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Title: Improving Links for the Ontario LETS Program

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Abstract:

LETS are increasingly becoming popular complements to the market. LETS have a great potential for contributing to sustainable community development, assisting those truly in need, encouraging local economic development, and contributing to a sense of community. They are an excellent way to improve the sustainability of a community, assisting the truly disenfranchised in their time of need, and promoting social cohesion and local economic development. Problems such as funding, time restraints and attracting a large enough member base need to be addressed for LETS to have their full impact on the community. The increased utilisation of the Internet could be a solution to a lot of the problems LETS are facing. It can make the trading process more convenient for the members. It can reduce the amount of time required to manage the system. It can be a source of advertising for members and therefore increase the membership. It is still extremely important to keep a strong presence within the community, although the range of the 'community' may have to be expanded for self-reliance to be achieved. Advertising should initially be directed at a demographic group that has the resources to conduct higher value trades as a method for creating a strong base of members. From here, expansion could be made towards those who could truly benefit the most from the credit free system.

Improving Links for the Ontario LETS Program

By: Pokorny, M.

Keywords: local exchange, economic, employment trading system, LETS, history in Ontario, Peterborough, recommendations, improving, community, sustainability

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Improving Links for the Ontario LETS Program

Introduction

The post-modern society is one in which industrial countries have experienced de-industrialisation and with that the elimination of the blue collar middle income employment opportunities. There have been significant increases in the number of high and low-income jobs; the number of full time employment positions being replaced by part time and temporary jobs. Unemployment and underemployment, along with the disparities between the rich and poor have been increasing. Cuts in welfare and social services have had dramatic effects by limiting the assistance and support people can receive from the government. The inadequacy of the government to deal with these types of problems have led some communities to search for new methods of helping those in need and promote sustainable community development. One strategy communities have adopted is the Local Exchange/Economic/Employment Trading System (LETS). LETS currently face a variety of obstacles to its full effectiveness. These constraints will be identified and addressed with potential solutions that could allow LETS to be an extremely effective component of sustainable community development. LETS have a great potential for contributing to community sustainable development, assisting those truly in need, encouraging local economic development, and contributing to the sense of community.

Who is the Research For?

The Ontario LETS Program
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The Ontario LETS program is a project intended to create a central Ontario LETS Association. The program was initiated by Peterborough LETS in 1999, in conjunction with the Ontario Healthy Communities Coalition. The main goals of the program are to form a central LETS office in Peterborough with a management committee consisting of representatives from all Ontario LETS organisations. To offer assistance and guidance to organisations when needed or requested on aspects of operation such as administration, volunteer management, marketing, and promotion. To organise further proposal developments for the association and plan conferences for all LETS administrators and managers.

What is the Study Area?

What is a LETS? A Local Exchange Trading System (also known as a Local Economic Trading System, or a Local Employment and Trading System) is a "self regulating economic network which allows its account holders to issue and manage their own money supply within a bounded system" (Dobson, 1993:216).

Ontario LETS Organisations (Map 1)

Peterborough	Kingston
Toronto	Port Colborne
Kitchener-Waterloo	London
Guelph	Northumberland
North Bay	Quinte
Sudbury	Newmarket
Ottawa	Thunder Bay
Hamilton	Muskoka

Background Literature

The first formal LETS was created by Michael Linton in Canada during the mid-1980s as a response to a recession causing unemployment and cash shortages in rural

areas. Linton expanded the concept of LETS beyond Canada to the United Kingdom, New Zealand and Australia through a seminar presented at The Other Economic Summit (TOES) in 1984. This concept was again further reinforced in 1992 at the United Nations Conference on Environment and Development in Rio de Janeiro in which a topic of discussion was of the "present monetary and economic structures [that] are part and parcel of unsustainable development and environmental mismanagement and that to recreate community, or communities, we must rethink the local economies that once supported community life" (Seyfang, 1996:5). As of 1994, there were more than 300 LETS in the UK, 54 in New Zealand, 171 in Australia, and around 10 in both Canada and the USA" (Williams, 1996c, 86). In Canada the number has at least tripled, although LETS are continually folding and re-emerging fairly regularly. "A vibrant and diverse international LETS community is developing with the assistance of modern communication technology" (LETSLink UK, October 2000).

LETS is an alternative, multilateral system for exchange. The currency within the LETS - if there is one - circulates within the boundaries of its members and is known as Green dollars which are accepted as a means for local exchange. They are created by each exchange and the usefulness or needs of one's skills, time, labour and resources. They are backed by the aggregate of individuals assuming a common responsibility. It essentially favours the locally produced goods, local control of enterprise, and local self-reliance. Green dollars are, theoretically, available in unlimited supply to those in the system. Accounts are usually maintained through a computer accounting program and transactions are telephoned or emailed to the main office. A new member's account balance begins at zero Green dollars, and is then debited or credited as they engage in

exchanges. A negative balance is not viewed as a debt, but rather a commitment to the community to provide goods or services in the future.

The three main goals that LETS have broadly accepted are to "help the under and unemployed by providing meaningful employment and economic activity, to rebuild local and self-reliant economies, and to foster a sense of community" (Carmen 1997, 77; Williams 1996b, 321-2). The term community can be interpreted in a variety of ways, and therefore it is important to define what is meant by the word community when speaking of community development and LETS. Williams (1996b, 324) defines community as "a shorthand for those local social arrangements [of] intermediary structures that are beyond the domain of household relations but are more familiar to individuals than the impersonal institutions in the wider society". Relationships are created from shared interests and create a sense of belonging; environmental concerns, leisure activities, demography or common residential areas for example. "Community is something that is socially constructed, not naturally occurring, through the active generation and reproduction of social networks" (Williams 1996b, 324)

The hegemony of the capitalist market system is implanted in society, and because of this many are wary of local currencies and view them as somehow illegal. This is certainly not the case. Revenue Canada, as well as other governments in New Zealand, Australia and the UK have issues interpretation bulletins and other similar documents regarding income tax and barter transactions; they fall under local currencies. The Canadian Interpretation Bulletin states that "any income earned through the exchange of goods and or services, if it is part of a business or a main source of income, must be reported for income tax purposes" (Revenue Canada 1982). Peterborough LETS

provides a copy of the Interpretation Bulletin to all new members and explain that it is the responsibility of the individual members to report all income earnings. In terms of informal and formal economies, all income that is reported for income tax purposes is part of the formal economy. Any incomes that are not reported, and thus are not part of ones main source of income are part of the informal economy. Exchanges not required to be reported fall under what Pacione calls inter-household activity of the fully non-marketed complementary sector. (Pacione 1997, 1190)

LETS are just one of many initiatives communities can undertake towards becoming a sustainable community. The Minnesota Sustainable Economic Development and Environmental Protection Task Force (SEDEPTF) defined a sustainable community as:

A community that uses its resources to meet current needs while ensuring that adequate resources are available for the future generations. A sustainable community seeks a better quality of life for all its residents while maintaining nature's ability to function over time by minimising waste, preventing pollution, promoting efficiency and developing local resources to revitalise the local economy. Decision-making in a sustainable community stems from a rich civic life and shared information among community members. A sustainable community resembles a living system in which human, natural and economic elements are interdependent and draw form each other (Minnesota SEDEPTF 1995).

The main goals of sustainable communities encapsulates those of sustainability and LETS in general, helping people meet basic human needs, fostering local economic growth, and improving social cohesion. These goals are interdependent and rely on the use and consumption of natural resources. Therefore the remaining natural resources that are available must be used in a sustainable manner if sustainability is to be achieved. LETS are intended to be a complementary program to the market economy that provides

an alternative means for individuals to achieve self-reliance, not a replacement or substitute to the market. LETS "do not seek to challenge [the formal capitalist] hegemony head-on, but instead attempt to develop a parallel complementary form of social and economic organisation within the local context" (Pacione 1997, 1180). Therefore these types of systems should be judged in terms of its ability to promote and achieve sustainability and sustainable practices within the local context.

Methods

A survey was developed to answer the research questions identified above (Appendix 1). The Trent University Ethics Committee approved survey before distribution. Email was used to distribute the survey to the LETS organisations identified within Ontario and throughout Canada. Responses were very slow. A second and third reminder, with an attached copy of the survey, were distributed to the identified LETS three and six weeks after the initial survey was distributed.

There were seventeen LETS organisation identified in Ontario. Not all of them are currently active. Some organisations have dissolved in recent months while others have not been active for a few years. Some organisations have proposals for the initiation of a LETS in their city, while others are currently waiting for funding or some other incentive to re-emerge in the community

Other LETS were also identified throughout Canada, three in Quebec, one in Manitoba, one in Saskatchewan, three in Alberta, and four in British Columbia. All of these organisations either chose not to participate in the survey, were no longer in active operation, or had relocated and therefore unable to be contacted through the email address that was obtained

Problems such as these in locating and identifying organisations made it difficult to obtain a high response rate. Of the seventeen organisations in Ontario only five participated and returned a completed survey, a twenty-nine percent response rate. The low response rate is somewhat skewed because not all of the organisations are currently operational. At least five organisations, Thunder Bay, Muskoka, Quinte, Northumberland, and Newmarket are currently inactive. While others, Port Colborne, London, are in the process of introducing a LETS into the community. It is for communities such as these that this research will benefit the most. It will also be useful for those communities that are in hiatus at the moment and, or are just waiting for funding or a solution to a problem they have encountered

Results

When were the LETS organisations formed in the community?

Toronto LETS was introduced in February 1990. David Burman, along with Michael Linton, Jeff Slater, Sat Khalsa, and Robert Rex organised the LETS after six months of workshops with Kate Sutherland. A huge promotional introduction was the goal but that event never materialised. Toronto LETS had success in the 1990's until recently. They are currently running on bare maintenance mode, waiting for someone who has the time and interest to take on the administration and promotional aspects.

Kitchener-Waterloo LETS was introduced in 1991 by Greg Meadows, a University of Waterloo Student, along with Ken Gus. It ran for approximately four years with support from the Working Centre. This LETS never achieved critical mass, only attracting approximately eighteen members. In 1995 the LETS re-emerged with the involvement of three more university environmental studies students, Suzanne Galloway,

David Oppenheim, and Gary Carmichael. They met with Greg Meadows in hopes of resurrecting the organisation. A steering committee was formed involving Greg, David, Suzanne, Joe Mancini (Director of the Working Centre), Daryl Novak (Co-ordinator for WPRIG) and Shary Clarke, a local enthusiast.

Guelph LETS was initiated in 1992 as a working group in a municipal political party, the Municipal Democracy Movement and by the Green Party of Guelph. The Guelph LETS has switched from a straight LETS to a LETS/banknote hybrid and then to a solely banknote system in 2000. Guelph LETS are currently seeking to resurrect the failing system in the 'community way'.

Peterborough LETS was a project of the local Community Opportunity and Innovation Network (COIN). A steering committee was formed in 1993 consisting of local representative of COIN, Peterborough Green Up, the Peterborough Social Planning Council and Kawartha World Issues Centre (no longer involved) to begin planning the introduction into the community. The official board was formed and trading began in 1994. Peterborough LETS became incorporated in 1997 with a non-profit status and is currently seeking charitable status.

North Bay LETS was organised by Nipissing East Community Opportunities (NECO) in 1995. They have non-profit status and are funded through FEDNOR.

Why were the LETS organisations formed in the community?

Toronto LETS was created as a symbol of caring and to be able to assist those truly disenfranchised. The early 1990's was a time of recession and depression, LETS was seen as a way to encourage a more "spirit filled" society. A way to improve the

social and economic relationships among people, and provide essential services for those in the community truly in greatest economic need.

Kitchener-Waterloo LETS was created as a network for individuals, businesses and the community to improve community cohesion as members develop meaningful and mutually beneficial relationships. As an organisation that will help people meet their basic needs. A way to promote local creativity, producerism, and economic development.

Guelph LETS was formed as a way to encourage people to participate more within the local community and economy. To assist those in need achieve an improved standard of living. To encourage people to think in a more environmentally sustainable framework.

Peterborough LETS was created as a means to addressing the high levels of underemployment and unemployment in the community. It encourages businesses, individuals and those in need to create relationships and thereby exercise personal and economic growth. It promotes environmental concerns and keeping local currencies, whether Green or Canadian, within the community.

North Bay LETS is dedicated to improving local economic development in the community through creating opportunities for individuals and businesses to develop contacts. To improve the opportunities available for those involved.

General Trend: LETS are mainly introduced into communities in efforts to help those members of the community that are in need of assistance. To help those people gain access to the goods and services they require and help improve their quality of life. They

are also a way to improve social cohesion by introducing individuals and businesses and assisting them develop meaningful and mutually beneficial relationships. LETS are seen as a method of keeping monies local and encouraging local economic development.

How is the LETS organisation funded and monitored?

Initially the Toronto LETS was headed by a single trustee and then switched to a volunteer steering committee until 1998. The only source of money was from the membership fees and Green dollar service fees. Funding was eventually obtained from the Trillium Foundation and LETS CSA, but soon lost LETS CSA support. The Toronto Food Policy Council provided funding for a delivery truck. There is no staff funding. The Toronto LETS is currently running on bare maintenance, the office is now located in David Burman's office at the University of Toronto.

Kitchener-Waterloo LETS were provided office space by the Working Centre. An eight-member board of directors was elected in 1996 to oversee operation. Affordable venues and staff grants are provided by the charitable status of the Working Centre and WPIRG. The Working Centre currently provides office space and staff wages; the board of directors retains responsibility for operation of the system and development of membership related policies.

Guelph LETS was initially headed by a boards of directors which was not very effective or efficient as one person ended up doing the majority of the work. The organisation was reinvented as a virtual business and entrepreneurial project run out of people's homes. A HRDC grant was obtained for a six-month period of paid full time employment to develop their community method and hopefully achieve self-sufficiency.

Peterborough LETS had an initial volunteer steering committee. Administration was initially handled by COIN and community involvement venues were organised by volunteers. Since 1995 there has been at least one full time paid staff member, with occasional paid part time staff. In 1997 LETS was incorporated at the provincial level with not-for-profit status. The volunteer involvement continues today on the board of directors. Charitable status is currently being sought out. Funding was provided through programs with the HRDC and the co-ordinator is currently being paid through a two-year grant from the Trillium Foundation.

North Bay LETS was initially founded as a non-profit organisation. Attempts are currently being made to transfer ownership to a member of the program who would volunteer their time to continue the program

General Trends: The more successful LETS often have a board of directors, who are often volunteers that oversee the operation of the organisation. Co-operation and assistance from other community organisations are extremely beneficial. At least one paid staff member is essential to the organisation as volunteers often have little time to devote to the organisation and usually give priority to other work related and prior engagements. People in today's society are time poor and cannot make time for everything. Grants are practically essential if an organisation is to survive, especially for initial start up. They become very important after establishment for providing money for promotional and other print materials. Organisations that are based on a staff of volunteers often result in a collapse of the system. It is also helpful to obtain incorporation as a non-profit or charitable status to reduce overhead expenses.

What challenges were faced and what solutions were designed to fix the challenge?

Toronto faced a number of conflicts that led to the continual decline of trading activity, including internal politics/conflicts, dedication to the system, volunteer and staff situations and the incapability to provide consistent service to members. An authority figure was introduced to oversee administration. A paid staff member, paid from renewal fees was then introduced to oversee operations. Both solutions to their declining trade activity were rather unsuccessful.

Kitchener-Waterloo LETS encountered problems utilising the QLETS software used to record their database of members. Programming bugs were frequently encountered, the system often froze and directories could not be reproduced. The developer of the software was usually unavailable for assistance. A member who customised a database around Microsoft Access solved this problem. There were problems with members who were unaware of the tremendous amount of work involved in the administration of the system. Not all members contributed equal amounts of effort into the required processes and the program as a whole. These problems were minimised through the election of the boards of directors in 1996 who continue to oversee operations, make activities more shared, and distribute responsibilities more evenly. There were also problems between individuals in the program that were based on clashes of individual ideologies and emotions.

Guelph LETS experienced a lack of participation. People were too busy and did not have the time to partake in exchanging goods and services. Transactions were too inconvenient to become a regular practice in their lives. Problems were also encountered when those unemployed or underemployed attempted to participate. They were often too

de-skilled, or lacked any providable services to make effective use of the program. The only solution conjured to deal with such problems was the introduction of the Community Way system, the method currently being introduced to hopefully revive the system

Peterborough LETS grew rapidly during its first three to four years. Since then, the rate adoption of the LETS by other individuals and businesses has diminished significantly. Breaks where there was no paid staff also affected the availability of service. Volunteers were introduced to keep the ball rolling, but lacked the experience and time to be significantly affective.

North Bay LETS encountered a lack of dedication to the program. People operating the system did not devote enough time into the program due to other priorities. Problems arose in attracting new members and maintaining a presence within the community, both mainly due to the lack of money for advertising. Maintaining a presence not only within the community, but also within the involved businesses and keeping everyone informed were problems encountered due to a lack of time.

General Trends: Besides funding, the largest problems LETS organisations faced dealt with the lack of time members and especially volunteers devote to the operation of the system. This is why it is important to have at least one paid staff member that can be solely devoted to the system. Although volunteers are an important part of the system, the administration needs to be headed by a devoted individual or even team. It has been mentioned that these services are often too inconvenient to use on a regular basis. Perhaps new methods of trading and operation are in order. The momentum of the

program is often difficult to maintain and exchanges do decrease at times. It was also mentioned that the people the LETS was targeted at, the underemployed, unemployed, poverty stricken, generally those disenfranchised, often lacked the skills required to benefit from the program.

What is the member composition?

Toronto:

Total Number Granted Since Start-up: 1600

Number of Current Members: approximately 80-100

Number of Currently Active Members: approximately 10

Kitchener-Waterloo:

Total Number Granted Since Start-up: 375

Number of Current Members: 168

Number of Currently Active Members: 50

Guelph:

Total Number Granted Since Start-up: approximately 200

Number of Current Members:

Number of Currently Active Members: stopped tracking

Peterborough:

Total Number Granted Since Start-up: 950

Number of Current Members: 500

Number of Currently Active Members: 250-300

North Bay:

Total Number Granted Since Start-up: 54

Number of Current Members: 18

Number of Currently Active Members: 14

General Trend: None of the LETS organisations has anywhere near the number of members required for the system to be self-reliant. The only system with more than fifty active participants is the Peterborough LETS, and they still need at least 500 more members to come close to be self sustaining.

How are businesses recruited?

Toronto previously recruited through word of mouth. Recruitment is on hiatus at the moment.

Kitchener-Waterloo recruits predominantly through word of mouth. Other methods such as business presentations, trade fairs and related promotional material are also utilised.

Guelph LETS obtained a grant from HRDC to hire a salesman to pitch an advertising campaign.

In Peterborough, businesses are invited to a sales pitch after being prospected by another business or staff member. The Peterborough LETS joined the local Chamber of Commerce in 2000 as another method of obtaining new contacts. Although nothing has materialised out of this arrangement as of yet.

North Bay recruiting is through promotional material provided to perspective businesses and invitations to social meetings and business presentations.

General Trend: The most popular method of recruiting businesses is by word of mouth, and invitation to businesses to attend a meeting. Although other methods such as trade fairs and a strong presence in the community also work.

What impact has the LETS had on the community?

Table 1

	Toronto	K-W	Peterborough	North Bay	Acceptance (%)
Improve social cohesion	Yes	Yes	Yes	Yes	100
Creating employment opportunities	Yes	Yes	Yes		75
Keeping money in the local economy		Yes	Yes	Yes	75
Increasing economies of scales			Yes	Yes	50
Providing availability of essential goods and services			Yes		25
Improving members quality of life	Yes	Yes	Yes	Yes	100
Encouraging the improvement and development of skills	Yes	Yes	Yes	Yes	100

What kind of presence does the organisation have in the community?

Toronto LETS' presence in the community is currently non-existent since the program has been place on the back burner. The only presence now is in David Burman's University of Toronto office.

Kitchener-Waterloo LETS has a significant presence in the community. Communication is maintained with members through email, the distribution of membership directories every two to three months and monthly trade fairs. Other methods such as brochures at a variety of locations such as small business support

centres, media coverage, newspaper articles, business presentations, participation at community events, and affiliation with other community groups and co-ops.

Guelph LETS used to have a good profile in the city, distributing promotional material and attending social events. Such events were not beneficial to the organisation and few members attending meetings. The wait for the HRDC grant caused problems in a lack of funding

Peterborough LETS communicates with its members in a variety of methods. There is a monthly newsletter distributed both electronically and in hard copy. There is a member directory distributed yearly. Markets are held approximately six times a year for community participation. Peterborough LETS has a strong presence in the community, continually getting involved in festivals, holding workshops, presentations, socials, newsletters, and co-operation with other local co-ops and organisations.

North Bay LETS communicates with its members through quarterly newsletters. It also participates in local social gatherings and business presentations. They are also involved with the lets-exchange group.

General Trend: Practically all the organisations have a main office. The more successful organisations have a very strong presence in the community, which is essential for getting the community involved. Newsletters are utilised as an important method of maintaining contact with members, being distributed four to twelve times a year. Directories are also important for providing members a list of goods and services available. Getting in the local forms of media is an excellent method of maintaining a

presence in the community. Involvement with other community groups and co-ops is another why to increase the opportunities available for new contacts.

Recommendations

A number of alterations could be applied to LETS systems that could allow them to perform more effectively and move closer to self-sustainability. If assisting the marginalised sector of the population obtain what they need continues to be an objective, a stronger presence and a more direct focus on creating an organisation that is easy for them to use, get involved in and feel comfortable with. Focusing advertising and trading methods to suit the majority of the users, who have middle class lifestyle, it could attract a larger proportion of the community. This could be the initial aim in attempts to create a strong membership base. More participation will increase advertising budgets that can later be used to focus more on the marginalised section of the population and get them more involved after a strong membership base has been developed. The Internet should be exploited as much as possible. It can make communication and transactions between members much more convenient. There should be a volunteer board of directors to oversee operation at least one paid staff member to devote their time and passion to the organisation. It is also very important to create as many relationships as possible with other local development agencies as a means of obtaining financial assistance and trading partners.

Discussion

A main target group of LETS are those truly disenfranchised, those in need of assistance obtaining goods and services. Previous studies by Williams in 1996 on the Manchester LETS (UK) found that "the poor and unemployed are using Manchester

LETS as a source of work and credit" (Williams 1996a, 1410). A similar study on the LETS in Totnes (UK) concluded similar results, but furthered the concept. The study did reveal that the unemployed LETS members were using the system as a source of work and credit, it also mentioned that there are not a great number of unemployed, and only certain groups of the unemployed are involved in LETS. This led him to conclude that the "level of work and credit is limited, as is the number and range of unemployed who participate... [and that] the vast majority of the jobless do not presently take advantage of this interest free credit facility" (Williams 1996a, 1410). Pacione's (1997) results supported this observation on the Drumchapel LETS that never got off the ground. An "area that contains some of the most disadvantaged environments in Glasgow," and one that would be in greatest needs of what a LETS has to offer. If assisting the marginalised sector of the population obtain what they need is an objective, a stronger presence and a more direct focus on creating an organisation that is easy for them to use, get involved in and feel comfortable with. Through creating a stronger presence in social service offices, human resources centres, food banks and other community organisations that deal with assisting those in need. By focusing on attracting businesses that provide the goods and services to those marginalised could significantly increase the participation from that section of the population.

On the other hand it would probably be more beneficial for the organisation to focus more directly on the members that are utilising the exchange system the most. A study on the LETS in the United Kingdom produced a membership profile that reinforced the image of LETS as a "hobby of the environmentally aware middle class" (Williams 1995, 330; Pacione 1997, 1188). A similar study of the New Zealand LETS produced

similar results, but indicated that the trend may be in transition as more "recently formed LETS (1994-5) appeared to be more socially inclusive, with fewer 'greens' and middle class and more unemployed" (Williams 1995, 330; Williams 1996b, 323). A disaggregation of the growing number of unemployed identifies another trend. A study of the Manchester LETS identified that 43% of its members that responded as 'not employed', 63% of them had post graduate (post secondary) degrees or higher qualifications, representing the disenfranchised middle class. Although they may just be temporarily out of work due to changing job structures, they continued with the program after finding employment. "This is not to say that this group of unemployed suffers materially any less than other groups of unemployed, but they do have educational and cultural capital to offer, which other groups of unemployed do not (Williams 1996a, 1410).

Perhaps by focusing advertising and trading methods to suit the middle class lifestyle, a larger proportion of the community will partake. More participation will increase advertising budgets that can later be used to focus more on the marginalised section of the population and get them more involved after a strong membership base has been developed. Increasing the utilisation of the Internet may attract members from the growing population of 'Internet junkies'. The use of Internet sites that promote all the members through identity profiles and skills they possess, a portrait (for the personal touch), a picture of the goods or services they produce for exchange. Seeing a picture of the product can increase the attraction and desire of the product better than a simple description. It's like shopping on the Internet, a phenomenon that is increasing in popularity every year. The ability to search a web sites for specific categories or items

and then contact the producer through email too arrange a time to meet and make the exchange may increase activity in the program. It could certainly make exchanges more convenient for the members. Meanwhile a record of the transaction could still be relayed to the main office. The use of chat rooms or even newsgroups can provide a method of communication between the members. The distribution of newsletters and all other promotional materials and announcements can be through electronic means. This can also improve advertising for local businesses and by creating web site links between all members; a huge network of individuals can be formed.

Perhaps by focusing on the early baby boomers and those currently retiring a large membership base could be formed. By focussing advertising towards their interests and other with similar interest, for example leisure activities, crafts, antiques, message therapy, health care and so forth. Perhaps this group might not make a strong utilisation of the Internet and might focus more on markets and social gatherings to increase community cohesion.

It could be extremely beneficial to focus attention on a specific group or groups of the population that could make up a large base of members from which to grow into other interests. By focusing attention to specific parts of the population with relatively similar and related interests a network of people comes together. Within the network it can increase the feeling of 'community'; the network can be used as a source of socialising, advice on particular situations, and assistance. By providing goods and services that a particular part of the population desires, all in one place there would be little need to go to other cities to obtain them, thereby keeping monies local and encouraging local economic development. Williams (1996c, 94) noted that "the average hourly wage and

mean price for goods and services sold and hired rose as income level rose". Which is another reason to target a higher income level population that could be used to build a strong member base and allow LETS to move closer to self-reliance.

It seems quite important to have a board of directors that oversees the operation of the organisation. It is also very beneficial if the board is composed of volunteers, specifically because there is little money for wages. As for the staff of the organisation, I would recommend at least one paid staff member that can devote their time to the program. Volunteers could also perform these tasks, but tend to lose interest or dedication easier and often have to give priority to other work related and or prior situations. It is important to note that there is a lot of work and dedication required to make the program a success. Obtaining grant monies are nearly essential to operation of an office-based system. Money will be required for rent, phone lines, equipment, advertising, and social gathers. Grants from other local organisations in the form of office space, or equipment (fax, Internet, photocopiers, printers) makes the initial set up much easier. Other local organisations such as the Chamber of Commerce, Local Economic Development organisations, Community Development organisations, Community Opportunity and Innovation Networks, local Social Planning Councils, Working Centres, can all provide assistance in the formation of the organisation. They can all be used to provide business advice, grants, loans, business contacts and sources of additional members. Two organisations that provide grants for LETS are the Trillium foundation and the Human Resources Development Centre (HDRC). By obtaining incorporation and status of non-profit or charitable organisations, overhead costs can be reduced. By adopting a more virtual business aspect to the organisation, some of these

costs, such as rent, could be reduced but only slightly as space on the Internet would create other costs. The organisation would then also require a member's house to run the business out of. A formal office could still be maintained with a more of a virtual business characteristic.

There are very few active participants in most of the LETS, Peterborough being the major exception with approximately 250 to 300 members actively participating in exchanges on a fairly regular basis. This is one of the major problems LETS are challenged with, not enough members trading for the system to be self-reliant. In the UK, Seyfeng applied a social audit to assess the efficiency of LETS currency as a local money system, as well as the social and economic benefits for the members of the community. He concluded that most of the systems had a restricted range of similar goods and services to offer, and very low trading levels (less than \$10 per week) and had fewer than 100 members. "Clearly, the range and quantity of the goods and services exchanged through LETS needs to be increased before they will be of much use to most people" (Seyfeng, 1996:44). Another finding was that virtually no new economies were being created, the transactions could have been made with cash, and they were simply transferred over to the LETS from the cash economy. LETS was being used for luxuries rather than necessities and for social and political reasons, the desire to be part of a greener community, and a more personal economy, not economic reasons. Another reason to advertise more directly at the majority of the demographic groups using the system to build a member base before targeting at the disenfranchised.

"LETS represent only a small proportion of national GNP and a small amount of individual members' total annual income (typically between 1-3%)" (Williams 1996b,

323) and they "do not create substantially many new economic opportunities" (Williams 1996c, 92; Seyfeng 1996, 44). This could be attributed to their small size, in economic, active members, and geographical terms. These add to the difficulties LETS have in achieving self-reliance and sustainability. For Peterborough LETS to be fully self-sustaining, an estimated 800 to 1000 actively participating members would be required. Practices need to be altered for this to be achieved. Expansion to a larger region, perhaps including surrounding municipalities or even the entire county. Increased Internet use could make this a relatively easy possibility. Money would still remain in the local economy, but at a slightly larger scale. Social cohesion could also be improved. More people with similar interests could come together as a network, where the main means of communication is the Internet.

While there may be a variety of challenges to face, LETS have a positive effect on the community. Measuring LETS simply by economic statistics does not provide an accurate portrait of the effects LETS are having on the members. "It must also be measured in terms of its 'use value' to the members" (Pacione 1997, 1197). LETS in Ontario view themselves as having a positive social impact, including improving the feeling of being a community among participants, creating employment opportunities to those underemployed or previously without employment, keeping money within the local economy, improving the quality of life of members, and encouraging the development of new skills or improving old skill. The study of the Manchester LETS found that 48 percent of low income households and 44 percent of the unemployed felt that LETS had increased their material standard of living, and that 73 and 74 percent respectively felt that LETS had given them a wider group of people from which to call for help if needed"

(Williams 1996a, 1408). Similar findings were reported from Williams' New Zealand study. "The unemployed were using the employment and credit they gained to purchase basic necessities, the most common being food and clothes" (Williams 1996b, 324). Though such findings are rather subjective, it is apparent that LETS are having a significant impact on the quality of life of those involved, including the disenfranchised, in both social and economic aspects.

The adoption of increased utilisation of the Internet can increase the availability and access members have to trading. Web sites can provide 24-hour access to information about products, involved businesses and individuals, account information, current postings, and discussion forums to allow increased communication between members. Increased utilisation of the Internet can also reduce the amount of time required for volunteer input. Ubarter.com is an example of a barter system that has utilised the advantages of the Internet quite successfully. Ubarter.com provides business to business barter services for retail, professionals, media and other corporate clients. It provides an open marketplace for any and all products and services and the opportunity to reach new clientele. Members can achieve an instantaneous nation-wide presence. Ubarter.com has brought buyers and sellers into a community of efficient and convenient exchange. "By using Ubarter.com's services, businesses are able to increase sales and market shares, decrease cash expenditures, reduce surplus inventory, take advantage of under-utilised capacity and increase cash flow" (Ubarter.com March 10 2000). At the time, Ubarter.com had over 3800 business members in North America offering more than 7000 products and services for exchange. Ubarter.com's "transaction volume is approximately \$30 million, which generates more than \$3.8 million in annual revenue"

(Ubarter.com March 10 2000). There is a 5% cash fee for both trader and seller on all transactions, along with monthly charges and membership fees for listing items online. To assist members maximise Ubarter dollars and promote merchandise and services, Ubarter.com provides all members with access to trade strategists. Transactions can be completed online, through a trade strategist, or by using the Ubarter Card offline. Ubarter Cards act as "real-world credit cards, allowing [members] to make offline purchases at member restaurants, hotels, stores and offices at any time" (Ubarter.com March 10 2000). All the details of the trade are communicated directly by the traders, and only when an agreement is made does any Ubarter dollars exchanged between accounts. A secure server with encryption software are provided to ensure optimum security for transactions

This type of barter system is more suited to being implemented in a larger city. Such as Toronto, and for more of a strictly business exchange system, but some aspects could be applied to smaller LETS. Utilisation of the Internet for promotion and advertising members, trade strategists for assistance completing transactions and more convenient methods for exchanges. The Ubarter Card is a rather interesting aspect for transactions, but would probably have high implementation costs.

Problems Encountered and Future Research

LETS organisations do not seem to be very sustainable when limited to a single community. They seem to be only active for a limited time span. They often collapse and if they do re-emerge they are under a different name, different address, and different email. Thus making it extremely difficult to track them down. A number of surveys were returned by email servers indicating that the email address were no longer in

services. Since LETS are often associated with other established community organisations, contacting them would be a good way of identifying in which communities LETS have been organised.

The Ontario LETS Program should develop a web page that could be used a starting or reference points for other systems looking to start up a LETS in their community. It was rather difficult to find identify which communities had LETS programs. This could be used to identify all the LETS organisations in Ontario and track the progress of organisation success. It could even be expanded in to a forum where intra-organisation trading could occur. It could also act as a starting point for anyone interesting in getting involved with LETS.

This study was more of an overview of the existing systems in Ontario, a study to examine similar trends in funding, monitoring, memberships sizes, recruiting, organisation visibility in the community and why they were introduced in the first place. A subsequent study may want to address some of the questions more in depth, such as the demographic composition of the members and more advertising strategies used. This could certainly be extremely helpful in attracting more individuals and businesses to the system.

Conclusion

LETS are increasingly becoming popular complements to the market. They are an excellent way to improve the sustainability of a community and assisting those in the time of need. The increased utilisation of the Internet could be a solution to a lot of the problems LETS are facing. It can make the trading process more convenient for the members, as well as reducing some needs for hard copy advertisement. It is still

extremely important to keep a presence within the community. Advertising should initially be directed at a demographic group that has the resources to conduct higher value trades as a method for creating a strong base of members. From here, expansion could be made towards those who could truly benefit the most from the credit free system

Map 1

Ontario LETS Organisation



Appendix 1

My name is Martin Pokorny and I am conducting research for Geography 470, research in human geography, a course at Trent University in Peterborough, Ontario. This research is also for the Peterborough Local Economic Trading System (LETS)

The information gathered is intended to improve the links between LETS organisations throughout Canada. Peterborough LETS also requires the information to continue a project, Ontario LETS, in conjunction with the Ontario Healthy Communities Coalition.

Objectives of the research being executed for the Peterborough LETS are

- To increase the general awareness and knowledge between LETS organisations in Canada.
- To increase the knowledge of the establishment of the LETS movement in Canada.
- To improve the communication between the established organisations and allow them to learn about other successful, and not so successful practices from each other.

Thank you in advance for participating in this research project. Your help is very much appreciated. At the onset I should like to assure you that:

- As a participant in this project you have definite rights.
- Your participation in this questionnaire is entirely voluntary.
- You are free to withdraw from responding to the questionnaire at any time.

I would be grateful if you would provide consent to show you have read its contents.

Do you agree to participate in this questionnaire?

YES / NO

The results will be available after April 30th 2001, from myself Martin Pokorny (mpokorny@trentu.ca), or the Trent University Geography Department, K9J 7A8, 705-748-1440

Questionnaire:

1. Who organised the LETS in your community? For Example individuals or community groups.
- 2a. When was the LETS organised in you community?
- 2b. Has the LETS organisation run continuously form the first set-up or has the organisation collapsed and resurfaced later on?
3. Why was the LETS organised in your community?
- 4a. What are the goals for the LETS organisation in your community?
- 4b. What is the mission statement for the LETS organisation in your community?

5. How was the initial set up, operation and monitoring of the system funded? For example volunteer boards, incorporation, non-profit or charitable status, paid or volunteer management.
6. How is operation and monitoring of the system funded today? For example volunteer boards, incorporation, non-profit or charitable status, paid or volunteer management.
7. What challenges has the LETS organisation faced, other than funding? For example internal and external politics/conflicts, staff and volunteers, acceptance within the community, education, inconsistencies, or others.
- 8a. How were these challenges dealt with?
- 8b. Were these solutions successful?
- 9a. How many individuals and businesses comprise your membership?
- 9b. What is the total number of memberships granted since initial startup, both active and expired?
- 9c. What is the number of active members?
- 9d. How are businesses recruited?
10. How has LETS impacted the community socially and economically?
Check any that apply
 - Positive social impact includes the improvement of the feeling of being a community among participants.
 - Creating employment opportunities to those underemployed or previously without employment
 - Keeping money within the local economy,
 - Increasing economies of scale,
 - Acquisition of essential goods and services.
 - Improving the quality of life of members.
 - encouraging the development of new skills or improving old skills.
11. Does your LETS organisation have a permanent office and designated telephone number, email, fax?
12. How does the LETS organisation communicate with its members? For example print materials, newsletters, directories, brochures, webpage, meetings, social gatherings, markets.
13. Does the LETS organisation have a presence within the community? For example workshops, presentations, newspaper columns, public displays, brochure distribution, cooperation with other organisations

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