growth of mass production extends into our more intimate spheres it acts as a social solvent, rendering the social environment more competitive, extinguishing the free use of the natural abilities of society’s members, isolating people from each other, undermining the texture of community by promoting extreme social polarization and splintering specialization (Illich, 1973, p.xxiii). Hence, many aspects of social life that were once outside the market are converted into marketable products to generate profits.
Now with collapsing public budgets, there are fewer formal mechanisms to redistribute wealth within our society, often leaving the social and caring functions in our society to be downloaded to the “community” without additional resources. Ironically, as the dominance of global market-driven economics grows, the informal life of communities is displaced by the need to earn a living within it. “As the economy expands, Illich says, it sucks the marrow from culture and community. People cease to do for themselves what others now do for them, for a price.”

Edward Herman, in an essay Triumph of the Market, contends that such commodification is encroaching on every aspect of our culture. He quotes Barnet and Cavanaugh who observe that we increasingly consume culture vicariously, and such “vicarious experience via film, video, and music is a substitute for civic life and community” (Herman, 1997).

Truman, a movie released in 1998, exemplifies the disturbing trend toward commodification of the most intimate aspects of our lives. A multi-national corporation adopts Truman as a baby and puts his whole life on television. Truman, is unaware that his entire life is filled with paid actors, and that they are all being filmed and watched by millions of people on television. When Truman realizes the truth, he is overcome with a tremendous existential crisis as he realizes everyone is paid to be in his life, even his friends and family. This story could perhaps foreshadow a time when all social relations involving kin and friends will be for sale in the market-place.

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12 Cited in David Cayley’s, “Conversations with Ivan Illich”, Ideas Series
Increasingly the global economy is erasing cultural diversity and threatening the existence of unique communities. We forget who we are and where we come from. Marshall McLuhan in the 1960’s put forward the idea that we all now live together in a “global village”. McLuhan maintained that TV’s union of everyone across the world into a “single consciousness” is wholesome and desirable. What we are getting however, is not McLuhan’s wholesome global village, but a much more dysfunctional and alienating one. Community identity has dissolved into the Global Village – a place defined by mass media and global corporate interests. The Global Village is everybody’s but nobody’s home: it is a familiar image among those of us who are connected through mass communication but it is not grounded in relationships characterized by more face-to-face and give-and-take dynamics.

In the absence of authentic long-term community, people seek a psychological substitution for community life by looking to the media’s popular culture to understand, or give them a sense of place in the world. My parents moved frequently, later separated and have each moved several times. But because my parent’s kinship ties to a large extended family were strong, much of my memory about growing up, and hence my identity and sense of self, is tied to the homes and relations between my grandparents and aunts and uncles. They have been constant familiar places in my life. As a result, these relationships have an enduring quality because the roots that connect us go back a few generations. But these enduring relationships are the exception in an ever-mobile population within a capitalist economy. I have moved several times since leaving home.
With only a few exceptions I do not keep in touch with most of my neighbourhood friends or schoolmates. Nor am I likely to ever run into them again as we are dispersed across the country and globe.

But interestingly, when I speak to people of my generation, I am struck by the solidarity that emerges between people as they recount T.V programs, music, movies or other popular culture we consumed as children. For example, the wildly popular T.V series, *Seinfeld*, inspired many parties where groups of people got together to watch the final episode.

The dizzying array of multimedia choices has enormously multiplied our awareness of events and people in far-flung places. But they are experiences that are cut off from their causes and consequences, and are only half-lived because they are not actually seen or experienced. Rosen, who wrote about the impact of TV soap operas on Americans suggests that these programs offer a substitute to help ameliorate the sense of loss people experience when confronting the anonymity of urban life. Quoting Herta Herzog, she says, “As the stable small town fades, the soap opera keeps alive its idealized replica, the image of a community in which everyone knows or is related to everyone else, where continuity counts more than transience, where right and wrong are unambiguous, where good triumphs over evil. It is a world dominated by the domestic values of the family.” (Rosen, 1986, pp. 14 - 15). The cohesiveness or sense of connectedness that is felt with others based on our shared “tuning in” to the Global Village is superficial because it is
not connected to any real integrated community relationships based on attachment, shared history, commitment, mutual support, and accountability.

In closing, alienated and commodified social relations inherent in the global economy have led to the further disintegration of stable, on-going and personal ties. Modern money, the medium of transferring resources, has been the major tool facilitating such disconnected economic and social processes. People's need to reestablish lost communal social relations has fueled mass consumption that supplies a false sense of connection through the mass media.
CHAPTER THREE

ALTERNATIVE ECONOMIES

In this chapter I examine the nature and prevalence of informal economies in industrialized society, the role of gender and the trend toward commodification of social activities and relations that were once traditional functions of families and communities. I will show in more detail how our global economic system is unraveling the threads between social and economic life, undermining long-term sharing and cooperation that social economies once maintained. Next I address the ways in which local currencies and more specifically LETS reverse these global trends by reintegrating the social and economic threads that are such an essential part of cohesive community life. Here I introduce LETS Toronto, how it works and its distinctive structural characteristics that distinguish it from the global monetary economy.

Informal Economy

In the global economy, where only market-exchanges facilitated by money are recognized and valued, there is a multitude of other economic patterns co-existing with, and supporting, the dominant market-economy. In our society we have been conditioned to think that the economy is identical to market transactions using money. However, the economy is not a matter of money at all.
Rather, the economy is composed of goods and services that support us; it is about how we convert our resources into those goods and services, and how we transfer those resources, goods and services. (Dobson, 1993, p. 26)

The contemporary informal economy integrates social and economic life as earlier subsistence economies did. Informal economies have been characterised in many ways, everything from the “female economy”, “natural economy”, “root economy”, “community economy”, the “human economy”, “social economy” or “free economy”. The informal economy still plays a significant role in ensuring that domestic labour, volunteer work and the caring work of family, friends and community members are maintained. It includes such activities as do-it-your-self, bartering, gift making, parenting, mutual aid and subsistence agriculture. (Henderson, 1988; Pietila, 1985; Ross and Usher, 1986; Shiva, 1989; Dobson, 1993). This economy is essentially a non-monetary economy. The “currency” that facilitates the exchange of these activities is the social obligations between its participants. While the informal economy is often referred to as market exchanges outside the tax system (the underground or illegal economy), when I define the informal economy I am referring to activities that are aimed at production for use (not for profit), and are primarily non-monetary, although not always necessarily so.

Pietila (1993) provides the most useful framework for understanding the relationship between the monetary and informal economies. (See Figure 3.1 on the following page). She divides economic activity into three categories, which she represents in three
A NEW PICTURE OF NATIONAL ECONOMY

A. The free economy:
The non-monetary core of the economy and society, unpaid work for one's own and family needs, community activities, mutual help and cooperation within the neighbourhood etc.

B. The protected sector:
Production protected and guided by official means for domestic markets; food, construction, services, administration, health, schools, culture, etc.

C. The fettered economy: Large scale production for export and to compete with imports. The terms dictated by the world market, dependency, vulnerability, compulsive competitiveness etc.

Proportions in Finland 1980:

<table>
<thead>
<tr>
<th>Type of Economy</th>
<th>Time</th>
<th>Money</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. The free economy, informal econ.</td>
<td>54%</td>
<td>35%</td>
</tr>
<tr>
<td>B. The protected sector</td>
<td>36%</td>
<td>46%</td>
</tr>
<tr>
<td>C. The fettered economy</td>
<td>10%</td>
<td>19%</td>
</tr>
</tbody>
</table>
concentric circles. At the centre, and largest in size, is the “free economy,” primarily the non-monetary sphere of voluntary, caring work for personal, family and community well being. Surrounding this is the “protected economy”, the focal point of production for national consumption and government services. The outer ring and smallest sector is the “fettered economy,” so called because it is obliged to respond to international markets. Pietila argues that whether money, labour hours, or output are used to measure productivity, the “free economy” is always the largest sector even though the “fettered” economy receives all the attention.

Even though industrial production and public services have taken over major parts of the production of goods and services that earlier took place in households, a great deal of work is still done in homes and families. Ulla Olin, (1979) a Swedish sociologist, conducted a study in Finland in 1980 that calculated in time and money the worth of work done in the informal economy. The study found that the time spent in unpaid labour in average families was 7.2 hours/day, seven days a week or 50.4 hours a week. The women’s share of this work was 73%. Daily hours of work performed by women were more than five and that of men less than two; 1.2 hours for girls and 0.7 hours for boys. The total monetary value of unpaid labour in Finland in 1980 was about FIM 80 billion, which is equal to 42% of the GNP. In the same year the sum total of the Finnish national budget was FIM 50 billion.

Ross and Usher in From the Roots Up, estimated that household production in the United States alone would add 40% if it were counted in the GNP. If one were then to include
mutual aid, volunteered time and goods, some community organizational activity and unpaid labour in small business and co-ops, they propose that the unrecorded and informal part of our economy would be at least one-half of the recorded GNP (1986, p. 98).

The different sectors of the economy are of course closely interrelated though often misunderstood by conventional economists. To date the fettered sector has been regarded "as the mill, which produces national income for the use of other sectors" (Pietila, 1993 p. 12). Hazel Henderson (1990) provides a contrasting point of view that challenges the mainstream economic paradigm because she asserts the central importance of the informal economy. Her famous "Three-Layer Cake with Icing" demonstrates how all monetary economy in all societies, as it is known today, is standing on the foundation of the two "invisible" layers; not only the foundation of unpaid labour in the households, but first of all on Mother Nature. Henderson maintains, that without these two layers, nothing else, no other economy, would be possible. (See Figure 3.2 on the following page).

Even though the informal economy supports the whole economic structure in necessary and material ways (Henderson, 1990, p. 89), why does the value of unpaid labour in households and communities in industrialized and non-industrialized countries remain invisible? Marilyn Waring (1988) argues that the problem of undervaluation stems from the invisibility of women's unpaid work in economic, political and legal institutions dominated by men.
3.2

Total Productive System of an Industrial Society
(Three-Layer Cake with Icing)

Official Market Economy
All Cash Transactions

"Private" Sector Production, Employment, Consumption, Investment, Savings

Defense, State and Local Govt.
"Public" Sector Infrastructure (Roads, Maintenance, Sewers, Bridges, Subways, Schools, Municipal Government)

Cash-Based "Underground Economy" Tax Dodges

"Sweat-Equity": Do-It-Yourself, Bartering
Social, Familial, Community Structures
Unpaid Household & Parenting, Volunteering
Sharing, Mutual Aid, Caring for Old and Sick
Home-Based Production for Use—Subsistence Agriculture

MOTHER NATURE
Natural Resource Base—Absorbs Costs of Pollution, Recycles Wastes if Tolerances Not Exceeded.
GNP Sectors "External" Costs Hidden (Toxic Dumps, etc.)

GNP "Private" Sector
Rests on

GNP "Public" Sector
Rests on

Social Cooperative
Counter-Economy
Rests on

Nature's Layer

GNP-Monetized
½ of Cake
Top Two Layers
Monetized, Officially Measured GNP
Generates All Economic Statistics
(15% "Underground" Illegal, Tax-Dodging)

Non-Monetized
Productive ½ of Cake
Lower Two Layers Non-Monetized Altruism, Sharing
"Counter-Economy" Subsidizes Top Two GNP Cash Sectors with Unpaid Labor and Environmental Costs
Absorbed or Unaccounted, Risks Passed to Future Generations
The Female Economy

The non-monetary economy in industrialized countries is primarily a female economy. In traditional subsistence societies women’s important contribution to the livelihood of the family and community was clear, though not valued equally with men’s. Without the work of women, everyday life could not be sustained. The contributions of both men and women were obviously necessary for survival.

The development of industrial capitalism has drawn men away from household production and left women to carry out unpaid work in the household, rendering their work invisible. This invisibility of the informal economy has many implications for women and communities. The transfer of many functions of family and communities to public services, provided by society, or commodities purchased on the market has been particularly detrimental for women for several reasons. Women were the last ones to enter the paid labour market. Market ideology created a “private” world where women were expected to inhabit and a “public” world (war, politics, commerce, etc.) that men only were seen fit to inhabit (Blau, 1986). This division rendered women’s “private” responsibilities invisible. The other fatal result was that the production, politics and culture of the public family were planned and organized by men. “They possessed neither the gifts nor the experience that women had gained in the private family over centuries of nurturing human beings” (Pietila, 1993, p.5).
Marilyn Waring, author of *If Women Counted: A New Feminist Economics*, (1988) demonstrates how women’s unpaid work—although productive—does not appear as transactions in the market economy and is grossly absent in the international system of accounts. Waring showed that what nations did not measure, they did not treasure.

Typical functions of human society (such as child and health care, cooking and cleaning, education and training, etc.) are not expenses as long as they are performed within families. But as soon as they are performed by private or public institutions (schools, hospitals, business) they cost money, and require enormous investments and expenses for both individuals and society. Only then are they counted in the GNP. The fact is, however, these functions within families cost time and work, and when produced outside families, they cost money. The definition of productive activity in our society is deeply flawed, since very fundamental components are missing. Economic planning, policy making and resource allocation are based on the exclusion of women engaged in non-paid productive activity, precluding them from receiving unemployment insurance, pensions, vocational training, access to child care centres and other social facilities. (Waring, 1998)

This female economy, more aptly called the household economy, also provides things that are not available on the market and cannot be purchased for money. It provides those things that “money just can’t buy”. Such things as belonging, closeness, encouragement, recognition and purpose—are not (yet) commodifiable. This includes feelings linked with cooking, eating, cleaning, playing, telling stories, sleeping, sharing joy and sorrow and transferring human traditions and stories. In this sphere every man, woman and child is a
subject recognized as a person. These social economies are by nature local, non-waged, largely non-monetized and non-market. They are transactions that are not done primarily for profit but are instead produced for use. They are motivated more by love than by money.

A major part of the economic growth measured in the GNP in recent decades has consisted of functions that have been transferred from the non-monetary sector to the monetary one. The growth of the service sector is expected to continue in high-income countries where opportunities for industrial employment have declined. Little note is taken of the fact that much of the expansion of the service economy results from a colonization of the social economies of households and communities. As more of these functions are transferred from the social informal economy to the market economy, they show up as additions to economic output and thus contributors to economic growth – though they add little to real wealth and do little, if anything, to improve the quality of the services individuals, households or communities receive.

This shift from caring activities carried out in small-scale informal realms to the formal larger-scale market economy also increases the demand for economic overhead functions, which are counted as additions to economic output although they are actually an enormous source of economic inefficiency. Consider that when family and community members work directly with and for one another, there are no tax collectors, managers, government regulators, accountants, lawyers, stockbrokers, bankers, middlemen, advertising accountants, marketing specialists, or freight haulers collecting their share of
the output of those who did the actual productive work. The full value of the goods and services produced is shared and exchanged within the family and the community, among those who actually create the value (Cahn & Rowe, 1992).

Increasingly many people are finding that, even with two wage earners and longer work hours, they cannot adequately meet needs that they once met satisfactorily on their own. The prevailing pattern of development in the industrial world has very significantly squeezed the family's space (Pietila, 1993, p. 9). Family members have neither time, space nor skills to manage their own life. Parents are left with little time, energy or encouragement. Fewer people find time to participate in the vast array of community activities that once made neighbourhoods more than a physical address. Add to this an increasingly mobile population where community ties are weakened and along with them social ties and affections (Schumacher, 1975 p. 92), and it is clear that the dense fabric of relationship based on long-term sharing and cooperation that social economies once maintained has become unravelled.

Because such shifts have afforded women new opportunities in paid employment, they are often portrayed as an achievement for women's equality. Yet rather than promoting new partnerships that involve men more fully in family and community life, these shifts have, for the most part, simply increased women's burden. Add to this the increasing cutbacks to the public services, more and more activities are downloaded to the informal economy, where there are fewer people or resources available to meet these needs. These once public services are increasingly converted into commercialised services offered to
those who have the money to pay, thus excluding many women and the poor, for whom
the money economy fails. The increasing separation of social and economic life and the
failure of our current market system to provide for the needs of increasing numbers of
people and communities, speaks to the need for an alternative for real improvement of
social welfare and material satisfaction. Such alternatives must focus on production for
use, thus creating a scope for activities and work in homes, small communities,
neighbourhoods, providing for material needs and enlivening, reviving and enhancing
basic human caring functions.

Community or local currencies are one tool that can be used to reclaim aspects of the
informal economy from the global economy while ensuring that human relationships are
not diminished, and are in fact enhanced, in the pursuit of meeting material needs.

Advantages of Local Currencies

The advantages of using local money for local communities are plentiful and wide-
ranging. Local currencies are said to create many economic, political, environmental and

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13 There are many other community groups and organizations which strive to strengthen local economies by
developing initiatives that facilitate and support production for use, such as co-operatives, community
development corporations, credit unions and community loan funds (MacAdam, 1993; Nozick, 1992;
Perry, 1987; Quarter, 1992; Shragge, 1993). While these innovative strategies have helped many local
communities to become more self-reliant and to strengthen community life they differ from local currencies
in one important way. Many CED strategies work to ameliorate the monetary economy's vices but still
operate within its structure. By contrast, local currencies de-link a part of the local economy from the
global monetary economy. For example many CED initiatives attempt to funnel outside capital into
financially depleted communities, while local currencies recirculate and add to the value already existing in
communities. This is not to say that CED initiatives, embedded in the monetary economy, do not play a
significant role in stimulating production for use, but just to say that the way they do so is quite different
from local currencies. There is a need to do further experimentation and study about how community
currency systems and other innovative community economic development strategies could work in concert
to transform alienated global capitalist social relations into more integrated ones. (See written work
produced by the E.F. Schumacher Society, Great Barrington Massachusetts, USA.)
social advantages for local communities. The primary structural advantage of local currencies that we examine here is how production for use builds on the strengths of the informal economy.

In the global industrial system production is focussed on producing for outside markets for export. The priorities that determine what gets produced and for whom are generally determined outside of the community at the behest of some external capital structure that owns the means of production and whose sole focus is to get the highest rate of financial return. In addition, many of the goods and services we consume are produced outside the community - often outside the country. This is problematic for communities for several reasons. One, when goods and services are produced far removed from the consumer, working conditions of labour and environmental impacts can be rendered invisible. Second, consumers pay the costs associated with production and distribution on a global scale: bankers, advertisers, transport companies, etc.

By contrast local currencies are oriented to production for use and create a different kind of economy. Galtung (1986) and Milani (1996) claim that local currencies encourage greater local self-reliance, which in turn benefits the environment due to reduced transport costs of goods. In this way full costs of local production are visible and are held more accountable at a local level. In addition, a local currency’s strength is its potential for relieving poverty and unemployment by allowing communities to meet more of their own needs with the skills, labour and resources that may not be valued in the formal

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14 To find out more about the advantages of local currencies see, Dauncey, 1988; Dobson, 1993; Douthwaite, 1996; Greco, 1994; Jacobs, 1984; Linton, 1987; Milani, 1996; and Swann and Witt, 1997.
economy (Robertson, 1989). As local currencies make it possible to produce more goods and services together at home and in the neighbourhood, they tend to create producers on a smaller scale. An investor-owned, industrial-system venture can grow extremely large through mergers or by reinvesting its profits. A local venture, by contrast, tends to stay fairly small, owned by families, friends and/or non-profit organizations and is concerned with providing a way of life. Local currency helps to build an economy based on more efficient modes of production based on use and rather than on the “never-ending pursuit of profit”.

Dauncey (1988) and Douthwaite (1996) maintain that while total self-sufficiency is not realistic, local currencies can complement national currency, and provide a protective buffer against the international economy’s economic gyrations. Unlike conventional money, local money cannot be exported beyond the boundaries of its community and therefore it circulates within the local economy, facilitating exchange regardless of national currency shortages or devaluation. Circulation of locally generated value means wealth is less likely to leak out of the community and this creates a multiplier effect. (See Figure 3.3 on following page). A wealthy community is one where a dollar is spent 6 to 8 times before it leaves the community (Nozick, 1992). Therefore the local currency (wealth) that circulates within the community boundary serves local production and consumption needs, hence increasing community self-reliance. This means that the local currency, its symbolic value of exchange, and the goods and services it represents, remain connected locally.
Spending money locally: how the multiplier works
While these economic manifestations of local currency use play a vital role in creating an alternative economy that is distinctly different from global economic relations, the increased prominence of social relationships within these new local economies is equally important.

Assuming that community exchange (within a context of production for use), is the principal mechanism in advanced society through which social networks are developed and articulated, local currencies are viewed as providing a formal structured framework within which community relationships can develop (Brandt, 1995; Dobson, 1993; Greco, 1994; Seyfang, 1994; Williams, 1996b, Swann and Witt, 1997).

Dauncey (1988) and others describe local currencies as a way of stimulating altruism, community spirit and a greater sense of connectedness and relationship between people. These currencies are an effort to move away from faceless, heartless economic relations that are based primarily on the pursuit of profit.

Local money, as we explained earlier, cannot leave the community and therefore circulates within it, stimulating local circuits of production and consumption. This invites greater interaction between members of the community, hence providing many more varied opportunities for people to relate to each other. As people deal with each other as consumers and producers, their experiences of each other are more multi-dimensional. And since local currencies tend to create modes of production that are smaller in scale than that of large industrial ventures they encourage more personal connections between
people, creating a realization that there are many things, besides profit, which make an exchange meaningful. As local currencies provide an opportunity for people to engage in common work locally on a smaller scale, they have the potential to create an environment of mutual regard, companionship, support, mutual recognition, friendship and the feeling of security.

Swann and Witt (1997) demonstrate how a local currency can become a tool not only to increase self-reliance within a region, and to strengthen local economies but for cultural renewal. The E.F. Schumacher Society in Great Barrington, Massachusetts has experimented with ways local currencies can support local economies. They have witnessed the cultural benefits to communities when local areas begin to choose locally made consumer goods, "...local currencies allow us to know more fully the stories of items purchased — stories that include the human being(s) who made them and the mineral, rivers, plants and animals that were used to form them. Such stories, shape real life experience, work in the imagination to foster responsible consumer choices and re-establish a commitment of the community" (Witt, 1998, p. 20).

Building on this view, Dobson (1993) suggests that by drawing a local boundary around a community economy, we not only make it relatively easier for local resources to fill local needs, but we can realize a different kind of social ethic and well-being (1993). For example, as we begin to rely on each other locally for our material needs, our lives will increasingly overlap, creating new cultural expectations that support behaviours and values that strengthen mutual regard, accountability, generalized indebtedness, gratitude,
expectation, memory, sentiment - what Lewis Hyde describes as “lively social feeling” (1983, p. 84).

When Beesten (1998) conducted a study of the local currency system in Ithaca, New York she concluded that such systems created a new set of terms for community relations by “building solidarity”, which she defined as “a sense of camaraderie - a feeling of friendliness among those who share an interest or activity in common with others” (1998, p. 86).

Using data from an in-depth study of LETS Toronto in 1996, 15 Erickson (1998) examined the nature and the extent to which LETS created local social capital among the membership. Local social capital is the richness of networks embedded in a particular setting such as neighbourhood, organization, social movement, ethnic group or intimate personal network. It is assumed a rich network of local ties would produce such benefits as opportunities for exchanges backed up by creating trust, support for beliefs and a sense of community. Her analysis suggests that in LETS, local social capital grows vigorously with time in the local setting and participation in local markets, swap meets, social events and steering committee meetings. 16

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15 The LETS Toronto study was conducted by the Centre for Health Promotion, the Centre for Urban and Community Studies, and the School of Graduate Studies at the University of Toronto. Approximately 352 members out of 424 members were interviewed (overall response rate of 83%). For further information about this study contact Bonnie Erickson, in the Department of Sociology at the University of Toronto).

16 Although Erickson would maintain that it was as much the social and cultural characteristics of the LETS membership, as well as the structural distinctiveness of a local currency, that enriches social capital within LETS.
Recent investigations of LETS in England (Calderdale, Manchester and Totnes) for example, reveal that the impacts of these alternative economies on their members’ quality of life can be very significant (Williams, 1996). Most LETS members surveyed in this UK study in 1995 said they participated in LETS because they sought to rebuild social networks through the medium of localised exchange; 60% cited community-building objectives as important as economic ones (63%) (Williams, 1996, p. 261). In one area that participated in this study, Totnes LETS members reported a high level of satisfaction in meeting community-building needs. In one village, over two-thirds of members (68.4%) said LETS enabled them to develop a wider network of people they could call on for help, although rather fewer accepted that it had helped them generate more friends (40%) and even less deeper friendships (8%). Williams (1996) concludes, “The LETS approach is seen to integrate the twin pillars of both economic and community development, which so often remain disparate activities.”

**Origins of Local Currencies**

Local currency systems have appeared in different forms at various points in time. In the 1930s, a worldwide deflation inspired many new forms of exchange that competed with national currencies (Swann and Witt, 1997, p. 125). For example, in recession-torn Europe during the same decade, the Worgle local currency experiment in Austria drew international attention. The people in this town were able to trade in labour and material that they possessed, rather than in the Austrian shilling, and managed to wrench

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17 See Colin C. Williams’ article in *Local Economy*, the November issue, 1996, p. 263

themselves out of the Depression in a matter of months. In the same decade “scrip” money was introduced in the United States. These alternative currencies helped the unemployed alleviate their desperate circumstances during a time when state assistance for the unemployed was non-existent. In the past decade, other such local currencies have emerged in over 46 communities. 19

**Origin and Background of LETS**

One new local currency system that has emerged, that uses individual computerized accounts to keep track of exchanges instead of scrip and allows any member to create currency simply by buying, is the Local Employment Trading System (LETS). Michael Linton established the first LETS in Courtenay, British Columbia in early 1983. He developed this system in response to widespread unemployment in a resource-based economy. In its first four years of existence, Courtenay LETS recorded $350,000 of trading in local accounting units which Linton labeled “green dollars”. Linton defines LETS as a “self-regulating economic network that allows its users to issue and manage their own money supply within a bounded system.” (Linton and Greco, 1987). In LETS, unlike all the other local currency systems, there is no finite number of dollars in circulation. Individual members create money when they go into deficit in their trades.

Linton’s work inspired many similar schemes around the world, and their numbers have grown at an ever-increasing rate. There are currently about 500 LETS in existence. In the

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19 By early autumn of 1997, 40 communities in American cities had functioning local currency systems based on scrip, (see Michelle Beesten’s thesis). By June of 1997, there were 6 other communities using scrip-based local currencies, in Mexico City and in Canada, see E.F. Schumacher’s *Local Currency News*. 

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UK there were 5 systems in 1991 and 200 by the end of 1993, with about 10,000 members in systems ranging in size from 30 to 400 participants. New Zealand has 80 systems, Australia 200, the United States 10, and Canada 15, with six of them within 100 km of Toronto (Letslink UK, 1993). The success of LETS appears to depend on a broad base of leadership and participation that includes a range of businesses. Viable systems have been financed entirely from low administration fees, green dollars and volunteerism, although some externally funded systems are experiencing rapid expansion.

LETS Toronto: The Context

Toronto is the largest urban metropolis in Canada. Since its recent amalgamation in 1997, it has a population totaling 2,385,421 and spans an area of 630 square kilometers. In 1990, a LETS was started in Toronto’s west end. It began with five members and, eight years later, has grown to just over 500 members scattered across Toronto, with the greatest concentration found in the east and west ends of central Toronto. The monthly newsletter, The Trader, states that the LETS Toronto’s mission is to “build a healthy local economy that meets human needs through the use of a new kind of money called Green Dollars. Its aim is to bring business and community together, stimulate meaningful work, reduce dependency on cash, foster self-reliance, promote ecological sustainability, and practice local democracy.”
Profile of LETS Toronto Members

Who participates in LETS? Compared to the wider community of Toronto, LETS includes more women than men (60%), more people who have never married (55%), more people who were born in Canada (65%), and significantly more people who are self-employed (50%). LETS members have more formal education (averaging 18 years), but lower incomes, than the Toronto population - their own personal incomes, averaging $16,000 and household incomes averaging $24,000.  

Trade activity is modest for most, but highly variable. For example, about 45% of accounts showed no trades at all while about half a dozen accounts had over 100. On average, accounts showed 14 trades (purchases plus sales) per year. Active traders have many trading partners in an integrated web of trading. The more active traders had as many as 31 trading partners while the average is six to seven. The intensity of a member’s LETS trading is related to length of membership, attendance at markets and swaps, variety of contacts, confidence in using LETS and motivation.

LETS Toronto’s Organizational Structure

The LETS Steering Committee, made up of elected volunteers, is the governance structure of the organization. It is responsible for policy and resource development, as well as overseeing the administration of the organisation. Administrative tasks include

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20 Source: City of Toronto Urban Planning, Research Division. Population total is based on 1996 statistics. 630 km is equal to 243 square miles.
21 Erickson, Bonnie, “Reports from the Research Project”, Centre for Health Promotion, University of Toronto, 1996.
22 Ibid
the update and distribution of account balance statements and directory of offers and wants (in Toronto this publication is called The Trader) and coordination of orientations for new members. Additionally, the Committee coordinates community social events such as potlucks and trade fairs, to enhance conviviality and increase trade by encouraging face-to-face social interaction. For a one-year period the LETS Womyn’s Project held workshops, potlucks and other community events to stimulate trading through education and support to women. Occasionally members of LETS organize SWAP meets, community markets, workshops for LETS members on an ad hoc basis. LETS also maintains a website.

LETS - How it Works

The structural foundation of the LETS is an information system that provides a record of trades. The local currency does not exist tangibly - no coins or scrip circulate. Instead the currency, or green dollar, is created conceptually at the time of an exchange and recorded in the individual computerized accounts. A coordinating group maintains a system of accounts for its users, usually on a computer. LETS is a self-contained system, in order to have access to this currency one becomes a member by paying a small membership fee and is assigned an account number. This is the only requirement.

New LETS members accounts start at zero. As members spend their green dollars, their accounts are debited, green dollars are credited to the member who has earned them. Thus all accounts are mutually balancing – one person’s debit (or ‘commitment’ to the whole system) is another’s credit (‘acknowledgement’). A minus (debt) or plus (credit)
status does not have the same meaning as it would in a bank account. In the case of a negative balance, no interest is charged against the account, and conversely, if an account has a positive balance, no interest is added to the account. Another way of looking at it is if a person’s account is in the negative, they have created work in the community. If they have a positive account, they have contributed to the community.

Exchanges are arranged between members, usually through a regularly updated directory of ‘offered’ and ‘wanted’ goods and services, a community market and/or LETS social events. The organization also publishes a monthly newsletter called The Trader, (published on paper and on the web) which advertises a range of goods and services (see Appendix A). To make payments, one party contacts the LETS office, stating the amount of the exchange and the debtor and creditor’s account numbers to be recorded on the computer. In addition, when people trade goods or services they may charge 100% green dollars or a combination of green dollars and federal. Since many goods or services are not available for green dollars yet, many LETS transactions involve a combination of green and federal dollars.

An actual example might better illustrate how LETS works. During a woman’s potluck event Sandy meets Alana. They decide to meet for coffee a few times. One day, Alana asks Sandy to take care of her two children for three hours. They agree on a price of 10 green dollars per hour. The next day Sandy calls the LETS office and says that her account needs to be credited with 30 green dollars and Alana’s account needs to be debited 30 green dollars. The following week, Alana gets a call from Susan – a woman
that she met at a Community Market - who wants to buy 10 bottles of homemade jam for her Bed and Breakfast. Alana and Susan agree on a price totaling 60 dollars - 30 green dollars and 30 federal dollars. That day Susan mails Alana a cheque for 30 (federal) dollars and calls the LETS office and informs them to debit her account 30 dollars and credit Alana's account 30 dollars. The following month, Alana, Sandy and Susan receive an update on their respective accounts, which indicates trades that have occurred the previous month.

The dollar values (prices) that are assigned to the goods and services is another area of confusion for people who are new to LETS. Different LETS systems deal with this in different ways. Some advocate the delinking of LETS organizations from the monetary value of goods. They suggest the establishment of a measure of value expressed in labour-hours rather than dollars. Additionally they recommend that groups constantly strive to eliminate national currency supplements thus reducing the need to have a national currency moving around between members in order to keep the local currency system running. The system in Katoomba, Australia, for example, specifies that members cannot use its directory for advertising if more than half the good's price is to be paid in national currency (Douthwaite, 1996, p. 69). Other systems such as WomanShare in New York City go even a step further and suggest that all members' labour-hours should be of equal value.23

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23 See article about WomanShare in YES magazine, Issue no. 2, 1997
However, the Toronto LETS “green dollar” simply accepts the prevailing federal dollar rates. For example, a child care provider charging 10 federal dollars per hour will take the same in green dollars. While this has allowed members maximum flexibility in combining green dollars with regular cash, there are some disadvantages. First, it may invite the use of federal dollars to supplement green dollars. For example, discussions with other women in LETS suggest that some people are not able to spend their green dollars because they do not have enough federal dollars to pay the mixed green/federal price of most goods and services on LETS. Additionally it encourages members to look to the federal dollar value as a reference point and may fail to counter the industrial system’s skewed values. For example, many of the services that are more stereotypically seen as “women’s work” are less valued in the formal economy, and under valuation of women’s work tends to be replicated in LETS exchanges.

A common concern raised among people who are not yet familiar with LETS is that someone could abuse the principles of trade by running up a large debt and leaving the network. LETS differs from the mainstream economy in that if frequent exchanges occur locally, an environment of familiarity, trust and community support develops. The assumption is that someone is less likely to become hugely indebted to LETS, due to the threat of community sanctions resulting in a loss of social respect, or credibility, within the membership.

If someone appears to avoid earning credits to meet their commitments, they could find it increasing difficult to trade further into debt, as account details are available for anyone to
see before arranging a transaction, and are published annually. However, given that LETS Toronto is a relatively new organization where trading is not yet occurring at intense levels, such community accountability mechanisms are not yet strong. Currently LETS Toronto has a policy that puts limits on the amount of green dollars members can spend or accumulate. For example members are not allowed to have more than $1000 in the minus and not more than $2000 in the plus.

Neither the system nor the individual members suffer if members leave with a badly overdrawn account, for they have created work and the green dollars they spent in the system went to someone else to spend in the system. Since there is no scarcity of green dollars, they can be created at will (they are not a source of value). All that has been lost are the goods and services the missing member would have supplied to the group if she had discharged her obligations before her departure. A new member can supply these goods and services just as well as the departing member. As long as the system keeps recruiting and trading, nothing is lost. Every member who supplied the defaulter has been paid. A more problematic situation, however, occurs when people don’t spend green dollars since production is not stimulated, exchange is not occurring and needs go unmet.

Based on my experience within LETS, I have found defaulters to be the exception not the norm. While new members are encouraged to spend green dollars (and thus create an account that is in the minus), this interest-free credit creation is difficult for most to understand. Many members, primarily women, are reluctant to go into “debt” before they have earned green dollars. This is, no doubt, an indication of how ingrained conventional
banking and credit practices are in our lives. Perhaps this is the reason why so many people who join LETS have inactive accounts for the first several months of their membership since they may fear the usual social repercussions of going into debt.

*Structural Advantages of LETS*

As we have described earlier, the global capitalist industrial economy's social relations of production and exchange have created numerous problems in our society: alienation of consumer and producer, meeting export rather than local needs, reliance on outside resources and large-scale impersonal enterprises. While all local currencies facilitate production for use and as a result overcome most of the structural flaws of conventional money that fuel alienated large-scale-global-capitalist social relations, LETS addresses several additional flaws in our dominant monetary economy that have important implications. In particular, I will examine several structural characteristics that make LETS distinct from other local currencies and conventional monies that use script to facilitate exchange: pure medium of exchange, redistributive system of generalized reciprocity, and recognition of women's work.

*Pure Medium of Exchange*

"Permitting economic relations to lapse simply for want of the measure of value (cash) rather than the substance of value (skills, knowledge, and resources) is fundamentally absurd."

(Michael Linton, quoted by Dobson, 1993)
LETS green dollars mirror special purpose currencies used in earlier integrated societies. In particular they avoid the unhealthy hindrance of exchange that is the consequence of multi-purpose money that merges the means of exchange and store of value functions of money.

The currency used by LETS, for example, is not store of value, but a pure medium of exchange. Money as a store of value requires people to have available universal commodity money to pay for needs-fulfillment. This means people are not able to use their personal resources of time, labour and skills until some employer requires them (or some consumer can afford them) and translates them into universal commodity money and only then into the market. By contrast LETS removes the use of money as a store of value. Money is simply a unit of account or a standard of value to measure people’s economic activity. It is pure credit-money, money as information, or medium of transferring resources.

LETS currency is simply the medium for economic exchange and not an end of economic exchange. The currency has no value beyond its exchange value because the creation of the currency follows, rather than proceeds, the economic activity that it facilitates. The amount of currency depends on the actual activity that is going on. Local currency is only and always created during an exchange, therefore there can be no scarcity of this currency and its purpose can only be use, not accumulation.
It is precisely this store of value function of capitalist money that creates scarcity because of its inherent tendency towards accumulation through profit and interest. This movement toward profits means that wealth gathers in isolated pools and becomes scarce. In LETS however, there is no inherent reward for accumulating green dollars. There is no interest gained or spent on them and they are always available. The sole purpose of this currency is to measure exchange because it can be created by anyone anytime there is a need for an exchange. The LETS pure medium of exchange encourages an “economy of plenty” or what Milani refers to as “post scarcity money” or “pure credit money” (1996, p. 135). The LETS currency helps to build an economy based on the efficient production of wealth rather than the extraction and concentration of wealth.

Moreover, the LETS’ currency moves away from an entirely monetized economy toward one in which the economy is built upon what people do for each other rather than the symbols used for measurement. This creates social relations that are more personal because people’s sense of security is enhanced by knowing more about what skills and resources people are willing to exchange in the community. In addition, people will perhaps work more cooperatively with each other when they do not have to compete for scarce money.

LETS links community and economics simply because when one depends on the local currency for one’s livelihood, one is, in effect, depending upon community members for one’s livelihood. The green dollar is only a measuring cup for the skills, talents, resources, and gifts that are exchanged locally. Money simply conveys information about
work that a person has done in the past. Conventional money expresses a debt society owes the person. The LETS currency, on the other hand, expresses the debt a person owes to the community.

Also, because LETS is a closed system based on membership, the local currency continually circulates or regenerates. Members are not free to take the value of what was received out of the community. Nor is interest charged or gained on LETS accounts. Wealth therefore, does not leak out of the community, it is stored in the community. In LETS the currency cannot be controlled by centralized outside interests such as bankers, who restrict or increase the supply of money through inflationary and deflationary monetary policies, since the amount of green dollars in the system simply reflects the exchanges that have occurred in the system. Increasing exchanges and productive activity increases the dollar supply.

*Redistributive Systems of Generalized Reciprocity*

The globalized economy uses money to facilitate the immediate reciprocity between individuals. Money in this context facilitates atomistic connections between strangers where “men gain from one another” (Aristotle) and not from their union. LETS replicates exchange patterns found in earlier gift-exchange societies. These exchanges are comparable to “tribal or village communitarian economies” (Linton, 1993) because local currency can only form recirculatory patterns, and so supports ‘cyclic gift exchange networks’. Malinowski (1921) describes this earlier form of transference of resources as practicing a kind of exchange which “enmeshes the whole community into a network of
reciprocal obligations and dues, one constant flow of gift and counter-gift” (1921, p. 8). Like gifts, the LETS currency, green dollars, in contrast to capitalist market exchange relationships, moves in a circle. When it moves in a circle its motion is beyond the control of the individual, and so each bearer must be a part of the group and each contribution or commitment is an act of social faith. (Hyde, 1983). LETS even uses the language of the gift economy in their accounting, so that a negative balance represents a commitment to give something back to the community and a credit is considered an acknowledgement for a gift or service to community through the individual recipient.

Since green dollars have no value in themselves, credits and debits in green dollars are simply commitments and acknowledgements. This means in LETS exchanges, unlike capitalist market exchanges, green dollars circulate within the community as a whole and can not be hoarded in isolated pools. Increased wealth accrues to the community as a whole as use value rather than to the individual owner alone as profit, rent or interest. Repeated circulation of green dollars within the LETS boundary connects people to one another. These exchange patterns re-integrate people’s social and economic lives, allowing people to gain greater holistic knowledge of one another, and encouraging equitable social relations, greater community spirit, conviviality, and security.

*Recognition of Women’s Work*

LETS provides an opportunity for unpaid labour (particularly women’s labour) in households and communities to be recognized at full value. LETS increases the opportunities for the care of children, the sick and the elderly at home while at the same time not impoverishing women. Additionally, LETS compensates women for activities in
the informal sector, while at the same time avoiding the structural pitfalls of the monetary system where value leaks out of households and communities. Dobson describes the limitations of applying a monetary value to women’s unpaid caring related activities within a commodified global economic context.

The danger is that when women’s work is accounted, it will only make these susceptible to full economic colonization. In other words, if the invisible work of the home usually described as women’s work were moneterized within the structure of our present monetary system, it would be subject to the same abstraction and alienation as all other valuable and value-creating activities. The result would not be a feminizing of the economy, but the ultimate subsumption of ‘feminine’ economic qualities into the dominator economy – in other words, the ultimate triumph of patriarchy (Dobson, 1993, p. 66).

The LETS economy supports the informal economy while simultaneously providing for the material wants of households and communities. The LETSystem re-embeds socioeconomic relations by creating a more structured reciprocity to fit the modern reality of individuated lives and the absence of strong community bonds based on trust, shared history and culture.

*LETS: The Mixed Economy*

The LETSystem’s social relations of production by contrast are significantly different from the mainstream economy. The LETSystem economy is really a mixed economy, bringing together the best of earlier subsistence and capitalist market-exchange economies. Linton describes LETS as “Capitalism that Karl (Marx) and Adam Smith would have loved” (Linton, 1993). Seyfang (1994) describes a desirable economy as a form of ‘managed capitalism’; an economy that retains the market mechanism as an allocator of resources, but limits the market by moral and ethical constrains and rules of
behaviour. As Robertson describes it, "Throughout the local economy, social choice in favor of local worker and local products and local services can modify strict financial maximization as the main criterion for economic decisions" (1989, p. 51). LETS, itself, does not challenge the capitalist market system, "but by changing the nature and social meaning of exchange, it does alter the conflictive basis of capitalism, enables a greater awareness of the effects of ones own actions in the community..." (Seyfang, 1994, p. 27).

LETS replicates some of the often-quoted advantages of a capitalist market-economy because its medium of exchange facilitates indirect exchange. For example, while the money economy may be a fragmented, disconnected, impersonal culture, it is also a culture of unparalleled individual freedom and choice compared to earlier economic systems (Simmel, 1990 [1900]). In LETS, one can exercise individual agency to determine who one will trade with, what one will trade, and for what price (at least within the LETS membership), compared to traditional feudal societies where a complex array of connected social obligations and commitments guided all exchange relationships. LETS therefore allows people who are not inter-connected by common history and trust, to exchange within a larger network of people.

Additionally, indirect exchange within LETS overcomes the limitations of direct exchange that is typical of barter arrangements. Barter is dependent upon each party having something of use to each other. Exchange can only occur, for example, if Anna has something that Belinda wants and vice versa. By contrast, LETS ability to facilitate indirect exchange means that exchanges can occur between an unlimited number of
people and therefore overcomes the limits of barter. Anna can purchase the services from Belinda. Belinda can purchase services from Donna. Donna can purchase services from Anna.

Local currencies, and in particular LETS, play a vital role in reviving the social dynamics that occur in the informal economies within contemporary industrial society. While I have shown that one of the most significant aspects of LETS is that it is an alternative in the way it marries social and economic lives on local levels, little detailed attention has been paid to the nature and workings of social processes within this integrated economic system. In the next chapter I will identify and analyse these social processes as they occur in the lives of eight women in LETS Toronto.
In previous chapters we explored the theoretical underpinnings of the way a capitalist monetary economy creates impersonal and ‘naked’ economic relations and the way a LETS economy restructures these relations to reflect more integrated, convivial ones. In this chapter I describe and analyse how integrated social and economic relations actually play out in women’s experience in LETS in order to understand the central role of social outcomes in LETS.

Through an examination of the social dimensions of women’s experiences in the LETS the research sheds light on how and in what ways the LETS creates social patterns that reflect a cohesive community. It addresses the qualities of LETS participants’ increasing local interdependence on the level of material needs, leading to more caring, interactive, and socially responsible economic relationships.

But what do we mean when we say a cohesive community? For the purposes of this thesis, I describe a cohesive community as one in which individuals have enduring relationships or social bonds rooted in intertwined economic and social relationships. Referring to Lewis Hyde’s indicator for a cohesive community, that being a “lively social feeling”, he suggests that this is developed within a context of constant and long-term exchanges between many people and that through such exchanges, society will emerge
where there is none (1983, p.84). In addition, I agree with Dobson's (1993) definition of community and his objection to the current usage of the word. Today the word *community* is defined as any commonality of purpose, activity, or interest. Professional, social, or even temporary commonalities such as school, workplace or club are often referred to as communities. Dobson maintains that these commonalities are not true communities, instead they are aggregations or associations. He provides a more relevant definition of community for my purposes here, saying that "*production for its own use, distribution and exchange*" is probably the *essential* defining characteristic of a true community (Dobson, 1993, p. 5).

In developing the evaluative criteria for identifying indicators of a cohesive community I spoke with several women in LETS about how they defined community. I asked, 'how do you know when you are part of a community, what happens in such a community?' In addition I have drawn on my own personal experiences of living in a more tightly knit community in the Maritimes as well on a broad range of literatures such as anecdotal stories about community life in small towns and more academic discussions about community. Out of all this information I developed a list of possible indicators or characteristics of a cohesive community that I use as reference points when analyzing what women have to say about their involvement in LETS. These indicators of community building include: friendships, holistic knowledge of each other, sense of security, increased feelings of friendliness, trust and empowerment, shared memories/history, shared values, greater moral and social accountability, mutual regard,
generalized reciprocity, community altruism, stability, face-to-face recognition and affinity to place.

Methodology

In order to create a conceptual framework for understanding the social outcomes of LETS, I have drawn upon aspects of the Grounded Theory approach whereby I develop theory from data (Strauss and Corbin, 1990, p. 23). My use of this research approach is also informed by the critical perspectives of Kirby and McKenna (1989) and McGuire (1987). They assert that a researcher is not neutral, and that she brings to the area of study a worldview that influences what is seen and how it is interpreted and described. My socialist-feminist perspective and values have influenced my decision to study the flaws of global capitalist relations and the significance of social relations in LETS as well as my analysis of the data collected. I gathered data from participant observation in the Toronto LETS system, in-depth interviews with eight women members as well as from more heuristic methods drawing on personal experience. For example, I reflected upon my participation as a member of this LETS as well as my original attraction to LETS.

What I discovered is that I was attracted to LETS because of its community building potential. I had hoped that perhaps I could replicate aspects of community life that I experienced living in the Maritimes where people's social and economic lives were intertwined and reinforced in complex ways. My participation in such a community and the tensions I experienced later moving into a large urban city helped me to recognize
dynamics that were emerging in LETS. These insights gained from my earlier experience were, at times, useful reference points when identifying patterns emerging in LETS.

**Participant Observation**

In addition, my involvement in LETS and the observations that I made as an insider proved highly useful. I participated in LETS as a trader (I exchanged goods and services within LETS), I attended several community markets, participated in two workshops and took part in six potlucks or trading circles. For a one-year period I chaired the Womyn's Project. This LETS committee sought to increase the availability of basic goods and services such as child care and housing in the system, to enhance women's accessibility to the LETS and to promote trading between women. Within this capacity I supervised community development staff, reported to the funder and helped to organize potlucks and workshops for women in LETS.

**Interviews**

In order to generate information about women's experiences in LETS I designed an open-ended questionnaire (See Appendix B). This questionnaire was used as a starting point to identify ways women participated in LETS. From there I asked more questions, phrased in a manner which would elicit the most descriptive information possible about the nature of women's actual participation in LETS. As research participants mentioned an activity, I asked more and more questions about that activity. For example, "How did you find out about Susan prior to taking care of her house for green dollars?" Many of my questions were focussed on getting at the history of relationships between LETS members in the
context of each activity. My goal was not only to describe each activity but to learn more about the relationships that facilitated each activity. Each interview resembled the pulling of strands in fabric. As women mentioned LETS-related activities, I pulled out more information by asking detailed questions about their experiences and relationships, revealing connections to another strand. Later when analysing these strands it was like reweaving individual threads that created the emerging patterns of integrated social and economic lives. This approach resulted in a process that allowed the women's own experiences to shape and organize the themes, rather than imposing pre-ordained categories onto that experience.

Sampling Process:

The sample was made up of women with whom I had frequent, occasional or no prior contact. I started by inviting women I knew, then asked those women to name others, and continued to move out from there. This is referred to in the literature as the "snowball technique" (Women's Research Centre, 1987). My objective was to reach respondents who were diverse in terms of race, language of origin, trading frequency, satisfaction levels and family composition. The sample could have been more diverse; women of colour and mothers of young children were underrepresented. In addition disabled women and older seniors were totally absent from the sample. Due to time restrictions, I was not able to find women who reflected a greater diversity of backgrounds.
**The Interview Process:**

The interviews took place in a one-to-one setting and were structured by a series of open-ended questions and guided discussion. Interviews were recorded, and lasted between one and two hours. Each woman was interviewed once. Personally, as a LETS member, I benefited greatly from these interviews. So often, while participating in LETS, I have felt that I had no name or words to describe the issues that I was confronting, and I felt that I alone experienced these things. When interviewing women I had many "Ah Hahs". I realized I was not alone in my questions and doubts and as a result I felt empowered by the process. Most women expressed enthusiasm and excitement about the interviews and the discussion that developed.

**Analysis of Data:**

The Grounded Theory approach is based on the use of constant methods of comparison. Following each interview I repeatedly reviewed the women's stories and noted patterns and themes (as well as the exceptions) that emerged from what they said. Out of this came categories and larger conceptualizations that formed the cornerstones of my analysis. In addition, I used this constant comparison method as a way to discover any relationships (or differences) between what women said and what the relevant literature said.

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24 *Action Research for Women's Groups* is a six-part kit produced by Women's Research Centre. This
Profile of Interviewees

The sample group was composed of eight women who are or were LETS members. I chose to interview only women because women have traditionally been, and for the most part continue to be, the people who create, nurture and maintain caring functions for individuals, families and communities. I felt that women’s stories could best illuminate any new social patterns emerging in LETS.

All the women are between the ages of 28 and 57, with the highest concentration in their mid-thirties. All come from lower middle to upper middle class socio-economic backgrounds. Six were white, from a Judeo-Christian tradition; two were women of colour who had Hindu or Buddhist religious backgrounds. All of the women were able-bodied. At the time of the interview five were living with a partner and three were single. Three of the women were mothers, but only one woman had a child living at home. Half the women operated more formal businesses on the LETS system, and half were individual members. Two were relatively high traders, four moderate and, two low or (occasional) traders. The women had been in LETS between 6 months and 3 years, the majority being LETS members for one and a half years. Seven of the eight women interviewed are still LETS members. With one exception, these women were all also members of Toronto Organics. Toronto Organics is a distributor of organic foods that (and up until March 1999) was a member of LETS Toronto. The women were consumers, packers, distributors, suppliers, and/or past board members.

I refer to participants by a pseudonym and have made an effort to disguise their identity by changing or deleting information that might reveal who they are.

Dana

Dana has been a LETS member for two and-a-half years. An immigrant to Canada, she joined LETS to become part of a community participating in a small-scale economy. Dana operates a small business and offers a percentage of her services for green dollars. She has been involved in LETS in a variety of ways: trading a range of goods and services, working in the LETS office, directly bartering with other LETS members, attending fairs/potlucks/workshops, and working for Toronto Organics for part green dollars. While she feels her participation in LETS has not resulted in desired financial outcomes, she continues her involvement in LETS because of her commitment to building an alternative economy and community.

Julie

Julie is a full-time university student who has been a LETS member for two and a half years. Julie was attracted to LETS because it put into practice her political beliefs about creating an alternative economy that allows people to extend their resources when they have little money. She described her participation in women's potlucks and fairs as most important because they helped her build more personal connections and led to more trading. Julie offers her services primarily for 100% green dollars and is a member of Toronto Organics.
Barb

Barb has been a member of LETS for a year and a half. She operates a small business and offers a percentage of her services for green dollars. In addition, she has been able to access services for her business for green dollars. As a mother of a young child, Barb would like to see more child care providers offering their services for green dollars. She was drawn to LETS as a way to trade, to get to know people, build community and work with like-minded people on projects. She actively trades, participates in fairs and was involved in setting up the former Community Shared Agriculture (CSA), now Toronto Organics.

Lou

Lou has been a member of LETS for a year and a half. She participated in a LETS in another province prior to living in Toronto. LETS suited her work style as it allowed her to do many different things. This gave her an opportunity to improve her skills in areas that she wasn’t yet confident about. Lou has offered a wide and eclectic range of services for partial green dollars. Although Lou has been successful at generating green dollars, she finds it is difficult to spend her green dollars because of the unavailability of certain goods and services that could meet her personal and business needs. As a result she now accepts a lower ratio of green dollars compared to federal dollars. She has participated in potlucks, fairs, LETS committee meetings and swaps.
Rhoda

After being a member of LETS for almost a year, Rhoda discontinued her membership for several reasons. Chronic administrative problems, her discomfort with a formalized system of reciprocity and her feelings of alienation from the dominant cultural group’s adherence to ‘green political views’, (environmentalism and vegetarianism) prompted her to leave the organization. Although Rhoda attended several LETS and Womyn’s Project committee meetings, potlucks and workshops, she believes that her connections with people in other informal networks offer her a more genuine sense of community and economic security.

Marva

Marva has been a LETS member for less than six months and feels she hasn’t yet fully taken advantage of all that LETS has to offer. Although she has attended an orientation she has not been to a potluck or community market because of transportation problems as she lives so far away from the downtown core. Although she has not been able to attend these LETS events, she has begun to generate green dollars by working for Toronto Organics, a business in LETS. Meanwhile Marva is working toward building up her own business and has bartered directly with other LETS members several times. Attracted to LETS because of a steep drop in her federal dollar income, Marva says she feels a greater sense of security having access to another source of income through LETS.
Janet

Janet became interested in LETS because she is familiar with bartering and she wanted to trade for goods on a broader basis than with a small network of friends. She was also attracted to LETS because of her political beliefs; she prefers to participate in an economy that supports small producers and exchange between people who are familiar with each other. In addition, the majority of LETS members with whom she has had contact reflect her political beliefs: organically grown food, vegetarianism, and environmental activism and animal rights. She has been a member of LETS for almost three years and has worked in the LETS office, participated in several LETS community markets both as a seller and consumer. In addition she offers her labour to Toronto Organics in exchange for green dollars. Janet also operates her own business and offers her products for partial green dollars.

Roberta

Roberta has been a LETS member for three years. Encouragement from a friend active in LETS plus financial troubles prompted Roberta to join LETS. Since then she has been actively trading a wide range of goods and services for both partial and 100% green dollars. She has also participated in LETS committees, worked in the LETS office, attended community markets and swaps. Roberta believes that LETS benefits women in particular because it is a way to financially remunerate activities that women typically do for free in communities. Although Roberta says LETS has helped her recognize and negotiate the monetary value of her skills, contributions and activities, her motivation for
participating in LETS is not solely determined by the green dollar value received from a trade. Roberta says there are other considerations – not just personal gain. For example, she says that when trading it is also important to help someone out who is having a hard time in life or who needs a break in life.

Research Findings

When reviewing women’s experiences in LETS, significant social dimensions emerged from the data that I believe are important indicators of less individuated lives and of more cohesive communities.

The following are findings from the research process. The first section analyses the opportunities and challenges in LETS for integrating economic and social lives. Second, I address the specific social characteristics of such integration: holistic knowledge of one another, trust, community spirit and a greater sense of security.

Integrating Social and Economic Lives: Opportunities

LETS in Toronto has begun to weave a complex fabric of relationships, overlapping individual social and financial strands to create larger community patterns. In LETS it becomes difficult to distinguish between the social and economic benefits and attempts to separate the two can leave unsatisfactory holes in such a fabric.
Two examples may help to clarify this assertion. For most women interviewed, events that encouraged face-to-face "social" contact within LETS, such as the Women's Potlucks, led to an increase in trading. Within such a setting, for example, women learned more about each other and about themselves. Many of the women interviewed discovered in greater detail what talents and skills other women members possessed (as well as their own), their likes and dislikes, needs and wants, past experiences, where they lived, and capacities as well as limitations. They learned these things about members who attended the potlucks as well as about other LETS members with whom potluck participants had prior contact. In addition, these events provided an opportunity for women to determine their compatibility in a number of areas such as values, character, personality, ideology and culture.

Dana describes the importance of potlucks, "Even if you end up not trading at the potluck, you get a sense of who you are comfortable with and who you are not. Hearing other people's view, hearing about what they do, what they are offering and what they want creates more solid relationships within LETS."

Such social factors, not solely financial ones, appeared to influence future economic exchange. The comprehensive study conducted by U of T, (mentioned in Chapter Three of this thesis), demonstrates the importance of events that have a social component, such as the LETS market, for stimulating trade. 25 Julie's experience echoes these findings,

25 Erickson, B, "Reports from the Research Project," Centre for Health Promotion, U of T, 1996
"I've been surprised at how relatively easy it's been to have an active account [in LETS] but I think that only now because I know a number of people in LETS."

Even those who did not attend social events stated that 'economic' exchange factors influenced the way members not only met material needs but also social ones. For example, as women repeatedly traded with other members of LETS, they gradually got to know more about each other's personal circumstances. The LETS form of exchange structures an economy that is small scale and supports recirculatory patterns of exchange between local producers and local consumers. This exchange structure increases LETS members' knowledge about their trading partner's personal circumstances. In some instances, this knowledge influenced the percentage of green or federal dollar women would assign to their goods and services. For example, Dana’s experience in LETS illustrates this, "When you meet someone you like and they have lots of green dollars, you want to help them out so you take a higher percentage of green than federal dollars. That is where the human component comes into LETS. We would not have worked that out as two strangers over the phone, we needed to have some personal connection."

In LETS it appears that both financial and social considerations become important when determining a fair value assigned to exchanges. Moreover, the financial and social needs begin to reciprocally impact on one other. Polyani (1968) describes how 'higgling and haggling' over price (bargaining) during an exchange is an example of integrative behaviour because the exchange partners are oriented to finding a price that is as favourable to each partner as possible.
Tara, a LETS member who was not interviewed for this study, but with whom I have had several conversations about LETS, recounts how different her experiences were in a small village in India compared to a larger town in North America. “When I was living in India, I purchased a skirt in a local market. The owner of the small shop told me the price. I said I couldn’t pay that price because I was a student and living on a small income and I suggested a much lower price. He in turn offered a slightly lower price, explaining to me that his wife just had a baby and he could not afford to lower his price to that extent. Then I explained that my student income was low and that I was really financially strapped. He lowered his price a bit more and explained he could not go much lower because his brother just had an accident in his car, so he had unexpected expenses. Once we agreed on a price, I went home to my host family and showed them my skirt and told them how much I paid for it. They said I paid too much. Then I explained his personal circumstances and this led to even further discussions about the seller (and their knowledge of him directly and indirectly) in order to weigh the fairness or unfairness of this ‘economic’ exchange.”

When Tara came back to North America, after spending almost 4 years in India, she found she had great difficulty adjusting to the impersonal and inflexible way retailers sold their goods and services. She said, “When I went to buy something and they told me the price, I felt compelled to haggle. I wanted to offer a lower price and offer a personal explanation. Needless to say this would not have gone over very well in department stores. So often I found myself kind of frozen, unsure how to respond in such a vastly
different environment. " In the global economy, where corporations set prices according to economic criteria that maximize profits, the decision to reduce the price is completely divorced from the personal circumstances of the consumer. And even if staff of such stores wished to lower the price, they could not do so without the permission of the manager or owner.

My experience in LETS and the experience of most women interviewed for this survey suggests that in fact "reverse" higgling and haggling over price was a more common occurrence, where the buyer negotiates to raise the price. Here are some examples:

Seller: "I don’t think I should charge you a consulting fee to discuss your proposal, I really got a lot out of our talk."
Buyer: "You took the time to read it and give your feedback. You have a valuable skill and I think it is only proper that I pay you for your time and expertise."

Seller: I will edit your thesis for you. I really need to earn green dollars so I will have to charge you between $15 - $20/hr. Is that OK?
Buyer: "You should be charging at least $20/hr! Besides I have lots of green dollars to spend!"

Seller: "I’ll charge $10/hr for cleaning your windows. That seems to be the going rate for casual work."
Buyer: "Look, everybody dreads washing windows! I think you should charge $25/hr."

26 This example is taken from a thesis proposal relating a conversation between two women in LETS that reflect reverse bargaining (Raddon, 1998, p. 1).
When Julie offered a popular service at one of the LETS markets, people who were buyers said she had to charge more. Julie admits, "My tendency is to probably undervalue my time or my services."

It is highly improbable that a money transaction in the global, monopoly-controlled economy would follow such a pattern of reverse bargaining to determine price. But one can understand how this could hold true within LETS economy for several structural reasons. One, the LETS currency is not plagued by the same scarcity problems that afflict modern money in the global capitalist economy. The fact that there is no shortage of local currency, "opens the opportunity to be generous, to give proper acknowledgment, as every dollar I spend circulates in the community and returns to employ me". 27 In LETS, the green dollar is a no-interest, mutual accounting money. It is created on members' accounts at the time of transaction and circulates within the community to benefit the community as a whole.

The other reason why reverse bargaining occurs is due to the integrative quality of trade relationships. The more that women trade with each other, the more that friendships develop and women feel pressure both to lower their prices and to counter offer a fair price for the purchase. Raddon suggests that there is pressure to lower prices in trading relationships that are friendlier. She attributes this to women being more "accustomed to

signifying friendship and neighbourliness by not keeping a formal record of ‘commitments’, that is by exchanging favors instead of green dollars” (Raddon, 1998 p. 3). 28

As Marva suggests, the quality of social interaction during trading improves as people get to know each other. “I have found that once you get to know people in LETS you find nice people who are not so professional where every minute costs you money.”

Similarly, Barb, a mom of a young child, observed that trading with other mothers of young children resulted in their lives becoming intertwined in more social ways. “Since meeting these women at LETS orientations and trade fairs, we have done child care exchanges with each other, our children have become friends and play together in each other’s homes. All of us get together and socialize. Some of these kids now attend the same play school and day care as my daughter and we socialize around that as well. “

Women who are involved in more integrated economic relationships find that what women value when trading is not solely based on financial criteria. In fact women often spoke of the other benefits of their trading relationships. Julie states, “I have a relationship to these people (with whom I trade) and there’s a friendship and a connection. So when we do things for each other, it’s as though it’s an extension of our friendships. When we’re trading it hasn’t felt like a chore. It hasn’t felt like an effort to be active in LETS because the friendship is active.”

28 We will examine this issue again in the next section when discussing the challenges that an integrated economy creates for members of LETS.
For Dana financial value is not the sole criterion that she uses to determine the value of an exchange. In fact, she maintains that the personal social connection becomes almost more important than the LETS trade. One night a week Dana is a distributor of organic food from her home. “On the nights I distributed food, in terms of money making, it wasn’t very good. But I have made really good friends and have a lot of fun just being with people.” As a consumer of organic food in Dana’s home, I greatly enjoyed the social connections I made when picking up my food. Although going to Dana’s home wasn’t as convenient as having the food delivered or going to a store were I could buy all my groceries in one spot, trading in her home was a way to catch up on the news and meet people in my neighbourhood in a relaxed atmosphere.

For some women interviewed, the decision to join or maintain their membership within LETS was based on looking for ways to combine their social and economic life. Dana was new to Toronto and was looking for a way to become part of and to create community. She was attracted to LETS because it offered her a way to deal with people on both a social and economic basis. “I was unhappy with this large scale economy. Instead I wanted to become part of a smaller economy where people know me and I know people – like being part of a village. LETS is a way to have business and social interaction blended together. In LETS we are able to trade with each other and interact socially.”
Integrating Economic and Social Lives: Challenges

While the integration of social and economic lives is the ideal, there are several challenges that make it difficult for this chasm to be bridged.

Informalizing the Formal

When the goal is solely to maximize profit, as in a global capitalist economy, impersonal exchange is a necessary prerequisite. If a thing is to have a market value, it must be detachable or alienable so that it can be measured and compared. We who do the valuation must be able to stand apart from the thing we are pricing. We have to be able to think of separating ourselves from it. LETS then raises a new dilemma for people are accustomed to economic exchanges that are more impersonal (Hyde, 1983, p. 62). In LETS the local circuits of exchange increase our personal knowledge of each other and consequently increase the feeling connection between people. In LETS we tend not to assign comparative values to those things to which we are emotionally connected.

Roberta says LETS is a more relaxed and friendlier economy than the mainstream economy because it does not have a solely commercial focus. However, she has found that many professionals who join the LETS system are completely money-oriented.

"A lot of the professionals are taught how to charge for every paper clip and every minute because they are focussed on cost recovery. I got legal advice from one of the lawyers on LETS. I found he was just as gouging and snappish as any other lawyers in the conventional economy. I have also heard from other LETS members who have had bad experiences dealing with professionals such as accountants in the system. Some accountants only offer 2% green dollars and that is already after they have jacked up their price. I ask them, why do you bother, why are you here [in LETS]?"
Correspondingly, Marva says she prefers to trade in LETS because too many professionals in the conventional economy feel every minute costs money. "I prefer to work with a more relaxed person. You talk with them, have lunch with them. I like to work with people like that who are not anxious to rush off to their next job."

Formalizing the Informal

In the informal world of gift giving and mutual aid among family and friends, keeping a record of ways people help each other is often considered inappropriate. It can threaten or undermine the emotional intimacy and integrity of relationships between people. The old adage, "You can make friends with people you do business with, but don't do business with friends", speaks to the tensions involved when putting a numerical value to things people do for each other within more intimate circles. Even though the LETS currency does not suffer from scarcity and is a system of exchange where no one makes a profits from another's labour, most women in the study said there exists a tension when keeping a formal record of favours with members of LETS whom they consider friends. And as a result, at times they experienced a mixture of guilt, confusion and/or hurt feelings.

Barb described the dilemma she faced when some of her friends joined LETS.

"It became a little bit uncomfortable to decide if we would put a dollar value on a trade. Things we would have done for each other before, like child care, where I would watch my friend's daughter and she would watch mine, we would sort of keep track of the hours so that we were even. When we were both members of LETS we'd always pay each other in green dollars. But a change happened [in the relationship] once a currency was attached to what we did for each other. It felt different because it was more formalized, it was less a currency of friendship and more a monetary value kind of thing. Is it a friend doing something for
a friend or is it because of the green dollar value attached to it? There’s times when that’s a little bit awkward.”

I heard one story from a woman in LETS who said she went over to another LETS member’s house for a visit. The woman of the house offered her some tea and cookies. Later when the woman visiting said she needed to head home, she was told that the cookies were 50 cents (green) each. The woman who was asked to pay for the cookies was surprised to say the least.

Julie beautifully describes the tension involved in formalizing informal relationships.

“There is so much that my friends give me that’s intangible like inspiration, guidance or a word spoken when you really need it. It is sometimes nice to express that by doing something concrete and tangible and so I have a sense in myself that we’re square, that it feels right, and a sense that the giving is going to continue in both directions. To be able to express that is really important, to give back, to express gratitude, to say or do something for someone when they need a friend. This is so important and I think this is what gets threatened when we ask for green. When we ask for green it takes it out of the personal to becomes quantitative.”

Even though informal reciprocity may better acknowledge the non-quantifiable or spiritual aspects of exchanges that occur between people who have close on-going relationships, LETS plays a vital role in providing a form of exchange for two important reasons. Even though informal exchange is enriching, LETS enables us to access services beyond our small circles. LETS offers the benefit of full participation in an extended network. Julie observed that in a large urban city, if LETS became less formal that its advantage would disappear. “I think LETS is an intermediary. It’s somewhere between the formal economy and the love economy... I think there is a huge advantage in having
that exchange formalized, and the advantage is that there is an account and we all have a shared understanding of what has to be returned with formal rules and contracts.” For me, it was this semi-formal characteristic of exchange within LETS that attracted me to the organization in the first place.

This also rang true for me as well. Personally, when I ask for help from people I know who are not close friends or family I have always felt reluctant to do so because I feel I am burdening them. For me abundant LETS green dollars became a guilt-free way for me to meet my needs while at the same time offering something in return.

LETS is an economy that lies between the completely personal forms of exchange and the highly complex and impersonal market exchanges that occur in the global economy. Its primary advantage is that it is also a tool that will help to relocate global economic exchanges to the local economy. In doing so, the LETS economy could perhaps create new social relations that encourage not only more convivial green exchanges but also create more informal pockets of reciprocity.
Privacy Versus Community Access to Information

LETS makes more visible the personal lives of people on whom traders depend. As the local exchange system matures this will result in LETS members forming more and more formal and informal associations and groupings. However people who are accustomed to the impersonal world of commerce or to the separation between home, work and community life are faced with new dilemmas and challenges.

As we mentioned earlier, the LETS structure of generalised community exchange is fundamentally different from the structure of individualised market exchange systems. In LETS when an individual does an exchange the value returns to the community, whereas in the capitalist market system the value returns to the individual. For example, LETS members can see each other's account balances; they are not considered private because when someone owes or contributes to LETS, it is in relation to the whole system, not to individuals. In addition, this means an individual in LETS is connected directly and indirectly to others in the system in a multitude of ways and this has created some tensions for women in this study.

Barb talked about the challenge she faces because she wears multiple hats in LETS, as a professional healer, buyer and seller of services and products, participant and leader in community groups and events. In one instance a LETS member may be in her office receiving counseling. As a professional, Barb hears a lot of confidential information from people that she is likely to see during LETS meetings and special events. Barb says it is a challenge to ensure that what she knows about that person in a confidential context
is kept separate from other contexts. This can prove difficult when some of her clients are also her peers, co-workers, employees, or board members in another setting. It can be difficult for Barb not to have the helping relationship threatened or influenced by other dynamics that occur when dealing with the same person in another context.

When I attended a workshop about local currencies in the United States, a number of local currency participants using scrip had reservations about the LETS record of exchange - a centralized computer tracking transactions - because it could lead to an invasion of privacy. They expressed great concern about the possibility that governments or community members might misuse the information about member’s account balances. I found it interesting that they were so preoccupied by issues of privacy. Granted their fears about governments abusing their position of authority by misusing information about member accounts are legitimate. But I was surprised that they had concerns about privacy issues between members. I found it fascinating that a group of people who sought to strengthen community ties were perhaps not prepared for all the social consequences of local currencies; that our sense of ‘privacy’ (shaped by large-scale capitalist economy producing anonymous and personally superficial relations) would be challenged in a more integrated personal economy. I wonder how much people participating in local currencies overly romanticize what it means to be part of a more personal and close community. To what extent do we in the local currency movement not take into account the full implications of local currency systems? How many of us are prepared or even equipped to deal with the inevitable tension between our individual needs and community demands?
Another reason that it is difficult for people to integrate their social and economic lives is that many people do not have the social skills that help people work and live together cooperatively. As each generation becomes more reliant on the complex, global economic structure and less on community relations to meet their needs, they adjust themselves to the requirements of a globalised structure's social relations and lose many of the skills required to foster local relations and trust. Some LETS in large metropolitan cities such as Toronto face a great challenge because they bring together individuals with little or no prior relationship to each other in an densely populated urban setting. Aside from the ties that connect people because of shared alternative or green values, Janet maintains that “LETS is building community out of nothing”. It’s one thing to be part of a community that has history and building a LETS within that community.”

There are very few urban members who possess the skills that reflect earlier subsistence forms of knowledge and behaviour. Some people in LETS have not been exposed to values or behaviours that support community life. When these values are not part of their past or present experience, there is a learning curve, it can be new territory for people who are accustomed to more individuated, urban, anonymous lives.

Greater discussion is needed in LETS to resolve the tensions we experience in balancing conflicting individual needs and community demands. For example, new challenges emerged when women were in conflict with other members in LETS within a context of more personal economic exchange. While the focus of this investigation is to emphasize
the positive aspects of more integrated community and work life, conflict will continue to exist. But what is at issue is how we deal with conflict in a integrated economy when we have been accustomed to dealing with conflict within anonymous atomistic economic and social relations. I would suggest that in such global relations people have the choice to cut off their relationships. But in an integrated economy, there is no such thing as goodbye. Therefore the way we resolve conflict requires more effort and thought, since we cannot as easily escape the consequences of ones actions.

Based on my observations as a trader and as a committee member within LETS, I believe that many LETS members struggle with how to deal with conflicts between members within this new integrated context, and regrettably sometimes replicate behaviours that are the norm in more anonymous social relations. For example, the LETS Steering Committee has until recently been plagued by acrimonious conflicts. Part of this conflict can be attributed to inexperience in living and working in a community. And because it takes more socially sophisticated ways to resolve conflict within the context of personalized local exchange, some LETS members involved in conflict resort to more coercive, dismissive, adversarial, win-lose kinds of approaches to conflict that are typical in impersonal compartmentalized societies. Perhaps in time as LETS communities mature, and members engage in repeated contact with others in LETS, members may learn more cooperative means to resolve disagreements or conflicts through a combination of trial and error and community sanctions. As the saying goes, “the smaller the town, the bigger the politics” rings true in local exchange. The dilemma is many of
us participating in LETS may find ourselves socially ill equipped to take on the challenges created by an integrated economy.

My research shows that despite these and other barriers and tensions, the Toronto LETS local exchange structure is beginning to create new opportunities for community building as members’ social and economic lives become intertwined. Elements of a cohesive community that are emerging include participants’ holistic knowledge of each other, trust, community spirit and goodwill and a sense of mutual responsibility.

Elements of a Cohesive Community

The modern industrial economy has spawned complex social structures with more numerous segmented groups, a larger number of specialized and impersonal social relations, and greater individuality. Such specialized, isolated and detached economic relations have transformed the way people interact with each other. For many people in a modern society, there is virtually no relationship between work, family and community life. In large metropolitan cities people live in adjoining apartments for months and sometimes years without knowing one another. In some cases any attempt to seek to know one’s neighbours is resented because it is considered an invasion of privacy. The family doctor that knew all the members of a family intimately has been almost entirely replaced by the pediatrician, the orthopedist, and the surgeon.

Advances in modern technology allow individuals to ‘interact’ with someone across the globe, by e-mail or by phone. Such advances create, on the surface, new “cyber-
communities”, where people have ongoing contact, rely on each other for information, share a surprising amount of intimate details about themselves, but result in ‘virtual’ social relations. These ‘communication’ technologies allow people “to get to know” others without genuine face-to-face communication, thus preserving more detached and controlled forms of social relations and distorting, reducing, or even eliminating the give and take dynamic that is an important part of genuine integrated social relations. (Franklin, 1990, pp. 48 – 49)

In the past people participated in shared work and social activities where they continuously met the same people. They got to know each other in a variety of contexts. Over time they came to share the same interests, experience and stories. Their sense of security was enhanced because they knew whom they could and could not count on in their community; as well, such sharing gave rise to forms of altruism or community spirit. These were the elements that formed the foundation on which community life was built.

Knowing People in a Holistic Way

When LETS advocates talk about the social advantages of a local currency system, the benefit most often cited is that the exchanges are more personal. There were several main categories that emerged from the interview data that speak to the importance of ‘knowing people’ in LETS. For example, this phenomenon not only played a central role in helping women to trade but it also influenced what value women assigned to their trades. By the time I got to the final stage of analysis it became clearer, in the words of Dana, that “knowing people is the crux of LETS.” To understand this phenomenon it is

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important to understand how the different aspects of personal connections play out in women's experience in LETS.

To 'know a person' is a complex and ever changing phenomenon. In general, women in the study said they felt that their experience in LETS - through social events, meetings and trading - enhanced their knowledge of people in a more holistic way. Women said this was more likely to occur in LETS under certain situations.

Face-to-face contact was an important condition for all the women. It was also important to know what other women and men were offering, and what goods and services they needed. For most of the women, it was important to put a face on a service or product. Julie, for example, felt she knew someone if she could ascertain their competency, trustworthiness and personal compatibility, as well as their likes and dislikes. Barb stated it was helpful to learn about people's life experience and their interests. Lou said she liked to see where people lived to get a greater sense of them, as well as to meet them in different circumstances to get a greater sense of the whole person. Dana said it was important to know people in LETS in a deeper way, such as to learn about people's values, what they do and what they like. In addition, she felt it was important to know the quality of goods and services being offered by people in LETS.

Rhoda, who attended three women's potlucks or workshops, said these opportunities to meet other women were too focussed on business or entrepreneurial skills. Learning about what a person offers or wants in the system was too narrow. She would have
preferred to meet other women in a more informal way in order to get a better sense of them as people first. “For me I need to be in relationships with people in order to find out what their needs are and what I can offer them. I am a people person. Relationships are the first thing. The bottom line isn’t the dollars, it’s the human relationships.”

Shared Stories

In my father’s generation, in rural New Brunswick, the stories that my family tells are, for the most part, about themselves or people they know. Increasingly I have observed in an urban environment (where we do not know each other’s networks well) that the stories that we tell while socializing are about people we know only via the mass media. I find when I am in the company of LETS members (who have more frequent contact because of our frequent mutual connections through Toronto Organics) we tell stories about ourselves and others that we can all enjoy because we know the people or know of them. It is as though the LETS local exchange structure begins to create a web of interrelated interactions to act as a basis for shared stories (or to make this possible).

The LETS form of exchange supports recirculatory patterns of exchange between local producers and local consumers. This exchange structure increases LETS member’s knowledge about their trading partner’s personal circumstances. This in turn becomes part of the story that is told to other LETS members. The multidimensional roles that people play in LETS trading create numerous interactions that connect to a multitude of other interactions. Shared stories between people who know each other and about people who know about each other are the authentic cultural ties that bind a cohesive
community. Referring back to Tara’s story about her experience trading in small markets in India sheds light upon how more integrated forms of exchange facilitate the flow of another form of community currency – that of personal information about its members. Tara described how in India she learned a lot about the person with whom she had conducted an ‘economic’ transaction and this information was passed on to others in her community. In addition, the personal information about the seller became the subject of many conversations between other community members. One can imagine the impact on a community when many accounts of personal information are shared and circulated about community members because of this integrated local economic exchange. It would have a huge impact on what people know about each other. Shared stories about each other, I would suggest, are important strands that tie community members to each other and form the foundation for a cohesive community bonded by shared history.

In LETS, women talked about how exchanges and the products and services themselves were more meaningful because they know more about their trading partner. Lou states, “A little while ago someone designed a logo for my business in LETS. She did it for mostly green dollars. She did a wonderful job and she put a lot into it. She said she even went into a trance to design it and I thought that was so cool. Now when I use that logo, I think of her and I know who she is, and it’s more than just a logo, it’s her too.”

It appears that exchanges in LETS can establish a feeling-bond between two people (and perhaps between a multitude of LETS community members) similar to forms of gift exchange that occurred in more subsistence economies. This contrasts with the
commodity exchange that occurs in a globalised capitalist economy where the exchange leaves no necessary connection.

Trust

In a globalised economy, there are many mediating structures that shape our relations to each other; we rely on outside experts to tell us how to feel, think and even react and act with others. People increasingly rely on the authority of institutions to determine the trustworthiness and competencies of people. For example, the minimum requirement that a Children’s Aid Society worker in Toronto must have is a Bachelor of Social Work. These credentials presumably inform a child welfare employer that a person is qualified for this job, not necessarily that they are good at it. When we let someone into our home to clean it, we rely on a company that bonds their employees. In LETS, because the scale of production and consumption is small, and because people live and work together, the structure of LETS gives people a more integrated environment from which to get to know each other. The practical nature of people’s interactions allows people to determine, over time, whom they can trust and under what circumstances.

When money stays in the community, circulates locally, as is the case in the self-contained LETS system, there is greater likelihood that people will have the opportunity to have repeated contact. Through this frequent contact, members can begin to find out who can be trusted. Edgar Cahn (1992), the originator of Time Dollars, an American system of service credits once said, “Money is just a way of finding out who you can trust. After you have established that it doesn’t matter anymore.”
Interviews with women in LETS suggest that shared alternative or green views (a shared political vision that supports local exchange) amongst the membership helps to quicken the trust process between members. Conversely one woman interviewed said part of her problem in LETS was because she felt out of place within the ‘green’ culture because she hadn’t adopted a ‘green’ lifestyle (vegetarian, organic, alternative healing) and the ‘green’ discourse. While the LETS systems have their roots in these alternative communities, this does not mean that without such common values the LETS could not engender trust. For example, there is a local currency system in Philadelphia administered by Resources for Human Development, which is located in a low-income public housing community. Even though the primary motivation for joining this local currency system is financial need, local exchanges in the community have decreased mistrust and increased solidarity between members of the community.

For Rhoda, establishing trust is an essential but not a simple part of knowing someone. Rhoda described her experience in a LETS workshop for women that she participated in where women were asked to do exercises aimed at developing closer ties between them. She did not feel comfortable in this workshop because the exercises that they were asked to do required a lot of trust. She found this difficult because she did not know people in the group well enough because she had not interacted with them before. She says that in order for people to establish closer relationships there needs to be a way to do gradual relationship building so that trust can develop.
This speaks to two issues that hinder the building of trust within LETS Toronto. In a large urban metropolis such as Toronto where LETS members are spread across a large geographic area, interactions between members are less frequent, less personal and as a result do not support the ideal conditions necessary for trust to develop.

Most of the women interviewed participated in direct barters with other LETS members. When there were problems with the LETS computer for a time, and people could not have their exchanges recorded in the computer, Roberta said she and several other women bartered with each other directly. Marva had a LETS member fix her toaster in exchange for cooking him a meal in the future. I suggest that the presence of direct barters is an indicator of trust. In order for the direct barter to occur it requires an ongoing relationship based on trust: faith that someone will honor the reciprocity with something in the future.

Roberta says that trust occurs much more quickly within LETS than within the regular monetary economy, "If you are calling from the LETS directory then you are calling your community: It's like the same thing in my own neighbourhood. If someone who I know gives me a name and phone number for someone who cleans furnaces, I will call that person and say, 'Glen gave me your name and number and I need my furnace cleaned.' The reception I get on the other end is much warmer and friendlier than it would be if I hadn't been part of their community. Within LETS the approach is different than if a stranger calls using the Yellow Pages because it's a community. You don't have the sense that you are going to be ripped off or it will cost you a bloody fortune." This is
consistent with Douthwaite’s (1996) suggestion that this trust occurs much more quickly with LETS than with national currency.

Accountability

Every traveler knows the sense of liberation that comes from journeying to a place where nobody expects anything of you. We all need seasons of withdrawal from responsibility. But if we make a career of being unaccountable, we have lost something essential to our humanity, and we may become a burden or threat to those around us. A community can support a number of people who are just passing through, or who care about no one's needs but their own; the greater proportion of such people, however, the more vulnerable the community, until eventually it breaks down. This is true on any scale, from a household to a planet. [Scott Russell Sanders, Rooted in the Land, p.45]

In a global economy where people mainly deal with each other in highly compartmentalized and specialized roles with considerable physical and social distance between them, the opportunity of experiencing people in a multi-dimensional way is an important part of an integrated economy. A personal example might be useful here.

Although I was wary of a woman in LETS because of her manipulative and controlling behavior on LETS committees, I did some trading with her (she was one of the few people that offered a particular specialized service that I needed). I was not able to dismiss her outright for a couple of reasons. One, she possessed valuable skills and talents that I depended on. Because I (begrudgingly) acknowledged her special talents and gifts, the door was opened, in a small way, for me to experience another side of her. Two, LETS local circuits of consumption and production increased the likelihood that
she and I would repeatedly cross paths and it would be in my interest to try and maintain a good working relationship with her. In this way, the LETS structure creates economic circumstances that require members to be accountable for their actions.

In LETS, if trades go bad or people get ‘ripped off’ (whether intentionally or not) they have some recourse to address such problems, since exchanges within LETS are not separated from the web of community relationships that exist among the members. People in LETS are less able to hide from each other than they might be in an anonymous urban setting. The LETS self-contained local circuit of production and consumption ensures people have to deal with one another because there is a greater likelihood of repeated interaction. And if Sally never runs into Mary again, she will certainly meet Mary’s friend, relative or colleague through the web of community relationships.

Janet’s experience dealing with a bad trade demonstrates how community pressure operates to ensure accountability within a LETS structure. “The fact of the matter is, I will run into these people [with whom I had bad trades] more often than if I had responded to an ad in one of Toronto’s mainstream newspapers. If I had used a non-LETS service, the likelihood of seeing that person again is probably negligible. But I am more likely to encounter the people I do business within LETS constantly. Not only will I run into these people in LETS, but in addition I will run into them because they often belong to similar organizations as myself.”
Janet purposely won’t buy from big companies because she is less likely to be able to influence them. “If people could produce everything locally that I buy in a grocery store I would prefer to buy from those people in the community. I don’t like the way big companies act. First of all they are so big that you don’t know who they are. You never get to see or know who the big guys are, you never get to meet them. Second they don’t usually take responsibility for what they do. They make things and they sell them but they don’t take responsibility for the environment.”

Janet says this contrasts with her experience in LETS with smaller producers. “With smaller producers you have a direct effect, you have more control. If you don’t like what they are putting in the food or how they are doing what they are doing, you can talk to them, you can tell them that you won’t buy their stuff and they may reconsider.”

Janet observes that if a LETS member refuses to reconsider their unfair or fraudulent businesses practices she can have influence by making other LETS community members aware of what has happened. Not only can LETS members protect themselves, they can directly and indirectly exert community pressure on LETS members who are perceived to be unethical.

There is, however, a negative side to this community pressure if it is used irresponsibly, Janet says. “The scary part of being in a community is that you can make someone look really bad and you could hurt them. And that’s the part that is very dangerous in a community that I’ve seen happen.”
“Your relationship with some LETS members you are dealing with regularly will soon begin to seem much more important than the balance in your account. After a little while it feels almost petty to put a value on each transaction and to give or receive a cheque. Each party begins to give as they can, confident that they will always be able to take as they need. Mutual trust becomes paramount; the spirit of community begins to emerge.” (Douthwaite, 1996, p. 88)

This experience was echoed by many of the women as they described the nature of their relationships within LETS. Women described many instances where their participation in LETS led to people helping each other out and choosing not using green or federal dollars to account for it. Women cited a number of instances where “That’s close enough, or we’ll call it even” prevailed when repeatedly interacting with others in LETS. These mutual aid activities indicate the greater “community spirit” that Douthwaite described. It also reflects some of the characteristics of pre-industrial or tribal communities where people begin to feel an obligation to each other that is not formally accounted for. This occurs on an individual basis as well as a collective basis within LETS.

When Roberta got sick she relied on her accumulated green dollars (in combination with federal dollars) to meet many of her needs. Roberta said she got a lot of ‘freebies’ within LETS. People helped her out and would not accept payment in green dollars or anything because Roberta had done things for them in the past.
On a community-wide scale, customers, suppliers, and friends of a woman in LETS operating an environmentally-friendly diaper cleaning business came together to generate capital to expand her business through the sale of ‘diaper dollars’. This initiative was made possible because of the trust she had developed with LETS members and others locally who collectively responded to her economic need. In addition, LETS members donated food and door prizes for the diaper dollar launch, drew in other people that they knew and purchased diaper dollars. These acts of generosity were grounded in the sense of obligation that developed out of the community relationships that were deeply embedded in a local exchange network.

Roberta says LETS is also about people who want to make a difference in the world no matter how infinitesimal it is. For example, Roberta sometimes gives “seriously poor people” like psychiatric survivors car rides at pay-what-you-can rates. “When you join a commercial bartering network you are there to help yourself. When you join LETS you are not only getting something out of it for yourself, but you are also there to give people a break. “

Not all personal relationships that engender trust lead to the elimination of green dollars to facilitate exchanges - and nor is it necessary. The LETS structure tends to encourage generalised reciprocity. Lou describes how LETS’ recirculatory structural feature plays out in her experience in LETS. “There is a spirit in LETS where some people try to help each other out. According to karmic law, if you help someone out it comes back to you
in some way. LETS is a refined system of that (karmic law). And that is why many of us stay in LETS because we have experienced or seen this.”

Dana described the recirculatory local exchange structure of LETS as fulfilling a kind of community karma.

“In LETS the sum of all the credit and debit of all LETS members is equal to zero. This means you have this give and take which balances out. For example someone at some point has a lot of money because they’ve been giving a lot and not receiving a lot of services. But then they start spending – getting a lot of services for a while. In LETS you don’t have to worry about keeping track of it too closely because you have this balance that is being kept by the whole system. Everybody can’t give and take at the same time. If you were to insist on having an equal exchange all the time you kill the possibility of trading because you can’t always give at the time that you need to receive. In other words it all comes out in the wash.”

It is interesting that most of the women expressed a philosophy that was harmonious with the LETS recirculatory local exchange structure. For example, Marva describes religious values that are consistent with the local exchange patterns in a LETS system, “Whatever we do, we believe our children will get back. If I help somebody they may help my children. What I mean by that is that the spirit of giving will continue and this will make my children’s lives easier. We don’t believe in accumulating wealth illegally or at the expense of others.”

This belief system, I would suggest, has its roots in smaller stable communities where people are dependent for their survival upon a network of enduring and stable community relationships. The conviction “it all comes out in the wash”, “what goes around comes around, “what is given will come back somewhere down the line” compliments the
LETS structure of exchange. However, if this tenet is practiced unreservedly within a large city where there are no sustaining bonds or enduring relationships then people run the risk of impoverishing themselves because the people they give to and from whom they receive are not part of the same recirculatory system.

LETS members do not experience scarcity of the medium of exchange. Abundant green dollars ensures that people are not impoverishing themselves while helping others, a dilemma that women encounter when they contribute to community life for their unpaid efforts put them at a disadvantage in an increasingly monetary market driven economy.

It is interesting to note, however, how LETS gives birth to forms of informal reciprocity that reflect earlier societies where relationships are more enduring because they are embedded in social relationships. In this way perhaps LETS can reestablish pockets of informal reciprocal activity while at the same time offering a formal structure that facilitates more formalized reciprocity.

Sense of Security

In the global monetary system where community and economic lives are separated and where increasingly industrialized countries are retreating from their role as a redistributer of wealth, people’s source of security in old age is no longer the community (or the government), but monetary savings. Higher income individuals plunge their savings into RRSPs and play speculative games in stocks and real estate, ironically creating a “sense of insecurity” on a number of levels. First, as we addressed earlier, the value or wealth
generated within communities is drained to other locations creating a growing
dependence on outside global forces. This value in turn is increasingly used for the
purpose of money farming and is less and less attached to concrete goods and services.
Second, not only are low income people excluded from these arrangements, but people
from higher income levels who can afford to put away savings are particularly vulnerable
to the currency fluctuations that are controlled by interests outside their communities and
even countries. LETS on the other hand, reunites economics and community, and has the
potential to create a more durable and grounded sense of security than the ephemeral and
precarious monetary economy.

This is so because LETS supports local production through meeting local needs. This in
turn allows members of LETS to get to know and rely on the local capacities contributing
to a greater sense of security. This counters the structural limitations of a global economy
where people come to depend solely on a complex global infrastructure where consumers
and producers are alienated from each other.

As LETS matures and offers more basic goods and services, such as rent and food, their
capacity to offer members security will be further enhanced.

Many of the women I spoke to talked about how LETS has increased their sense of
financial security. Marva, for example, describes how her green dollars, (the $1000 green
credit available to all members) and her connection to Toronto Organics (she can take her
green dollar wage in food) gives her peace of mind even though her federal source of income will be dropping dramatically:

I have a good feeling. I feel like I have something. People who don't have work say, 'Oh my god, what am I going to do next month.' I feel O.K.. If my business doesn't pay all my bills, I have Toronto Organics, I have green dollars. I feel more secure.”

Lou describes how frequent trading with people in LETS allows her to depend on people spontaneously when in a pinch.

“Like one day when I was going to a movie, and that very same night I was kicked out of where I was living and I had all my stuff in a buggy, and I really didn’t want to go around town with this big, bulky thing. So I dropped it off at a LETS member’s place; she is the only person I knew who lived downtown. While I was there she gave me a poster for .25 cents green, and now that poster reminds me of being able to get help when I really needed it.”

For almost a year I offered catering in LETS. Because I traded with a number of women in my neighbourhood, it was easier to call on them at the last minute. For example, when my husband’s work demands made it difficult for him to make a catering delivery for me, I called several people in LETS and found a person who could help me, someone I had worked with before and trusted. This is true for many things: immediate child care, drives to the pharmacy, deliveries, etc. In this way LETS enlarges the intimate family circle to include a community circle while at the same time not impoverishing it.

For Julie this security was defined in both social and economic ways:

“I’m wealthier because of the friendships I have in LETS. I’m also more secure because the people that I’ve formed friendships with in LETS are very resourceful and I think I can count on them to help me out with needs I have in the future, through LETS or in other ways...It also means I have other avenues to turn to or have other options in life and that is part of my sense of security.”
It is important to note that not all interactions in LETS lead to friendships. In fact many women interviewed stated they also traded with people with whom they wouldn’t want to be friends, or whom they disliked. McKnight (1995) maintains, in Careless Society, “It is not necessary that we like everyone in our community.” But perhaps what is necessary is that we find local people with whom we trust that we can depend on.
CHAPTER FIVE

CONCLUSION

Summary

In the Introduction, I presented the problematic social and economic relations of a global capitalist system fueled by modern money and its detrimental implications for community life as well as proposing an alternative economic tool that simultaneously brings together social and economic relations and strengthens community life. In Chapter One I compared the use of money in early subsistence economies and multi-purpose modern money, revealing the structural flaws of present money, specifically its combined functions as a means of exchange and storage of value. These combined functions allowed money to be hoarded and accumulated by a relatively small group in society creating scarcity for the majority. Additionally, the means of exchange function required people to have available commodity money before they could exchange. Later in Chapter Two I compare subsistence, early and later capitalist controlled industrial economies, describing how the medium and purpose of exchange shaped our cultural and social relations. I show how social and economic lives became disconnected as we moved from subsistence to our present day global economic structures. Such structural changes in our
economies have transformed social relations from long-term, stable, communitarian, personal communities that were more locally self-reliant to short-term mobile, atomistic, isolated individuals who are more dependent upon outside imports and externally controlled institutions and corporations to meet their material needs. This process has led to the alienation of producers and consumers, commodified a greater portion of activities that were once done in the household and restricted access to the means of transferring resources.

In Chapter Three I discuss alternative economies. I examine the role and presence of the informal economy in industrialized societies and a complementary alternative tool, local currencies and in particular LETS. I then describe LETS Toronto, how LETS works and the distinctive structural features that differentiates it from modern forms of money (as well as other forms of local currency). In Chapter Four I examine the experience of eight women in LETS and describe opportunities and challenges that existed in such an integrated economic system. Later I record the characteristics of such integrated social and economic relations through the experience of women interviewed. Such characteristics are, I maintain, emergent elements of more cohesive communities that attest to LETS’ potential to create new social relations based on knowing people in a more holistic way, increased community good will and trust, greater sense of security and responsibility to each other.
Findings

The process of capital accumulation facilitated by modern money has created a centrifugal force, which has scattered and atomized social relations while eroding the material basis for local self-reliance and strong community relations. Interventions such as LETS and its local currency act as an integrating structure, intertwining the economic and social threads that the global economy is quickly untying.

To what extent does LETS create new integrated social relations? I have shown how LETS medium of exchange and structure creates new opportunities to increase value in the community, to build relations based on community reciprocity. Additionally I have demonstrated how LETS’ personalized exchange begins to strengthen community relations through increased knowledge about each other, greater community spirit, trust and accountability.

I suggest that this relatively new system of social and economic integration is occurring sporadically within LETS. While the volume of exchange within LETS is fairly small compared with the volume of trade taking place in the mainstream economy, it must be remembered that most LETS are in their infancy. Also, to examine only the quantitative economic impacts is to do an injustice to their more qualitative social and community-building effects. As LETS develops greater availability of goods and services, more basic needs, stronger administration, then this will no doubt lead to more frequent local
interaction enhancing social processes such as increased trust and community goodwill, sense of security, greater holistic knowledge of and responsibility to each other. This will, in turn, increase the interconnections between individuals in LETS, giving members more opportunities to discover and practice new ways of relating to each other in our personal and work lives. It will be interesting to see how such local exchange will give birth to new collective group norms and cultural practices that accommodate their more integrated lives.

**Constraints & Recommendations**

Equally interesting are the constraints that make it difficult for more integrated social relations to occur in LETS Toronto. LETS currently suffers from unavailability of basic goods and services such as rent, food, car repairs and carpentry. While it is important to have roses as well as bread, women in the survey often said that their participation in LETS is hindered by the shortage of basic necessities, which they always have to turn to the federal economy to fulfill. The LETS Steering Committee could conduct regular assessments of what needs are going unmet in the System and develop a strategy to recruit businesses, organizations, and individuals who could offer those targeted goods and services. While LETS does not have many resources (volunteer or paid) to conduct such assessments and community development and outreach endeavors, there are many college and university programs which are seeking opportunities to offer students research and community development skills.
The chronic administration problems that have afflicted the LETS Toronto system have been another stumbling block eroding membership confidence in the system. Chronic problems such as improper recording of trades, computer crashes, late newsletters, incorrect ads and sometimes outrageous conflicts between steering committee members have weakened the organization’s ability to offer an economic alternative that members can put their trust in. The composition of the steering committee needs to include people with experience in setting up and maintaining administrative systems, as well as fundraising expertise. More recent changes to the Steering Committee have slowly created a more stable organization. The challenge, however, is how to make the organization more financially and administratively self-sufficient in the long-term. LETS Toronto still struggles to garner sufficient resources to compensate people for their contribution toward the operation of the organization so that it is stronger in the long-term.

The spatial distance of the membership is an important factor in reducing the likelihood of social and economic integration. The problem is that LETS Toronto covers a broad geographical area so goods and services are less likely to be available within close proximity to the buyer’s household. In this case often the purchaser forgoes the opportunity to buy the services or goods on LETS. The LETS survey in the UK found that availability of goods and services in close proximity to member’s households appears to be an important determinant of the volume of trading on LETS. 29 This survey suggested that LETS should be based on a small area, such as a village, or that LETS in

29 Williams, Colin, C., Local Economy, November issue, 1996, p.262
urban areas with larger membership would have higher average trading levels per member than LETS with more geographically diffused membership. When emotional ties are the glue that holds a community together, its size has an upper limit. The kinship network Carol Stack (1974) describes in the Flats (a low income area within an urban centre in the U.S.A) numbered about a hundred people. WomanShare in New York agreed that their local currency community could not exceed 100 people, because large numbers would impede the development of lively social feeling among people. To address this structural dilemma, more and more LETS organizations are talking about the necessity of a multi-LETS model. This structure would allow smaller LETS networks to be connected to a large centralized LETS network. It is assumed that the majority of trading would occur within the smaller networks.

Tied to the necessity of a structure that enhances exchanges on a smaller scale, is the necessity for opportunities for face-to-face contact. Given the widespread nature of the membership, and given the urban milieu (where trust is low between residents), creating a smaller village-like environment through events that enhance face-to-face contact (such as community markets, swaps, workshops and potlucks) help to reconnect social and economic strands until social relations transform enough within LETS that such local exchanges have a life of their own.

Lastly, the composition of the membership creates limitations for the full integration of social and community life. Currently the LETS Toronto membership is culturally homogenous, predominately white, from a Judeo-Christian background, with strong
environmental political values. There are few people with children, seniors, people who come from different walks of life. This limits the richness of the skills, goods and services in the system. More targeted recruitment is required to try to address this issue in LETS.

In closing, it has been a dilemma of the modern world, as to how we are to preserve true community in a mass society, one whose dominant value has become exchange value. LETS offers a way of meeting material wants within a mass society by creating a structure of exchange that has the potential to build community where use value is embedded in social relationships and commitments within an interconnected community are predominant. Perhaps, with tools such as LETS we can regain and revalue those activities that were once motivated by care, shared history, and commitment and at the same time create a more just world and a healthy planet.
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APPENDIX “A”

ITEMS WOMEN IN SURVEY BOUGHT AND SOLD IN LETS

Seller:
Car rides, videotaping to order, editing, proposal consultation, menu planning, dog-sitting and dog-walking, house-sitting, sewing slip covers for couches and chairs, partial rent, massage, tutoring, housecleaning, window cleaning, cooked meals, baked goods, translation, coffee, baby products, taught photography, dry walling, in-door and out-door painting, catering services, labour; office work, serving food, farm work, retail work, shoe shining, Chinese herbal medicines, children’s clothing, etc…

Buyer:
Dental services, non-dairy/vegetarian prepared meals and desserts, organic food, massage, acupuncture, therapeutic touch, mediation, compact disk, compact disk player, tarot card reading, Christmas gifts, art work, crafts, jams, office supplies, child care, desktop publishing, logo design, business card design, worms for vermi-composter, plants, etc…

OFFERS AND WANTS LISTING IN THE LETS TORONTO NEWSLETTER

Art work, cards, beading, pottery, chartered accountant services, promotional services, computer repairs and programming, computer training, website design, courier services, group facilitators, trade brokering services, business consulting, grant writing, lawyer and paralegal services, photography, printer/copying, research, word processing, editing, renovation, performance artists, music lessons, green products, birthday cakes, baked goods, meals, counseling, clothing, electronic equipment and repairs, furniture, kitchen appliance and camping rental, acupuncture, shiatsu and Reiki therapy, dentistry, massage, yoga, child care, pet-walker, house-sitting, job-finding service, hair cuts, resume services, meeting space for rent, office space, bikes, moving services,
APPENDIX “B”

QUESTIONNAIRE

1. Think about the time before you were a LETS member. Please talk about what drew you to LETS.

2. Now think about all the different ways you have been involved in LETS. Could you describe your experience in LETS using examples? For example, think about trades, social events, meetings, any contact with LETS members that you have had.

3. Based on your experience in LETS could you talk about the advantages of participating in LETS in general. What were the advantages compared to the mainstream economy using federal dollars? For example, socially and/or financially?

4. Again based on your experience in LETS could you talk about the disadvantages of participating in LETS. What were the disadvantages compared to the mainstream economy using federal dollars? For example, socially and/or financially?

6. Were there unexpected challenges or pleasant surprises when participating in the LETS system?

7. What are some of the things that make it difficult for you to continue to participate in LETS?

8. What are some of the things that help you continue to be a part of the LETS?