

# **Socio-economic benefits of Local Exchange Trading Systems in Australia**

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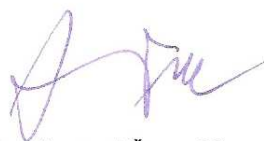
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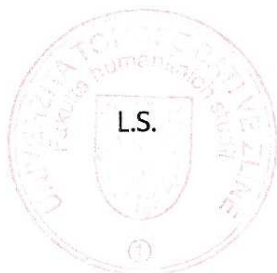
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## **ABSTRAKT**

V této bakalářské práci se zabývám problematikou místních tržních směnných systémů (LETS) a jejich sociálními a ekonomickými přínosy u vybraných systémů v Austrálii. Cílem práce je najít a ohodnotit tyto přínosy jak pro členy těchto komunit, tak pro rozvoj místního obchodu. Teoretická část definuje LETS, popisuje vznik a vývoj těchto systémů do současné podoby, vymezuje základní principy fungování, funkce v administrativě a také zařazuje tyto směnné tržní systémy do rozvinutého ekonomického systému. Praktická část je rozdělena na dvě části. První nastiňuje situaci LETS v Austrálii. Druhá část se zabývá provedeným výzkumem, jehož cílem bylo ohodnotit a srovnat sociální a ekonomické přínosy těchto systémů.

Klíčová slova: LETS, místní, tržní, směnný, systém, komunita, přínosy, sociální, ekonomické, Austrálie, rozvoj, dotazník

## **ABSTRACT**

In this bachelor thesis I focus on an issue of Local Exchange Trading Systems (LETS) and their social and economic benefits at chosen systems in Australia. Aim of the thesis is to find and evaluate these benefits for the members as well as for the local trade development. Theoretical part defines LETS, describes establishment and development of these systems until the present shape and describes basic operating principles. Administration functions are listed. Local Exchange Trading Systems are categorized into a developed economic system. Practical part is divided into two parts. First one foreshadows a situation of LETS in Australia. My survey which is targeted on evaluation and comparison of social and economic benefits of these systems is elaborated in the second part.

Keywords: LETS, local, trading, exchange, system, community, benefits, social, economic, Australia, development, questionnaire

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## INTRODUCTION

In the times of economic downturn, people start to search for additional sources of money. One option is offered by complementary currency systems. Local Exchange Trading Systems (LETS) belong to the most developed complementary currency systems. When I was looking for information about these systems I have found that be a member of such a system has various social and economic benefits. Members get an opportunity to get wealthy without a need to possess state money as well as community membership provides social benefits. One of the countries where LETS as complementary currency systems are highly popular is Australia. Looking forward to the future I believe, that these alternative trading communities will become more and more popular. That is why I have chosen this topic for my bachelor thesis.

Aim of my bachelor thesis will to describe LETS in Australia and consequently find and evaluate social and economic benefits consequent from LETS membership in chosen Australian LETS. When I was studying facts about LETS I have found how they operate and I have made suggestions how members of Australian LETS evaluate benefits consequent from the membership. I suppose that LETS members prefer social benefits more than economic ones. I believe that on a field of social benefits, the most important LETS benefits are that LETS offer possibility to get into community and meet new local people.

The most important benefit on a field of economic benefits, I suppose, is that LETS offer employment to the members.

At first, it will be necessary to describe LETS from theoretical perspective to find a general overview how LETS look like and operate and then to encounter and evaluate the benefits. That is why I will divide this bachelor thesis into theoretical and analytical part.

The theoretical part will be focused on description of LETS as a complementary currency system. I will define what LETS are and then will describe establishment and development of LETS until the present situation. To understand how LETS operate, basic principles and features will be summarised. The last chapter of the theoretical part will categorize LETS to developed economic system and shows a connection between LETS and social economy. Finally, importance of individual's embodiment into a society closes the theoretical part.

The practical part will attempt to describe phenomenon of LETS in Australia and thereafter find and will evaluate benefits consequent from LETS membership. Firstly,

situation of Local Exchange Trading Systems in Australia will be foreshadowed from history until current situation. Consequently, a questionnaire survey will be done among members of three Australian LETS. With a questionnaire survey I have collected needed information from particular LETS members. Results of the research are elaborated and displayed on graphs.

## **I. THEORY**

## 1 LETS

First chapter describes LETS as a community exchange system. At the beginning, definition of these complementary currency systems is given although LETS are understood in many ways. LETS belong to the biggest complementary currency systems in the world. Position between other complementary currency systems is displayed in the second part of this chapter.

### 1.1 What are LETS?

To understand the basic meaning of LETS it is necessary to examine LETS as an acronym. LETS acronym is mostly defined as “LOCAL EXCHANGE TRADING SYSTEMS”. Nonetheless, LETS might be understood differently depending on the specialization of a particular system. There are various systems e. g. Local Energy/ Enterprise / Employment / Empowerment / Education / Economy Trading / Transfer / Training System / Scheme / Society. All LETS are based on similar principles. (Jakubec 2001) *“LETS means different things to different people. No two LETS systems are the same; any group of people can set one up to suit themselves, so long as they operate within the law. Some of these schemes will be more successful than others because they more closely meet the needs of their participants.”* (Kay 1994)

These community exchange systems differ in details but the core features are similar. The most detailed and cogent definition is a part of Kay’s article: *“A Local Exchange Trading System (LETS) association is simply a group of people who exchange goods and services amongst themselves. In order to facilitate their many and various trades, the members of a LETS association create a currency which circulates within a system and exists solely within the accounts of their association.”* (Kay 1994)

LETS are non-profit and voluntary exchange systems, which have been established to develop possibilities and skills of local inhabitants. Finally, LETS is a new market represented by local currency, which is accepted and used for payments between the members of the system. (Bartůšková 2007, 12)

### 1.2 LETS as a complementary currency system

Complementary currency systems have developed in many forms and shapes all around the world. Local Exchange Trading Systems are also called complementary currency systems because these systems use own intangible currency. Anyway, there are many types of

complementary currency systems used to trade around the world. According to DeMeulenaere’s 2007 annual report of the worldwide database of complementary currency systems LETS are the second biggest complementary currency systems. This statement is visible in the following figure.

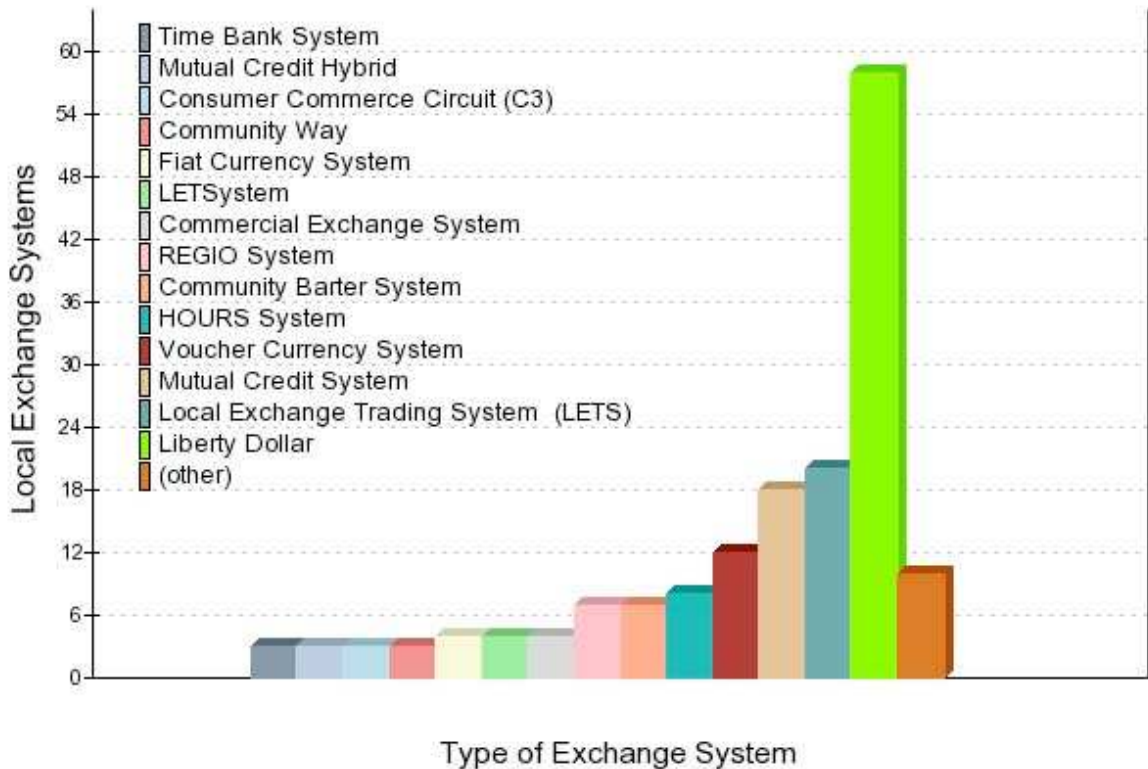


Figure 1: Complementary currency systems in 2007(DeMeulenaere 2007, 6)

By joining one of LETS one becomes a part within a local community. Participation in such a system does not bring only the economical benefits, but person also socializes into a group. LETS are beneficiary for unemployed, poor or just ordinary people who want to find new relationships of sell their skills without using states currency. Products and services are cheaper because trade often appears on a small area so there is no need to pay for a transport, a “brand fee” or package expenditures. LETS are often called a ‘green business’ because cashless trade on a small area is environmental friendly operation. Most of these systems count from tens to hundreds members doing business in let’s say family atmosphere. This fact contributes to a popularity of smaller LETS.

## 2 HISTORY OF LETS

LETS as a complementary currency systems have been operating for forty years now. From the birth to the presence there were changes in structure, popularity, membership amount etc. This chapter encounters LETS from the very beginning, when first ideas about community trade came out. First LET System, which has established methods, ideas and rules to community trading, is described in details. The second part of this chapter shows how LETS developed in large numbers all around the Earth, as a paradox, in well developed economies. LETS moved through ups and downs what influenced a current situation of these complementary currency systems. Current situation of LETS around the world is given at the end of the chapter.

### 2.1 Birth and growth of LETS

The origin of Local Exchange Trading Systems is closely connected with a name Michael Wade Linton. Wherever I was searching for information about LETS, his name appeared in the most of the literature and web pages. Michael Linton is a designer of the first LETSystem. He emigrated from Britain to the west coast of Canada in the 1970's, where he was doing a research on relations between poverty, social and environmental problems. He discovered that the level of trading was tightly dependent on national currency flow to the local economy. Money amount reduction evoked a decrease in trade, and raised unemployment and social problems. People who were trying to avoid these impacts were often damaging their own health, society or environment. (Jakubec 2001) Linton was trying to find out the way to prevent these negative aspects. As one of the possible solutions he saw an establishment of complementary currency.

Michael Linton founded the first LETSystem in 1983. He chose a small town called Courtenay in the area of the Comox Valley in British Columbia (Canada). Until 1980's the local economy had been dependent on two employers – US military air base and a saw mill producing material for paper industry. This area was facing the economic recession and both marginal employers closed down. (Pacione 1997, 8)

The unemployment rate grew to eighteen percent. Lack of financial assets avoided the locals from the work success. Linton started to work on the scheme of complementary currency and created a system allowing members to trade with goods and services using both state and complementary currencies. He called this currency the “Green Dollars”.

Linton's system later counted 600 members, who reached an annual turnover of 323, 000 dollars. (Jakubec 2001)

LET System seemed successful and there were other twenty systems established in few years in Canada and the USA. Trading in the Commox Valley was stopped, because a considerable part of people involved the loss of confidence in the system. The system was not able to pay the operating costs. Soon about a half of all LET Systems in Canada and the United States disappeared but on the turn of 80's and 90's the new generation of LET Systems developed. Commox Valley system was re-established again. (Harasimovič 2003)

Landsman Community Services Ltd. is a company established by Michael Linton in Courtenay. Company's main aim is to promote LETS around the world, provides information useful for establishing and directing of LETS and other similar systems. Landsman plays a magnificent role in publishing of well detailed manuals and working descriptions of LETS. The most well known publication is called "LETSystem Design Manual" and is available free on Linton's webpage <http://www.gmlets.u-net.com>. (Jakubec 2001)

## **2.2 The boom of LETS in the world**

Model of Linton's Commox Valley LET System influenced many local communities all around the world and Local Exchange Trading Systems enlarged in many countries. In 1995 there were about 500 systems especially in Canada, United States of America, Great Britain, New Zealand and Australia. (Jakubec 2001)

First LETS in Britain were established in 1985 and until 1991 seven systems had been operating. This year was the year of LETSLINK UK company establishment. This company provided connection between individual systems and helped new LET Systems to establish and develop. In first three years of company's existence, there grew up around 200 new systems and in 1997 there are, according to the various sources, about 450 operating systems with approximately 40, 000 members. (Harasimovič 2003)

LETS are also developed in Western Europe, mostly in Germany and France. These systems behold to the smaller ones counting around a hundred of members. According to the webpage <http://www.lets-linkup.com/> linking signed LET Systems from the whole world there are local communities developed on each of the continents mostly in the largest countries.



New LETS establish and develop and other fall apart. Consequently it's impossible to tot up all systems in the world at present. There is no central database having evidence of all individual LETS. Various sources cite the number of LETS somewhere between 1500 and 2700. Small systems counting from tens to hundreds members are the most common ones. Bigger systems have usually more than five hundred members and there are just few "giant" overcoming the number of thousand people. However, LETS databases often count also different local trading systems working on different principles. (Harasimovič 2003)

### 3 OPERATING AND PRINCIPLES OF LETS

LETS operate as a system. The system needs certain rules and principles to operate well. Aim of the third chapter is to point out the main principles, features, rules and ideas of LETS. Explanation of these principles and features will help the reader to understand how LETS work and what makes a uniqueness of these systems. For clear understanding of LETS as a trading system it is necessary to know the five main principles of Michael Linton, LETS founder.

A procedure of transaction in LETS is described in the third part of this chapter. Members of LETS use own created currency to trade. The relation to a state currency and also the list of particular LETS units is added. Administration structure and roles of LETS 'employees' is similar in most of LETS systems.

The last part of the chapter concerns on a connection between LETS and social security for members. Government's attitude towards LETS plays an important role in Australian LETS popularity. Negative attitude from the beginning changed to the positive. Because of this fact LETS get state support in Australia. Finally, a tax liability for members of Australian LETS is described in the last section.

#### 3.1 Main principles

Basic principle of LETS is very simple. Group of people, mostly living in a small area establish own system, create own currency and trade mutually. Each member creates a list of offered products or services and evaluates his work with certain number of currency units.

LETS need a set of certain behaviour rules and structure to operate as a system. Each LET System is optimized to the needs of members. That is the main reason of the system uniqueness. Though all systems differ, all LETS share five main criteria defining LET System. Michael Linton in cooperation with Angus Soutar created a LETS Design manual, where they describe operating and principles of LETS in detail.

According to Linton's LETS Design manual there are five main criteria defining LETS:

- *cost of service - from the community for the community*
- *consent - results in the "flat start" of all accounts*
- *disclosure - to ensure informed action by users*
- *equivalence to the national currency*

- *no interest - no commission* (Linton and Soutar 1994)

### **Cost of service**

Value of a service or product is negotiated between seller and buyer. *The cost of service principle excludes any ideas of commissions and profit-taking in system administration.* (Linton and Soutar 1994)

### **Consent**

*All activities within the LETSystem are based on consent. This consent is freely given by all participants to each other as a condition of holding an account. Money will not be moved from an account until permission is given by the account-holder.* (Linton and Soutar 1994)

### **Disclosure**

*Disclosure of key information is necessary for the users to have control over their system. First and foremost users have to be able to trust the system. This takes pressure off them when it comes to trusting each other. The ability to know the balance and total trading of another account is both necessary and sufficient for users to regulate the system collectively.* (Linton and Soutar 1994)

### **Equivalence to the national currency**

This principle is not necessarily present in all LETS. Founders of each system create own currency and the value of it any way they want. In some LETS is the value of currency equivalent to the national currency, in other systems it differs.

### **No interest**

*LETSystem money exists solely to allow exchange. It arises from people's promises to one another and there can be no profit in storing it up or treating it as a commodity. Interest is an idea which is alien to the way that the system works.* (Linton and Soutar 1994)

## **3.2 Features of LETS**

LETS as a specific kind of exchange trading systems are typically characterised with essential features. These features differentiate LETS from other types of other exchange systems. Characteristics of basic features will help the reader to differ LETS from other types of exchange e. g. barter exchange with which are LETS often confused. A typical

feature of LETS “negative balance” is one of the features which is often a subject of discussions. “Zero account” as an example of correct LETS trading is described in following chapter, too.

The list of basic features of LETS was compiled by Kay, 1994. According to him that will need to be maintained for it not to deteriorate into something just like another old kind of currency are as follows:

- *“The currency should only be used within a community which values itself as such.*
- *The circulating credit should be based on debits spread between many individuals or businesses. Banks, charities, public agencies or the LETS system itself should not go into debit.*
- *All payments go through the accounts. There are no notes or coins.*
- *The administration of the system is accountable to the community it serves; i.e. the trading members who hold accounts.*
- *There should be no interest charged on balances in debit or paid to those in credit, though administration, service charges and taxes may be deducted from income received.*
- *Transactions only take place by agreement between buyer and seller.*
- *Information about the income, expenditure and current balances on all accounts is made available to all members of the scheme.” (Kay 1994)*

### **3.2.1 Negative balance**

One of the conditions that are typical for LETS is a *negative balance*. When a member leaves LETS in negative balance, his/her liabilities are not distrainable. One of the LETS coordinator’s function is to check members’ accounts to avoid anyone to go under a certain level of „green dollars“. Once a member’s debt reaches certain level, co-ordinator alerts him/her with a letter or email. When the member does not increase a level of his account or even buys more goods or services, the co-ordinator is allowed to abort a membership.

Having negative balance does not necessarily mean that a member has a problem in trading.

There are two possible ways to explain a negative balance:

1. *“to the individual it signifies the debt of work/goods/services which they owe to the LETS community;*
2. *to the LETS community the negative balance, or the total of negative balances, signifies the amount of work energy available to fulfil unmet obligations. The second condition, that of a positive balance can be similarly interpreted: to the individual it represents their expectations of work energy available.”*

(Jackson 1997, 4)

### **3.2.2 Zero account**

Another possible statement in member's account is a *zero account*. This statement is an ideal, because it signifies that member is not in debit. In other words member sold as many goods or services as he/she has bought before. Other possible option is that member did not buy or sell any goods and stays in balance.

### **3.2.3 Comparison of LETS and Barter**

The definition of LETS directly evokes a comparison of LETS and barter. Nevertheless, these two exchange types slightly differ. Jackson, 1997 describes the differences in his article. *“A fundamental difference to money is, however, the ability for a member to go into debit without incurring interest. A new member does not need green dollars in their account to spend them.”* (Jackson 1997, 4)

*“Similarly LETS cannot be categorised as barter. It in no way provides an equivalent exchange simultaneously. The person delivering the goods or service receives green dollars which may at some point in the future be exchanged for something of use.”* (Jackson 1997, 4)

## **3.3 Transactions**

Exchange is based on general knowledge of a published current offers and demands of all members in the system. Each individual member has his/her own account containing a list of transactions with other LETS members. The procedure of a typical transaction has been described in Lang's publication (1994).

### Transaction procedure:

1. Members search LETS webpage of catalogue. They find products or services they require.

2. The buyer then contacts the seller and negotiates the price in a local currency. They fulfil the cheque which they send to the administrator.
3. *“Their account is then debited by the said amount and the provider’s account is credited.”* (Lang 1994, 15)

*„No further obligations need necessarily exist between these individuals. If however the recipient of the goods/service is in debit, they do have an implicit obligation to the LETS community to provide services in the future in exchange for points.“* (Jackson 1997)

### 3.3.1 Local money

LETS as the local complementary currency systems use various types of own money. Michael Linton’s Comox Valley LETS system used “Green dollars” as was mentioned before. Names of certain currencies are often called according to the particular system’s name or to the name of a place, where the system is situated. Other names for local currencies were created artificially by the founders or administrative workers.

Online list of Australian Local Exchange Trading Systems takes place on <http://www.lets.org.au>. Just for imagination I add a list of few local currency names:

- Sapphs,
- Operas,
- \$B’s,
- CES,
- Tokens.

### 3.4 Administration roles and responsibilities

Local Exchange Trading Systems are communities of people mutually trading. Any group of people from children’s trip to the business oriented system of people needs to be directed to preserve from chaos. The main roles in LETS administrative behold to a registry steward, registry co-ordinator and a group of administration workers, who direct operations in a particular system. (Linton and Soutar 1994) Number of administrative workers differs from system to system depending mostly on the number of members signed in the system. Administrative workers and their main functions are:

#### **LETS co-ordinator**

The co-ordinator helps people to find a way, how to join trading in LETS, counts finance, directs volunteers and other workers contributing to directing LETS and realizes steps targeting to the future development of a system. Co-ordinator assesses a fee for consultancy with other administrators, penalties e. g. for evoked membership abortion in case of unsocial behaviour of a particular member for a safety of the rest of the members. He/she also directs administrative workers when problems are solved and observes possibilities of system development. (Jakubec 2001)

The recording co-ordinator is responsible for obtaining the most cost-effective recording services for the account-holders and paying the recorders from the account charges. The steward must ensure that the cost-of-service principle is adhered to. (Linton and Soutar 1994)

### **Events Co-ordinator**

Events Co-ordinator organises LETS get-togethers and trading days. These events took place regularly and the main aim is to get members together. The members meet each other, talk together or trade. More open relations then stimulate trading. (Taris 2005, 176)

### **Advisers**

A group of advisers is composed of LETS members and does not deal with administration tasks. These members work as observers and advisers of co-ordinators and also advise to other administrative workers. They mediate information flow between administrators and members. It is necessary for the administrative workers to get a feedback from members, for the correct operating and development of LETS. Advisers transfer member's feedback to the administration. (Jakubec 2001)

### **Other administrative workers**

Other administrative workers are responsible for accountancy administration. They check up particular accounts and provide account information. They check whether accounts are in balance, toll fees and collaborate with steward and co-operator. (Jakubec 2001)

In case of bigger systems there can be more co-ordinators, in some systems this function rotates between the members and in other it is still done by same workers. (Hlavatý 2009) Australian LETS like e. g. Wagga Wagga – Lets Permaculture Riverina Inc. in New South Wales also use positions of president, vice-president, secretary or treasurer.

Administrative workers payment differs in particular systems. Stewards and advisors are often unpaid until and unless their duties turn into a major job. Co-ordinators, on the contrary, are paid, but only in the local money. (Linton and Soutar 1994) Payments are collected by subtraction of a small amount of local money from all members' accounts. [Hlavatý, 2009] In other systems all administration members are paid, and in some, mostly small ones, none of them. (Jakubec 2001)

### 3.5 Social security and taxes

This section describes the situation of LETS and taxes. LETS are community exchange systems where are certain rules for taxation payment. Government of Australia established a special law for LETS because of the high popularity of these systems among people.

In early stages of LETS in Australia, state authorities tended to be rather cautious which had a deleterious effect on many of the early systems. Nevertheless, over time, this approach had quickly changed. Even by 1990, some state governments had recognised the benefits of LETS. (Williams 1997, 8)

*“So far as the taxation department is concerned, local dollars earned from a hobby are not declarable for income tax purposes. However, where a person earns local dollars using skills which are a part of their main formal occupation, then taxation in federal dollars is payable on the amount earned.”* (Williams 1997, 8)

The Department of Social Security, meanwhile, has been increasingly positive and supportive towards LETS. In some local offices, social security recipients earning local dollars had their state social security benefits reduced by an equal amount in federal dollars. In March 1995, this became enshrined in legislation in the form of the “Deahm Amendment” to the Social Security Act which was passed in the Australian Federal Parliament on 1st March 1995. (Williams 1997, 8)

#### 3.5.1 Restrictions

Despite the social security laws towards LETS, there still remain certain restrictions. Three main restrictions were introduced for members to follow. Williams (1997) described these three main criteria for LETS members. *“They must still declare these national currency earnings which are counted as income for social security purposes. The social security system must be satisfied that the system is a local community-based system, the primary*



*purpose of which is to help persons maintain their labour skills and keep them in touch with the formal labour market.” (Williams 1997, 8)*

## **4 POSITION OF LETS IN ECONOMY**

The main target of this chapter is to categorize LETS into the economic system. LETS belong to the voluntary sector of economy. Because LETS are voluntary systems, they develop and operate well because members have an interest in local economic development and try to stimulate trade with other locals. Local trade development has in return impact on positive relationships between local people. Further trade in the particular area is then stimulated even more.

Characteristic features of LETS categorize these systems to the social economy. The reason why do LETS belong right in this particular sector is theoretically described in following chapter. It is important to know about connection of LETS and social economy to understand first. My research on social and economic benefits of LETS membership will then practically show certain benefits according to the survey I did among LETS members in Australia.

### **4.1 LETS in economic system**

Well developed economy is based on two sectors depending on the sources redistribution. In formal economy are sources redistributed through market systems or through non-market states policy. In complementary economy money is allocated individually. Complementary economy is also divided into two types: market and fully non-market. Fully non-market economy deals with two approaches depending on the approach to households. In the first approach, people work to earn money and store goods to own usage. In the second approach another sector deals with activities within households. Relations between households are defined as “neighbourly” or “voluntary”. (Pacione 1997, 9)

Pacione, 1997 describes LETS as a sector of transactions within households. The position of LETS in developed economy is shown on the scheme below.

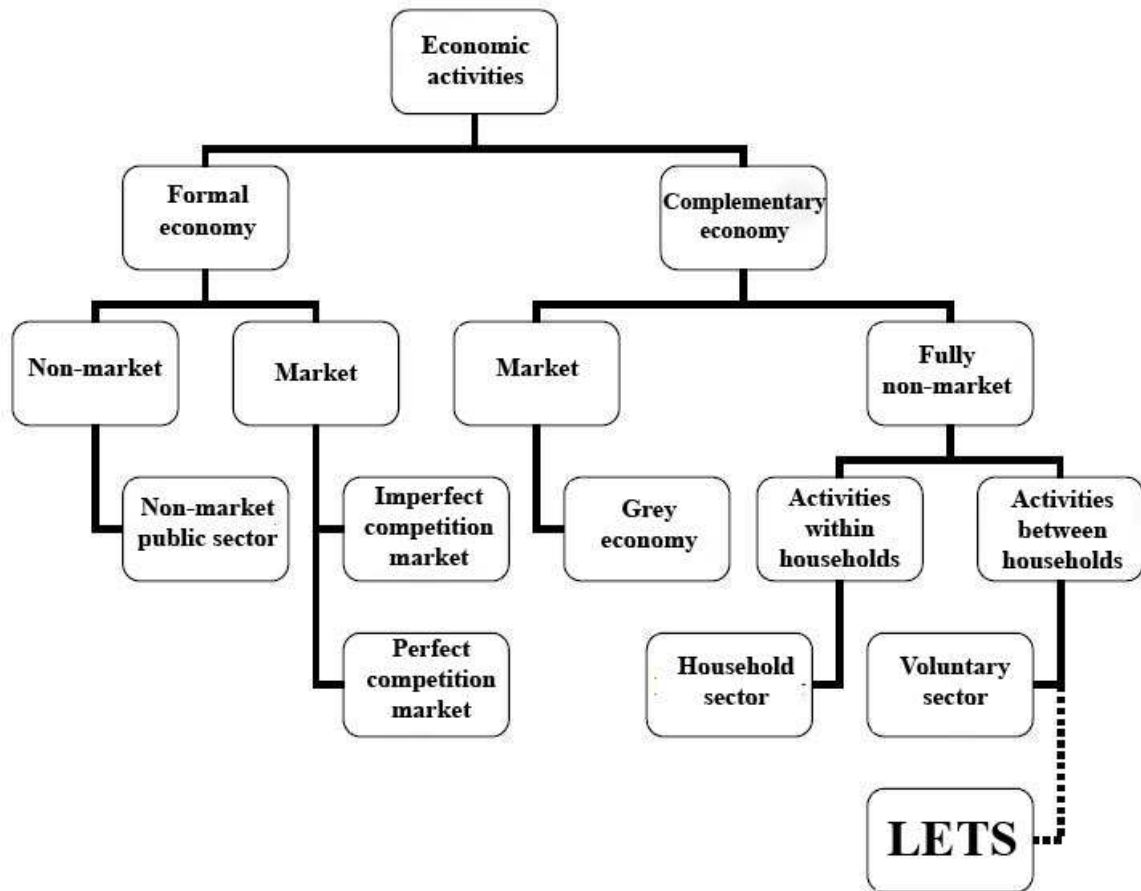


Figure 2: Position of LETS in developed economic system (Pacione 1997, 9)

## 4.2 LETS in social economy

LETS as community exchange systems belong to the social economy. The word “community” directly corresponds with the social sphere. Following paragraphs define social economy. Social and economic benefits resulting from LETS membership are shown in the analytical part of my thesis. My research was targetted on members of particular Australian LETS which operate well. Individual benefits from economic and social perspective are compared together.

*“The term social in social economy signs that it is social-building economy. This means that it has positive effect on social cohesion or social capital (summary of positive relations between individuals within a community, society and potential source of development). These effects may also influence on sustainability of life, nature, environment, people etc. The social economy is based on work, by contrast to profit oriented economy supported by capital.” (Hunčová 2008)*

As communities become more environmentally and socially aware, companies come to realise that they must win and retain a 'license to operate', by which they mean the consent of the local community. “ *Local Exchange Trading Systems, during the last ten years, have gained increased recognition as being important community-led modes of tackling the issues of poverty alleviation, employment and the provision of services in low-income housing areas.*” (Boyd 2008)

LETS are characterised as communal, democratic economic systems which provide “equal opportunities” in social embodiment or labour market incorporation for communities and individuals. The concept helps people to get subsistence and socially fulfilled life. Social economy offers help to those socially deprived and provides social services and has other social effects. (Hunčová 2008)

#### **4.2.1 Importance of individual's embodiment in a society**

Individual's embodiment in a society is called socialization. Socialization plays important role in self-control system development and self-regulation as a consequence of norms internalization and values of people in the closest social background. Social environment where people live their lives creates their thoughts, feelings but also their social identity. (Nový and Surynek 2006, 69)

Any grouping of people is called as a social organisation. “*Social organisation may be viewed as a society order in sense of social unit.*” (Nový and Surynek 2006, 75) Community is a type of social organization. Membership in a community is beneficiary for individual in various aspects.

One of the main targets of the research will be to evaluate social benefits which membership in LETS community brings to members. I suppose than LETS offer possibility to meet local people and consequently make new relations in local area. Creation of social network in neighbourhood, I also suppose that it helps members to build self-esteem as well as brings feeling of being part of something.

## SUMMARY OF THE THEORETICAL PART

Theoretical part of my thesis is focused on description of LETS as complementary currency systems. This summary will reflect the most important facts from the theoretical part.

In the first chapter, definition of LETS is given to define what does this acronym mean and consequently what are Local Exchange Trading Systems. LETS are basically communities of people who trade together using artificially created currency which is not printed as state money. Importance of LETS between other complementary currency systems is displayed in the *Figure 1*. In 1997 LETS used to be the second biggest complementary currency systems in the world.

The second chapter of the thesis is focused on the establishment and the development of LETS. The first LETS system was founded in 1983 by Michael Linton to improve economic situation of Comox Valley in Canada. In following fifteen years LETS spread around many countries all around the world. Nowadays are LETS developed mostly in Australia, Great Britain, Canada, United States of America, New Zealand and many other states.

The third chapter is targeted on the summary of basic principles and features of LETS which make them different from other trading systems. The five main criteria defining LETS were created by Linton as following: cost of service, consent, disclosure, equivalence of national currency, no interest. Main features, negative balance and zero account are described. Furthermore, basic administration roles are listed as well as LETS and social security and taxes in Australia.

The last chapter of the theoretical part categorizes LETS into a developed economic system directly to the voluntary sector to the activities between households. LETS are described on the level of social economy. These systems provide 'equal opportunities' in social embodiment or labour market incorporation for communities and individuals.

## II. ANALYSIS

## **PREFACE TO THE ANALYSIS**

In practical part of my bachelor will I deal with LETS in Australia. First of all, LETS in Australia will be described. Consequently, sociologic research is going to be forwarded to LETS members of three chosen Australian LETS communities. Target of this research is to evaluate the most common benefits resulting from LETS membership. The analysis is composed of two main parts.

As said above, Local Exchange Trading Systems as well operating exchange systems in Australia will be described in the first part of the analysis. I will use a chronologic approach to describe LETS in Australia from the history through enormous boom in first ten years of Australian LETS existence until current situation. At the end of the fifth chapter principles of InterLETS as a special kind of complementary currency systems network will be foreshadowed.

Main part of the analysis will introduce my own research and it's results. A questionnaire will be used to collect data for the research. The questionnaire will be sent to coordinators of three LETS who, hopefully, will forward it to other members. The data collected by the survey will be processed and evaluated and the results are shown in the sixth chapter. Complementary information about members will be added to the survey analysis to show which people join LETS and why do they join these communities.

## 5 LETS IN AUSTRALIA

Complementary currency systems are well developed in Australia. Tens of LETS communities were established around the country. This chapter encounters the history of LETS in Australia, shows current situation on a field of local community currencies. The list of the biggest Australian LETS is given below to inform about the size, year of establishment and currency used.

### 5.1 Establishment and development of Australian LETS

The establishment and development of local community trade are strongly dependent on state's legislation. Australian council, on various requests from LETS coordinators, created better conditions for growth of local communities than anywhere else in the world. The tax law dealing with barter trade was established and the government also provided certain amounts of money to new starting-up systems.

*„The first Australian LETS system was established in 1987 in Maleny, Queensland. Maleny is a small country town that appears to attract many people who are seeking an alternative lifestyle. In 1998, this system had over 900 members with an estimated growth rate of ten members per month. However, it is estimated that only 300 of these members are actively trading within the system. Members in the Maleny LETS system exchange a diverse range of goods and services using LETS units, called 'bunyas'. Each 'bunya' represents a cash federal dollar for the purposes of accounting for taxation and other state, institutional requirements, and all transactions are recorded for taxation and accounting purposes at a centralised LETS office.“ (Liesch and Birch 2000, 4)*

### 5.2 Australian LETS nowadays

Nowadays Australian LETS still belong to the biggest top operating systems of local exchange trading in the world. Official webpage of James Taris, who researches LETS, <http://www.lets-linkup.com> counts 93 systems in Australia. (*LETS link-up to Australia 2010*)

#### 5.2.1 Australian National InterLETS

Australian National InterLETS established in 2006. The main purpose was to enable transactions among members of different LETS around the Australia. InterLETS work as a database of Australian LETS members who want to trade or meet new people not only in a particular area but anywhere around the Australia.



Transactions work on similar principles as transactions within single LETSystem but there are still slight administrative differences. *“Each LETSystem has a single InterLETS account for all non-local transactions. Any LETS member may trade with any other LETS member anywhere—they just need to carry I.D. or proof of current LETS membership.”* (Report on the Topics Discussed at the Conference 2006, 8)

For the system to work, all InterLETS transactions must be recorded on two identical slips, one to be handed into each home LETSystem. *“When a trade occurs one slip is given to the ‘home’ LETS member to put in to their bookkeeper by the ‘away’ member. The ‘home’ LETS member is credited for sales or debited for purchases to their account from their InterLETS account. The ‘away’ member goes back to their LETSystem and puts in a slip to their bookkeeper to debit their account for purchases (or credit for sales) from that LETS single InterLETS account.”* (Jupp 2007, 1)

Transfers between groups work better if both parties are on CES – Community Exchange System. This central database connects LETS around the World. Registration on this website simplifies administration of transactions.

## 6 RESEARCH

The main aim of this bachelor thesis is to survey members of chosen Australian LETS. The target of the survey is to find and evaluate the most common benefits resulting from LETS membership. Following chapter theoretically describes sociologic research as a method of data acquisition and applies these facts on my own research.

Definition of the sociologic research says: “Sociologic research is purposeful, systematic and organized acquisition, processing and interpretation of information about social dimension of objective reality.” (Nový and Surynek 2006, 252)

This chapter also introduces those circumstances of the research giving information about working hypothesis, survey targets and research methods. Basic information about the three surveyed LETS demonstrate the field of my research. Time period of the research is also described below.

### 6.1 Research methods

At the beginning of the research analysis it is necessary to choose the method which will be used to collect data. Sources of modern survey methods describe several research methods. Each of these methods is used to get different information. The methods are divided according to the field of survey, number of units examined and processing of collected information.

To collect data about social and economic benefits of LETS in Australia following method was used:

- Form of data acquisition: survey
- Research type: quantitative
- Research instrument: questionnaire
- Form distribution: online – Google Documents Application

The reasons why were these particular elements of research method used are described below. Chapter 6.1.3 explains questionnaires were distributed.

#### 6.1.1 Quantitative research

Quantitative research method was used for this bachelor thesis. Quantitative method is proper to use when researcher needs to collect information from a large group of surveyed units while some information about the topic are already known. “Quantitative research

which is commonly connected with the general view of the sociologic research may be realised only if we examine the effects relatively simple and explored to certain level.” (Nový and Surynek 2006, 254) In case of this thesis, 40 *LETS members* were surveyed.

### **6.1.2 Questionnaire**

A questionnaire was designated directly for the respondents to collect big amount of detailed information. “Questionnaire survey is organised distribution of questions to the units surveyed. Subject and object of the survey are often in close relation.” (Nový and Surynek 2006, 267)

### **6.1.3 Questionnaire distribution**

The questionnaire was created in Google Documents Application. Online research is very effective and fast. This system allows the researcher to distribute questionnaires to a large number of people in very short period of time anywhere in the world. Data processing is also very effective because the Google Application evaluates results automatically.

E-mails containing a short introduction of myself, aim of my research and basic questions about particular LETS were sent to five co-ordinators. Two of them did not agree with the survey on members in his LETS. Three co-ordinators agreed with the survey and forwarded questionnaires to members.

## **6.2 Research targets**

1. Aim of my research will be to find and evaluate social and economic benefits resulting from LETS membership in three chosen Australian LETS.
2. Survey will show why people join trading communities, what does it bring to them or what kind of benefits they feel from the membership.
3. Results of the survey will explain what makes Australian LETS so popular, which type of benefits outbalance, why do these systems operate well and how the members view their community membership.
4. Finally, opportunities of LETS will be found.

### **6.2.1 Working hypotheses**

When I was studying facts about LETS I have found how they operate and, thereafter, I have made following suggestions how members of Australian LETS evaluate benefits consequent from the membership.

1. I suppose that LETS members prefer social benefits than economic ones.
2. I believe that on a field of social benefits, the most important LETS benefits are that LETS offer possibility to get into community and meet new local people.
3. The most important benefit on a field of economic benefits, I suppose, is that LETS offer employment to the members.

### **6.3 Place and time**

This chapter shows basic details about three surveyed community exchange systems. Each of this LETS is situated at different state of Australia. These LETS belong to middle or smaller ones according to the number of members. Time period when questionnaires were circulating between members is also given in this chapter.

#### **6.3.1 Field of the survey**

Four questions were supplemented to e-mails sent to LETS co-ordinators to get basic information about their systems. Number of members is then used in survey evaluation.

#### **SISLETS - Southern Inner Suburbs Local Exchange Trading System**

- Location: Adelaide, South Australia
- Members: 50
- Establishment: 1994 (16 years)
- Currency units: Units

#### **Diamond Valley/Northern Suburbs LETS**

- Location: Victoria
- Members: 65
- Establishment: 2000 (10 years)
- Currency units: Diamonds

#### **Swan Hills LETS**

- Location: Kalamunda, Western Australia
- Members: 100
- Establishment: 2003 (7 years)
- Currency units: Gumnuts

### 6.3.2 Time delimitation

The survey took place in a period of 4 weeks from the 20th March 2010 to the 20th April.

## 6.4 Questionnaire structure

Contents of the questionnaire are following:

1. **Introductory part** – introduces the author, aim of the research, instructions to fill the questionnaire, confirmation that the survey is voluntarily and anonymous and that the results will be used only for study purposes, acknowledgements to the respondents
2. **Personal questions** – First set of questions serves to find out the age, gender and employment status.
3. **Member – LETS questions** – This set of questions serves to divide respondents according to the particular LETS, to find out how long are respondents members of a community. why have they coined LETS and why they buy and sell in LETS
4. **LETS benefits questions** – The most important set of questions asks about the benefits of LETS from social and economical perspective, asks to compare which benefits are more important
5. **Open question** – This question asks respondents to characterise LETS membership in one or two sentences

The scan of the questionnaire is attached in Appendix P1 at the end of the bachelor thesis.

### 6.4.1 Types of questions

Question used in a questionnaire were divided into four categories according to Kozlová, 2007 in numbers:

- Closed (Multiple choice): 4
- Semi-closed (Checkboxes): 8
- Open (Text): 2
- Contingency: 1

## 7 QUESTIONNAIRE SURVEY

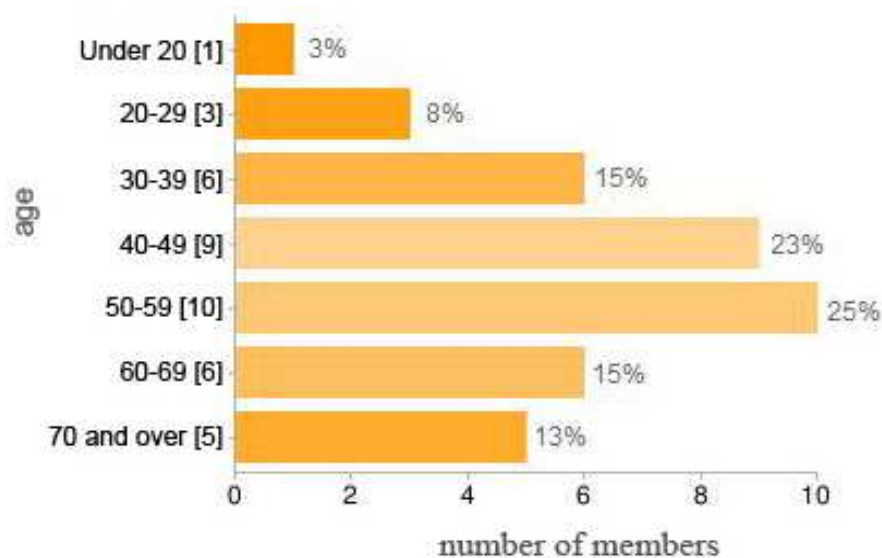
Co-ordinators of three LETS agreed with the survey of own system members. They forwarded questionnaires to other members in their LETS. These three LETS count 215 members in total. In a period of four weeks, *40 respondents fulfilled the questionnaire*. From these 40 units *women built 60% of respondents, remaining 40% were men*.

*Table 1: Return of questionnaires*

Name of LETS	Returned questionnaires	Members	%
Diamond Valley	14	65	21,50%
Swan Hills	11	100	11%
SISLETS	15	50	30%
<b>Total</b>	<b>40</b>	<b>215</b>	<b>18,60%</b>

### 7.1 Age and employment status of respondents

Question 2 in the questionnaire asked about the age of respondents. Following graph shows the fact that surveyed LETS members are in majority older people. One quarter of all respondents belong to 50-59 years category and the majority of 76% build people of 40 and more years of age. Older people do not usually have as high financial needs as those in productive age or students. Therefore, what these people need from LETS are social earnings.



*Figure 3: Age of respondents*

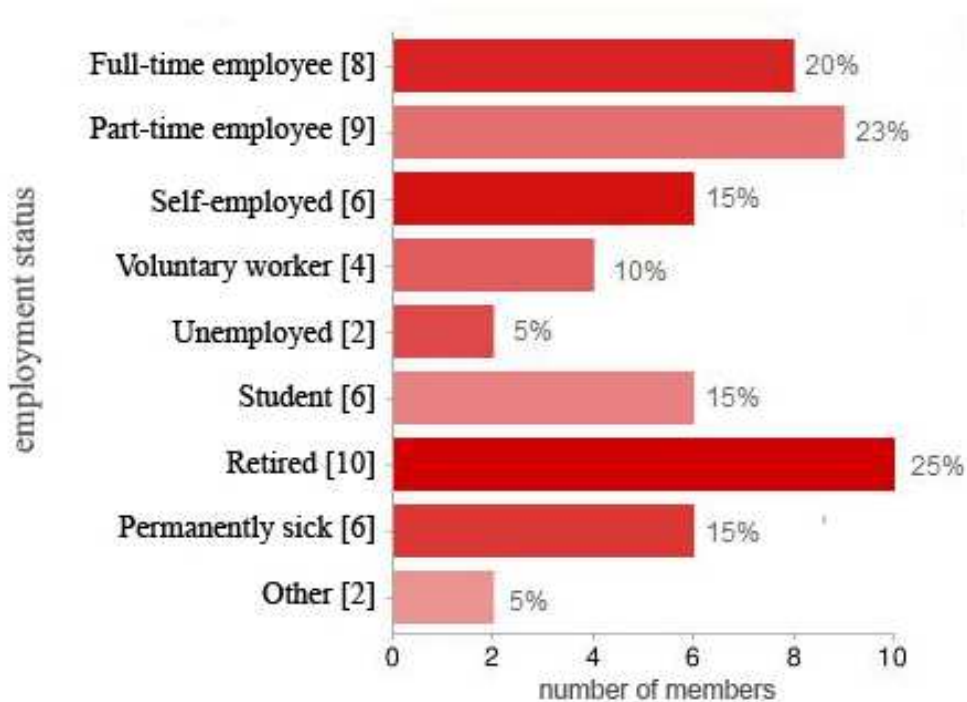


Figure 4: Employment status of respondents

Question 3 in the questionnaire asked to employment status of the individual respondents. Forty respondents divided themselves to all employment statuses. 25% of members who fulfilled the questionnaire are retired people. Every fifth respondent (20%) is a full-time employee. These members surely use LETS as a minor exchange system after their normal jobs. Part-time employed amount is 23%. Self-employed with students and permanently sick are also frequented in LETS. Two respondents marked option ‘other’. One woman typed following status: “single parent on parenting payment from centrelink” (woman, 40-49, author’s survey). One respondent marked ‘casual part-time employee’ what may belong to part-time employee category.

## 7.2 LETS membership

Question 6 in the questionnaire asked respondent how long are they members of LETS. More than one half of respondents (54%) are LETS members belonging to exchange community for 5 and more years. This fact indirectly corresponds to the age graph; most of the people were above 40. It shows that members in these three systems are mostly stable members.

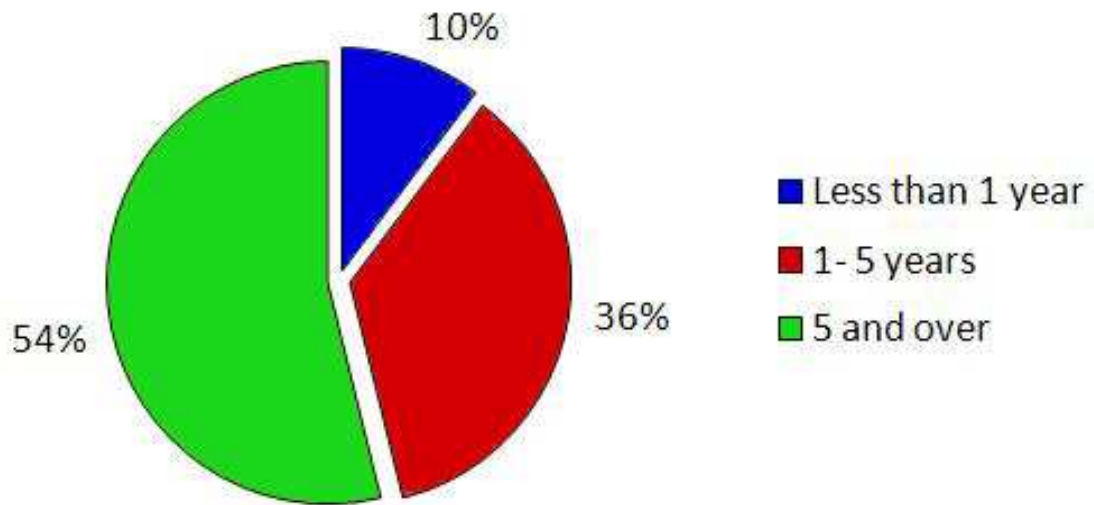


Figure 5: Time of LETS membership

The reasons why have respondents joined LETS show that 73% of all 40 respondents joined to become part of a community. Social aspect is visible at this point. 68% respondents joined LETS to share skills. These respondents do not usually have an opportunity to sell skills professionally whether in LETS they sell and buy goods and services without the need of state money. LETS offered financial support to 20% respondents. Indeed, 65% of respondents are aware of local trade growth and support local economic development. 38% ‘greens’ appreciate LETS as environmentally friendly exchange systems. Nonetheless, 13% respondents marked option ‘other’. For instance, questioned man, 50-59, full-time employee answered: “*to save money and tax*”. (author’s survey)

### 7.3 LETS VERSUS NORMAL MARKET

Question 7 asked surveyed members if they prefer to get goods and services from LETS or from the normal market. Most of the members who fulfilled a questionnaire prefer to get goods and services from their local communities. Figure 6 displays that those members who prefer to buy goods and services from LETS in a number of 33 build 83% of all respondents. This figure displays that trading in LETS obviously has advantages which make trading more popular than trading on a normal market. These benefits are evaluated in the next paragraphs.



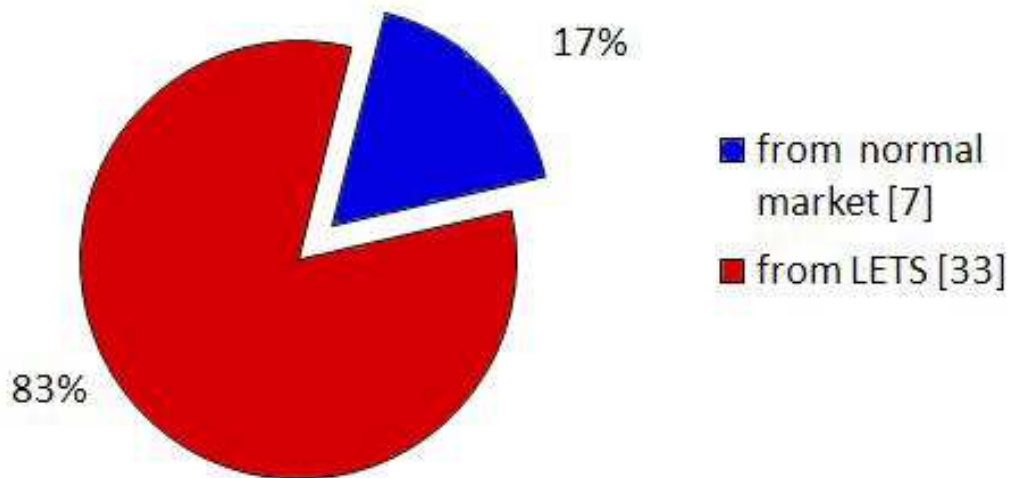


Figure 6: Where do members prefer to get goods

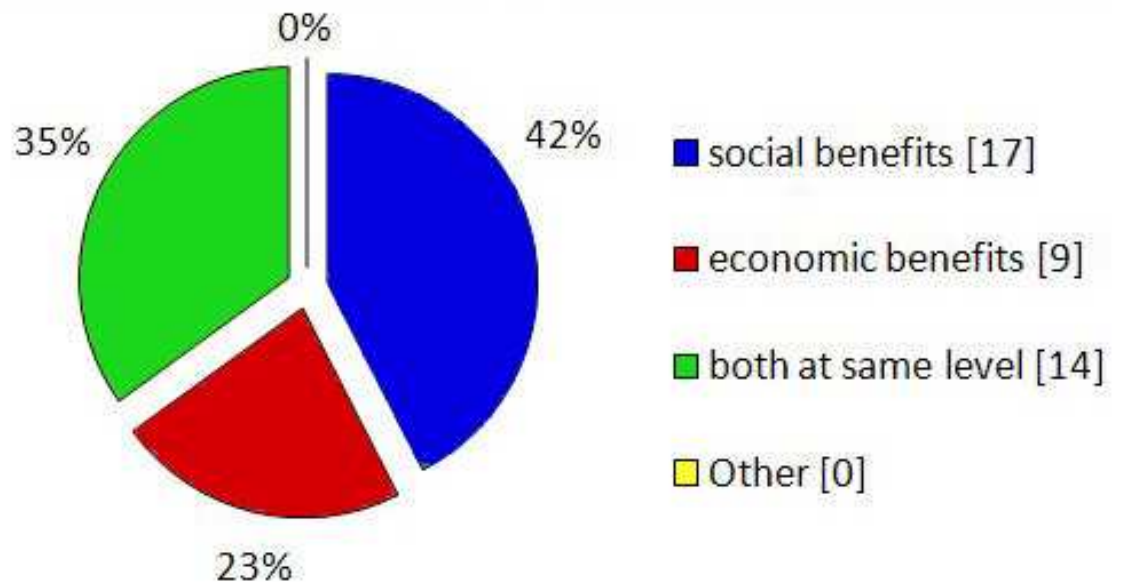
Members who prefer to get goods and services from LETS marked both social and economic reasons why they prefer this way of exchange. From economic point of view, half of the members pointed out that prices of goods and services are lower as well as costs (travel expenses- LETS members live often in neighbourhood so they do not need to pay for the transport for committing to the shop; taxes etc.). Indeed, 55% of members buy goods and services from LETS because the quality of goods and services is higher than anywhere else. Groceries are common exchange article in LETS trading. 35% of respondents marked that groceries are fresh. 70% of LETS members are aware of local production development and they support it. Most of these members also want to support and develop trade in their community. 85% responded chose also 'other' option. SISLETS coordinator for example feels that *“this kind of trade is going to be an integral part of the future as the economic downturn continues”*. (author's survey) Finally, one third of members prefer to know the person they trade with.

When members buy in LETS they go into debit at the currency account. To turn the negative balance back up, thereafter, members sell their products or services to LETS mostly because they support local production (78% of members). From the social benefits 68% of respondents chose the option that they like to help people. This fact confirms that LETS are community-based. Indeed, almost half of the members (exactly 48%) cannot usually sell their products and services in their professional career. Member who does not

sell production or services which he/she produces or provides also in a professional career should not be compulsory to pay income tax. During a trade the members create a price on agreement which seems to be beneficiary for the price value.

#### 7.4 LETS Benefits and opportunities

Moving to the most important part of the thesis, this chapter evaluates social and economic benefits of LETS membership. One question in the questionnaire asked directly on social and one on economic benefits. These benefits are evaluated according the number of members who marked them. The third graph displays the evaluation of economic benefits of LETS for individuals. Last graph shows which opportunities members see in their LETS.



*Figure 7: Comparison of LETS benefits*

Question 7 asked respondents which LETS benefits are more important for them. The results of this question proved my hypothesis that members prefer social benefits.

On the one hand, social benefits consequent from LETS membership are more important than economic ones in case of 42% of members. This figure confirms my working hypothesis that social benefits outbalance economic benefits. Individual social benefits are displayed on the graph below.

On the other hand, economic benefits offered by LETS to members are those more important for 23% of respondents. This figure means that more than one fifth of all

members trade in LETS to sell, earn and save local money rather than to get involved into community.

Finally, 35% of responded members balance social and economic benefits on the same level. These respondents use LETS as more complex system. Members should be aware of all benefits consequent from membership and they should derive all these benefits.

**7.4.1 Social benefits**

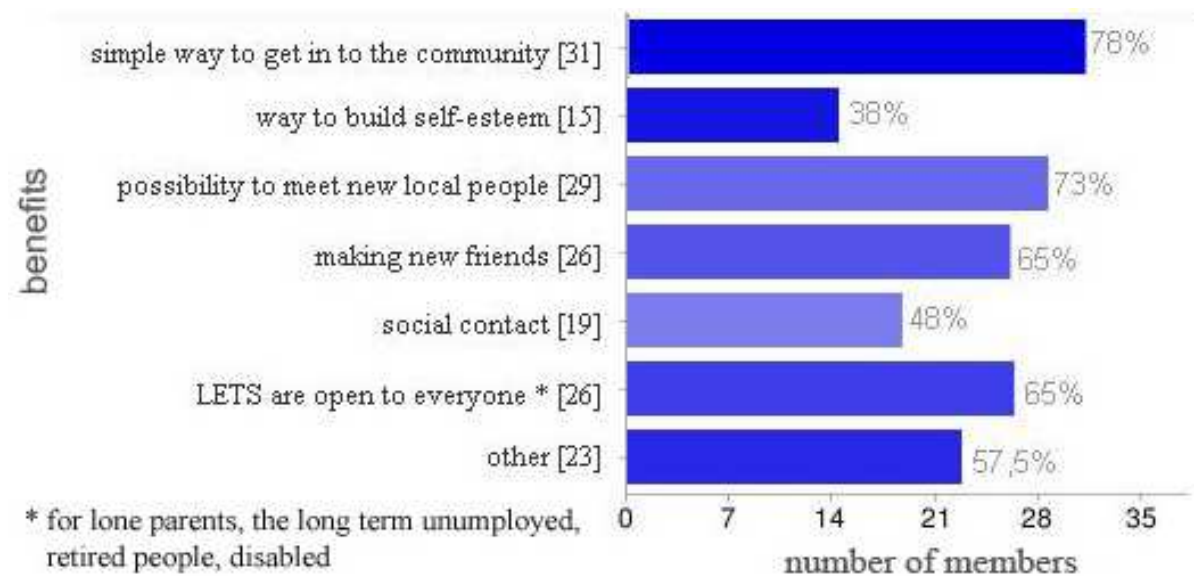


Figure 8: Evaluation of social benefits

One of the two groups of most important LETS benefits are social benefits. Question 8 asked which social benefits feel respondents from LETS membership. As Figure 7 displayed, members estimate social benefits more than economic. LETS are built on community base. This fact was testified by 78% of respondents who marked an option ‘simple way to get into a community’. Word ‘Local’ in LETS acronym says that these communities are situated mostly on a small area or neighbourhood. 73% or members use LETS as a tool to meet new people in local area. People who build the community often spend weekends or trading days together and trade mutually for the prices on agreement. That is why they should have good relations between each other. People (65%) make new friends in LETS. The same number of members also agree that LETS are open to handicapped people in searching for job opportunities or trying to get involved into community. Lone parents, long-term unemployed, retired, disabled people belong to this group. 57,5% of respondents marked ‘other’ option. For instance, woman, 50-59 marked

“meet people of like-mind”. (author’s survey) Nevertheless, 48% of members confirm that LETS help with a social contact. Be a member of such community also helps to make self-esteem. LETS are open to people who are not much self-confident. In the survey, 38% of respondents marked an option that LETS help to build self-esteem.

**7.4.2 Economic benefits**

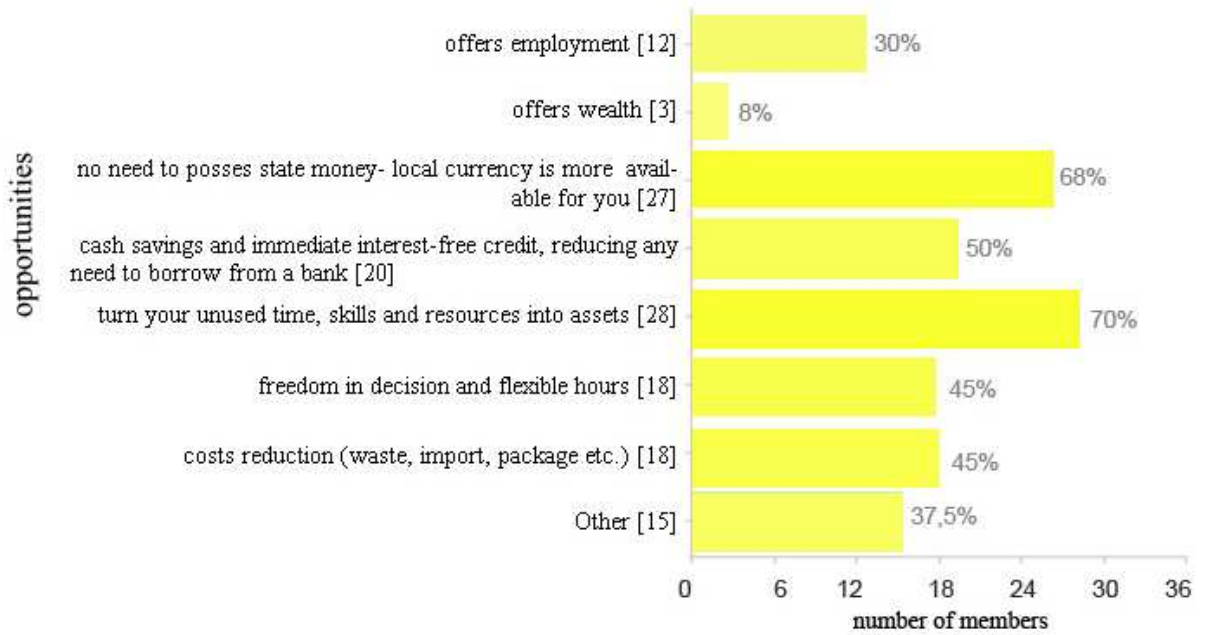


Figure 9: Evaluation of economic benefits

Second group of main LETS benefits are economic benefits. Question 9 asked respondents to mark which benefits members feel from LETS membership. One question in the questionnaire asked directly to mark those economic benefits which members feel important. The results are shown in the graph above and described in a paragraph below.

At this point, therefore, 70% of respondents think practically because they appreciate that in LETS they can turn unused time, skills and resources into assets. Almost the same amount of members (68%) use LETS because they do not need to possess state money to trade. Local currency is available for them easily. At this point financial benefits are also important. Exactly half of respondents use LETS instead of some bank services. They do not need to borrow from bank with interest when they have a possibility to buy goods and services from LETS, go into debit and thereafter turn the debit back by selling one of their products or services. They can also save state cash and trade in a local currency and use it for things they cannot buy in LETS. Furthermore, 45% of respondents like that there are no

time restrictions in LETS, so they are free to decide when will they trade and work. This advance of community trading may help them to save time and energy. Almost one third of respondents (30%) marked that LETS offer employment. 37,5% marked option 'other'.

### 7.4.3 LETS opportunities

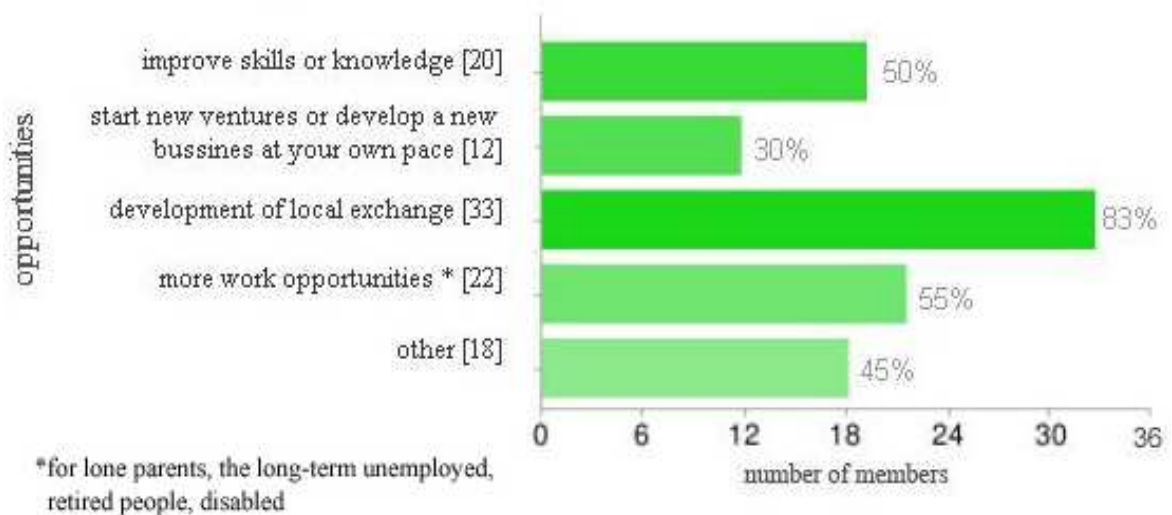


Figure 10: Evaluation of LETS opportunities

As the graph displays respondents evaluated possible opportunities in following order. 83% of members perceive LETS as an opportunity to develop local exchange. As mentioned before, LETS trade is viewed as future integral part as the economic downturn continues. More work opportunities for lone parents, long-term unemployed, retired or disabled people which local exchange systems offer are possible opportunity for 55% of respondents. These groups of people are generally disadvantaged in a work assert. Membership in exchange community may offer help in work searching so as these people are able to sell their skills more easily. Moreover, half of respondents (50%) see an opportunity to improve skills or knowledge in LETS.

However 30% of respondents perceive membership in exchange community as an option to start new ventures, or develop new business at own pace. Anyone, who plans to create own business is allowed to sell goods or services in LETS first without any financial risk. They might test the product on LETS members and might find approaches and strategies which could be then used in that own business. Finally, 45% marked 'other' option.

## 7.5 How respondents characterize the membership?

At the end of the questionnaire open question asking respondents to characterize LETS membership in one or two sentences was inserted. Main reason why the question occurred in the questionnaire was that for the most of the questionnaire respondents evaluated given points (benefits). Therefore, a space for them to express own ideas about community membership was given. 31 respondents (77,5%) answered this question. Most interesting answers are cited in this chapter.

The largest group of members mentioned both community and economic benefits of LETS membership:

- *“Offering trading outside 'money' offers more diverse buying power, increases individual self-worth (because they have something to offer the community that is of value) in the community and enhances 'community' by people 'caring more for each other and sharing what they have.”* (woman, 50-59, self-employed)
- *“LETS saves you money and builds community. You can provide goods and services to others, for cost to yourself, then get things you need, for no or little cash outlay. It enables you to 'trade' with local people, rather than buy from an anonymous corporation and helps others financially.”* (woman, 40-49, full-time employee)
- *“Offers opportunity to enhance lifestyle without cash; plus creates strong social networks.”* (woman, 60-69, self-employed)
- *“As a single person living alone I enjoy the interaction, plus getting things such as massage virtually free of cost. Trading of unused good for 'points' creates less rubbish, helps others & allows me to use the points I gain on something more useful to me.”* (woman, 70 and over, retired)

From these citations it is clearly visible that LETS are beneficiary as a source of social contact meanwhile it helps people to make cash savings and provide a field where can members sell unused skills to others.

Second group of respondents tends to prefer social aspects of LETS:

- *“Sharing Community.”* (man, 70 and over, retired)

One respondent mentioned environmental advance:

- *“It consists of environmentally aware people from a wide background. Knowing the talents of these people is helpful for living.”* (man, 50-59, full-time employee)

In open question, the biggest group of members described LETS as a community with both social and economic impact on them. From the frequented answers dominate cash savings and opportunity to sell skills. Social aspects as sharing community, meeting minded people are common. Environmental friendliness is also a reason to join LETS community.

## CONCLUSION

My bachelor thesis explored Local Exchange Trading Systems from the theoretical perspective as well as the survey examined LETS practically. In the conclusion, I will compare my working hypotheses with the results of my survey done among LETS members.

Aim of the thesis was to describe LETS in Australia and consequently find and evaluate social and economic benefits resulting from LETS membership in chosen Australian LETS. I applied the knowledge from the theoretical part to create the questionnaire, which I used to evaluate most important social and economic benefits. In the thesis introduction I stated three working hypotheses. Two of these hypotheses have been proved and one has been refuted in the research.

At the beginning of the conclusion, I would like to compare my working hypotheses with the survey results. In comparison of social and economic benefits of LETS I supposed that members prefer social benefits more than economic ones. This hypothesis has been proved by 42% of respondents who view social benefits more important than economic ones. The claim has been additionally confirmed in the question asking why members have joined LETS. Majority of respondents (73%) joined LETS to become part of a community. Social importance is the strongest visible advantage of LETS resulting from my research.

Consequently, I supposed that on the field of social benefits, most important LETS benefits are that LETS offer possibility to get into community and meet new local people. The second hypothesis has been proved by the fact that 78% of respondents feel LETS like a simple way to get into a community. In the same question, the second part of the hypothesis was confirmed, when 72% of respondents perceive LETS as the possibility to meet new local people. Resulting from the survey, local community building is than the main social benefit resulting from LETS membership.

Finally, the third working hypothesis which focused on economic benefits has been refuted. I supposed that the most important benefit is that LETS offer employment for the people. Nonetheless, only 30% of respondents are members of LETS community, because it offers employment. The most important economic benefit resulted from my research was following: 'LETS turn unused time, skills and resources into assets'. This option seems to be the most important economic benefit for 70% of respondents.

At the end I would like to emphasise that during elaboration of this bachelor thesis I have discovered new information about Local Exchange Trading Systems. Hopefully,



content of the thesis will help the reader to imagine what LETS are, how LETS work, how LETS have developed in Australia and what are the most important socio-economic benefits connected with these local exchange communities.

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## LIST OF ABBREVIATIONS

LETS Local Exchange Trading Systems

etc. Et Cetera

e. g. Exempli Gratia

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## APPENDICES

Appendix P1: Questionnaire



## APPENDIX P I: QUESTIONNAIRE



### Socio-economic benefits of LETS membership in Australia

---

Dear Sir or Madam,  
let me introduce my voluntary and anonymous questionnaire, which tends to collect the core information for my Bachelor's thesis research about socio-economic benefits of LETS membership in Australia. I personally guarantee the results will be used only for my study purposes. The aim is to find who joins LETS, why has joined LETS and evaluate benefits consequent from LETS membership. LETS are not much wide-spread in the Czech Republic. According to available sources I have chosen Australian LETS, because it seems these community systems operate well. It will not take more than five minutes to fill the questionnaire and will give me a substantial help in my work.

I would be grateful if you were willing to help me with my research.

#### Instructions:

1. Go through the questionnaire
2. In case of multiple-choice questions (circles) you can mark just one option
3. In case of checkboxes (squares) you can mark more options
4. In case of open question(with no options) use a given space to tip your idea
5. When "other" option is participated use a given space to type your idea.
6. After finishing all question submit the questionnaire with the button "Submit"

The result of the questionnaire will then be automatically sent to me.

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Thank you for your time and irreplaceable help

\*Required



## Basic information about yourself

### Gender \*

- Woman  
 Man

### Age group \*

- Under 20  
 20-29  
 30-39  
 40-49  
 50-59  
 60-69  
 70 and over

### Employment status \*

- Full-time employee  
 Part-time employee  
 Self-employed  
 Voluntary worker  
 Unemployed  
 Student  
 Retired  
 Permanently sick  
 Other:

## YOU and LETS

### Name of LETS \*

if you are member of more than one LETS, be free to sign all of them

### LETS membership \*

How long are you member of LETS?

- Less than 1 year  
 1-5 years  
 5 and over



**You offer your goods and services to LETS members because you: \***

---

- cannot sell your goods or skills in your career or professionally
- like the idea of price on agreement
- turn your unused time, skills and resources into assets
- support local community development
- like to help people
- Other:

**LETS benefits**

**Which LETS benefits are more important to you? \***

---

- social benefits (community membership, help to other people etc.)
- economic benefits (cash saving, interest-free credit, low costs etc. )
- both at the same level
- Other:

**What social benefits do you feel from LETS membership? \***

---

- simple way to get into a community
- way to build self-esteem
- possibility to meet new people in your local area
- making new friends
- social contact
- LETS are open to everyone- lone parents, the long-term unemployed, retired people, disabled people
- Other:



**Which economic benefits you feel from LETS membership? \***

---

- offers employment
- offers wealth
- no need to possess state money- local currency is more available for you
- cash savings and immediate interest-free credit, reducing any need to borrow from a bank
- turn your unused time, skills and resources into assets
- freedom in decision and flexible hours
- costs reduction (waste, import, package etc.)
- Other:

**What opportunities you see in LETS membership? \***

---

- improve skills or knowledge
- start new ventures, or develop a new business at your own pace
- development of local exchange
- more work opportunities for lone parents, the long-term unemployed, retired people, disabled people
- Other:

**If you could characterise LETS membership in one or two sentences what would you say?**

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