Moral money? LETS and the social construction of local economic geographies in Southeast England

R Lee
Department of Geography, Queen Mary and Westfield College, University of London, Mile End Road, London E1 4NS, England
Received 5 June 1995; in revised form 16 August 1995

Abstract. Local exchange employment and trading systems (LETS) have spread rapidly throughout the United Kingdom during the 1990s. Like all economic geographies, they are socially constructed and are more than a simple response to social exclusion. The economic activity generated by and conducted through LETS is based upon direct forms of social relations and a local currency which facilitate locally defined systems of value formation and distinctive moral economic geographies. Nevertheless, LETS take on some of the class and gender characteristics of the wider economy. Furthermore, the ways in which LETS are represented—not least in the media—may serve to stereotype them as exclusionary and marginal to the needs of those most in need and so to distance them from those excluded from the formal economy.

“ Whereas the kitchen cupboard is dedicated to use, with the old familiar cutlery, thread-bare tablecloths, and knives that years of sharpening have brought to the width of skewers, the front room cupboard houses stuff that never gets used, often in sets: the set of trifle glasses with the green stems, the set of cake knives won at a whist drive, besides all the items no well-run household should be without (grapefruit knives, a cheese-slice) but which are never actually required. It is a museum, this cupboard, to a theory of domestic economy.”
Alan Bennett (1994, pages 24–25)

“The market is always very active. Although every exchange (in fact every form of possession) is explicitly forbidden, and although frequent swoops of Kapos or Blockälteste sent merchants, customers and the curious periodically flying, nevertheless the north-east corner of the Lager (significantly the corner furthest from the SS huts) is permanently occupied by a tumultuous throng, in the open during the summer, in a wash-room during the winter, as soon as the squads return from work.
... theft in Buna, punished by the civil direction, is authorized and encouraged by the SS; theft in camp, severely repressed by the SS, is considered by civilians as a normal exchange operation ... We now invite the reader to contemplate the possible meaning in the Lager of the words ‘good’ and ‘evil’, ‘just’ and ‘unjust’; let everyone judge ... how much of our ordinary moral world could survive on this side of the barbed wire.”
Primo Levi (1987, pages 84 and 92)

Over the past few years, an idea “so simple yet so revolutionary it’s bound to sweep the country”\(^{(1)}\) has in fact swept across several countries. According to one estimate (LCS Ltd, 1993), the early 1990s witnessed a sudden acceleration in the number of local exchange employment and trading systems\(^{(2)}\) (LETS) established in Australia, New Zealand, and the United Kingdom, and the number in operation in the USA and Canada stabilised after an earlier but less dramatic expansion in the mid-1980s.

LETS are local systems of production, multilateral exchange, and consumption, articulated through a local currency—a single-purpose money— independent of, but

\(^{(1)}\) The Mail on Sunday quoted in UK LETS Development Agency (1994b).
\(^{(2)}\) The term ‘local employment and trading systems’ is the term preferred by Offe and Heinze (1992).
often related to, the prevailing national currency.\(^{(3)}\) This currency is frequently named after some local association and so a geography of the LETS economy is central at the outset and is expressed in terms of its most profound expression—the means of exchange. Membership is open to all, usually on payment of a membership fee. Details of the offers and needs of members within the system, normally expressed in terms of products or labour power, are published in a regularly issued directory distributed to all members. Transactions are effected by agreement between transacting parties. They may occur either at a prepublished price or by negotiation and they are expressed in terms of the local currency or in terms of a mix between the local currency and the national currency unit. However, no money changes hands: transactions are recorded on cheques forwarded to and logged by the accountant or treasurer to the system. Details of all transactions are then published on a regular basis so that all members of the system have knowledge of the full transactional activity and trading balance (debit or credit) of all other members.

Some descriptive characteristics of LETS in the United Kingdom are listed in table 1 from which it can be seen they are small organisations in terms both of membership and of economic activity. According to these data, their membership is dominated by the employed but with a greater representation of the unemployed than in the economy as a whole. At least in the early stages of their formation, members of LETS are known personally to each other, and a commonality of purpose is quickly established.

LETS did not merely sweep the country in terms of numbers. They managed a widespread and repeated exposure throughout the national and local media\(^{(4)}\) and registered in the consciousness of at least one section of UK society not directly

Table 1. Some characteristics of local exchange employment and trading systems (LETS) in the United Kingdom, 1993 (source: Lang, 1994).

| Size of membership (number of individuals): |
|------------------------------------------|
| largest                                  | 333 |
| average                                  | 70  |

| Economic activity of membership (percentage of total): |
|--------------------------------------------------------|
| employed or self-employed                             | 55  |
| unemployed                                             | 25  |
| part-time workers                                      | 12  |
| retired                                                 | 2.5 |
| students and others                                    | 5   |

| Extent of trading (LETS units per annum)               |
|--------------------------------------------------------|
| average turnover                                       | 5 200|
| highest individual account                             | 7 000|
| estimated annual national turnover                     | 1 500 000 |

| Currencies tied to the pound (%)                       |
|--------------------------------------------------------|
|                                                        | 65  |

\(^{(3)}\) LETS are an example of community-orientated trading networks which are quite different from commercially orientated trading or bartering systems, which often operate through a clearing house or brokerage service.

\(^{(4)}\) The UK LETS Development Agency (1994a) lists thirty-two articles published in the national press between 1991 and 1994. More than half of these articles appeared in broadsheets, several of which returned to the subject on at least two occasions. In the light of the geography of LETS (as discussed in this paper) it is worth noting that over 40% of the articles focused on LETS located in the West Country.
involved in them. For a movement introduced into the United Kingdom in Norwich as recently as 1985—but which showed little sign of diffusing from the locational origin of its innovation until the onset of the 1990s, and not really until 1993 (see figure 1)—this is a remarkable achievement. At the same time, it is testament to the hold that national currencies and monetary systems have over conceptions of economic geographic normality [not least in reinforcing the notion that the economy is "a homogeneous reality" (Braudel, 1985, page 23)—given and eternal rather than socially constructed and diverse] that the development of LETS in the United Kingdom is the occasion for such intensive media coverage. Their apparent novelty is belied in a range of interpretative, theoretical, and practical precedents which confirm that there is "not one but several economies" (Braudel, 1985, page 23) articulated through distinct monies.

There are now upwards of 200 and possibly more than 250 operative LETS schemes in England and Wales. However, if current membership of LETS schemes in the United Kingdom amounts to something less than 20000 people, this compares with a membership of 410000 people in Greenpeace, 120000 in Friends of the Earth, 9 million in trades unions, and an average attendance of 23040 at Premier League soccer games during the 1993–94 season in England (Central Statistical Office, 1995, tables 4.21, 11.4, and 13.20).

![Figure 1. Local exchange employment and trading systems (LETS) in England and Wales, 1988–94 (source: calculated from data in UK LETS Development Agency, 1995).](image)

**LETS: social relations and the social construction of economic geographies**

But such comparisons are hardly fair. LETS not only represent something new, prospective members have to get involved in the active search for local information and direct contact with the coordinators of local groups, and membership is, by definition, active and participatory. Members cannot remain anonymous; their names, their telephone numbers, and the nature of their involvement—defined in

---

(5) Over the past few months it has become apparent that friends, neighbours, and relations, as well as colleagues who have no direct contact with LETS have, without exception, heard of them and know something—no matter how vague—about them.

(6) On interpretation, see Polanyi's (1957) distinction between local markets and long-distance trade, and Braudel's (1985, page 24) "triple division" between material life, the market economy, and capitalism; on theory, see the reviews in Offe and Heinze (1992) and in Schecter (1994); on practice, see Rotstein and Duncan (1991) and Offe and Heinze (1992).
terms of what services or products they can offer to the system and what needs they feel may be met through it—are published in the regularly revised Directory. Even more significantly, the transactions (which form the instrumental social relations) through which LETS operate are made known on a regular basis to all members as details of their trading accounts, including the nature of the transactions and the overall deficit or credit, are published throughout the system. To that extent, transactions that would normally be private and even anonymous are exposed to public scrutiny, and the market is forced to show, rather than enabled to hide, its hand.

Thus, although trading is intended to be restricted to exchanges between households, membership of and participation in LETS open up private aspects of social reproduction to scrutiny by often scarcely known others. By contrast, in civil society more generally such reproductive engagements may be inspected by state or charitable personnel or kept behind closed doors and recorded by remotely generated and private accounts of financial transactions. No matter how uncomfortable such investigations may be, knowledge of them may normally be contained—even harmfully hidden—from public view.

It follows from this description that LETS represent a fundamentally distinct set of social relations through which economic activity may be conducted and economic geographies constructed. They necessitate a preparedness for inclusion which goes beyond a mere response to social or financial exclusion. Thus the somewhat arcane focus of this paper(7) lies less in the emergence of LETS as a response to economic exclusion or in their potential for informal economic development(8) than in what they may begin to reveal about how economic geographies are constructed; about how this construction is informed not merely by the economic (indeed the construction of the economic as an integral feature of wider social relations is one of the distinctive features of LETS); about how their norms and practices—their value—develop; about how LETS have a range of meanings and objectives for their participants who both bring to and define and learn a set of meanings from their practice within them; and about what the participants in these economic geographies understand by their involvement. In short, this paper represents a concern for the social construction of economic geographies.

In an exploration of the formative significance of the “New England discursive formation”, Peet (1995, page 2) asks “Suppose one were to approach economy from a different vantage point?” His purpose is to make an argument which shows “economy to be part of a larger cultural order” (page 22). Of course, the meaning of ‘part’ here is intensely problematic, but this formulation not only takes the debate on from concepts of economic embeddedness, but also opens up or rather returns to questions related to the social construction of economic geographies. Such geographies, the argument goes, are not self-generated; they cannot be naturalised. Rather, they grow simultaneously out of and into a much wider set of processes: the formation of identity, of communication, of what Elias (1978) refers to as

(7) In this paper I draw primarily on interviews conducted January–March 1995 with the local coordinators of eight LETS, six of which are located in Kent, East Sussex, and the London Borough of Bromley, with local coordinators elsewhere in the United Kingdom, and with the national coordinators of LETSLink UK. [Further work involves a questionnaire of local members of LETS, to be followed up by in-depth interviews.]

(8) For a general discussion of the nature and potential of ‘cooperation circles’, see Offe and Heinze (1992); for an economic evaluation of LETS, see, for example, Rotstein and Duncan (1991). An excellent review and analysis of the potential of LETS for informal economic development has been made by Williams (1995; also, see Williams, 1994). A persuasive advocacy of LETS as an holistic alternative to the global economy may be found in Dobson (1993).
"figurations"—webs of dynamic interdependence between people, stemming from the inseparability of individuals from society, of workable and acceptable (by force if necessary) systems of rationality and evaluation from social reproduction. They grow, in short, out of and into geographies of social relations (Lee, 1989) expressed both in material and in ideational terms: economy is far from being “the pure sign of history” (Peet, 1995, page 2).

But, at the same time, economic geographies are not without their own influence. Material success in social reproduction is not incidental to ideological success; relations of power are shaped in part by material resources; the acceptability of myths and discursive storytelling about historical geographies is buttressed by being able to claim more than mere ideational effectivity\(^9\). Social relations are sustained in part by offering a causal link between such relations and desirable standards of living. Nevertheless, economic geographies are social constructs, shaped by socially constructed social relations, the historical geography of which is related in turn to emergent cultures, myths, beliefs, charisma, and the development of identities maintained in part through economic geographies themselves. What is certain in this circularity is that the economic cannot be reduced to itself and that economic norms and rationalities stem from the struggle to establish and sustain—or oppose—specific forms of social relations\(^10\) as well as from the power of historical recurrence and material practice.

**LETS: do-it-yourself economic geographies and the local formation of value**

The economic geographies described in this paper are, like the research on which the paper is based, more modest than those created in and through the New England discursive formation explored by Peet. One way of ‘approaching economy from a different vantage point’ is to examine its economic rationality which, for Peet (1995, pages 3–4), provides a link between “the objectivity of economically-derived logics and the extreme, even excessive, emotional subjectivity of agency/identity”. Such an examination provides an appropriate starting point for an examination of LETS which are founded in the local creation and control of currencies.

**Negotiating value**

*Local currencies and the geographical sustenance of money*

According to the definition used by the information service most active in promoting LETS worldwide (LCS Ltd, 1989), a LETS is “a self-regulating economic network which allows its account holders to manage their own money supply within a bounded system”. There is nothing new in alternative local currencies (for example, see the discussion in Offe and Heinze, 1992, chapter 5; Rotstein and Duncan, 1991), although Rotstein and Duncan argue that the origins of LETS cannot be traced directly back to the prewar era—historically the most recent period with an incarnation of such currencies—as “the institutional lineage is broken and indeed there seems to be little intellectual continuity either” (1991, page 429). Nevertheless, alongside pressures towards the internationalisation of currencies are suggestions emanating, for example, from the UK Commission on Social Justice (CSJ, 1994) and the EU White Paper on *Growth, competitiveness and employment* (CEC, 1993) for their localisation—possibly backed by some kind of municipal guarantee (Boyle, 1995). But rather than implying the reembedding of local currencies in local economic geographies, such suggestions are intended to facilitate the Braudelian

\(^9\) See, for example, Harvey’s (1982, page 373) tale of the “remarkable ... historical geography of capitalism”.

\(^10\) This, at least, is my reading of Brenner (1977; 1986).
or Polanyian distinction between forms of circulation in an increasingly global economy: the detachment of local concerns from the serious business of accumulation.

By contrast, local currencies embedded in local circumstances of consumption, exchange, and production are critical to the functioning and potential significance of LETS. The currencies of LETS supplement circulation based on the fiduciary money of the wider national economy. The virtual currencies\(^{(11)}\) of LETS have no material existence but they do have names (Tales in Canterbury; Medlets in the Medway Towns; Hops in Tonbridge; SECs in Bromley, southeast London; Cranes—after the river—in Hounslow), often the subject of fierce local debate. And this naming is important. It illustrates in stark and simple terms that money is little more than socially accepted and negotiated information\(^{(12)}\) based on—and creating—a profound geography.

Money is soaked in geography and history, both in the sense that it allows transactions to take place over expansionary time and space [without it, as Harvey (1982) has argued, the flexible and expansionary process of accumulation central to capitalism could not take place] and in that its legitimacy is sustained (or undermined) by national (and only embryonic international) monetary and economic policies and the (national) institutions responsible for monetary management. Such policies and institutions may and frequently do come under pressure to revalue or even transform currencies as the economic legitimacy of currencies is negotiated across a highly uneven and dynamic economic and political geography. The monetarist concern for inflation and its close links with nationalist concerns for monetary sovereignty and the sustenance of the value of national currencies represents one geopolitical response to such competitive geographies central to the imagining of the nation. It tends to belie the notion that money is a social construct, the value of which is sustained by confidence in its value.

This point is crystal clear in the currencies of LETS, which consist simply of information in the form of telephone calls made, or cheques returned, to the LETS' accountant. This information forms the input to accounts published on a regular basis for the information of members of the scheme. Like any other, a LETS currency has use value as a means of exchange and payment only if its users believe that it does. Accurate accounting is clearly essential here but even more important is the development of close social relations of exchange between the participants in a LETS. A local currency has currency only if enough participants believe that it has a use value in enabling consumption, production, and exchange to take place in a way which is useful to them, most directly by endowing their labour with exchange value (the question of surplus value is discussed briefly in the next section of this paper).

In many LETS (probably more than two thirds of the UK total) the local currency is linked to the national currency. This linkage certainly facilitates the manipulation of the boundary between LETS and the formal economy (see below) and so increases the potential scope of LETS. Many inputs to local exchange (for example, equipment for hire) originate in the national currency economic geography and so are subject to measures of depreciation which must be met in terms of the national currency. In such circumstances, transactions within a LETS may involve two rounds of price negotiation—one to set the price and one to split its payment between local and national currencies (see Offe and Heinze, 1992, chapter 6).

\(^{(11)}\) I am grateful to one of the anonymous referees for suggesting this phrase and, indeed, for offering some particularly perceptive comments on LETS currencies.

\(^{(12)}\) The notion of money as socially constructed information is treated more fully and in various ways by, for example, Dodds (1994), Thrift (1994), Thrift and Leyshon (1994), and Pryke and Lee (1995).
At the same time, an equivalence between local and national currencies may inhibit the egalitarian principle of valuing work in terms of time only (and in some LETS in terms merely of unit jobs) whereas the possibility of exploitation through exchange (with lower prices being quoted as the proportion of national to local currency in payment increases) is expanded.

However, to argue that the local currency “does not represent an independent measure of value for work done ... but remains closely integrated into the system of market prices” (Offe and Heinze, 1992, page 87) is to underestimate the power of the local currency to help shape and define value. This is because the autonomy of a local currency enables contextual negotiation between buyer and seller through which the value of a transaction may be heavily influenced by specific circumstances and so may vary in idiosyncratic ways. Some schemes are constructing a temporally and spatially flexible notion of value; charges for a product or service are related, for example, to the convenience or inconvenience of supplying it at particular times and places and to the stress associated with open-ended and repetitive commitments compared with closed and controlled exchanges:

“You might want a lawyer once in your lifetime but you need your ironing doing every week.”

And in some LETS the notion of socially necessary labour time is replaced by a standard rate of payment for any job or product. For others, the amount of time spent in providing (whatever) service or product is the critical touchstone of value. In one reading this opens up the potential possibility of rewarding laziness (see Harvey, 1982, pages 14 - 15) but in another it values time spent on work equally: “an hour is an hour ... no job is any more important than any other”. This reading is especially important for those activities ignored in conventional economic accounting—“a listening ear is yet another valuable service”—most especially the domestically related activities of social reproduction, such as “nurturing, caring for future generations”.

In such ways, and despite any continuing tendencies to think in the national as opposed to the local currency, the use of the local currency in trading practice does allow new negotiations of value. Thus just as Marxian theory conceives of value in capitalist society as a social relation based upon the socially specific but generalised practice of wage labour so too do local currencies facilitate the emergence of value negotiated on the basis of locally and often interpersonally constructed social relations.

So, a link between national and local currencies does not necessary merely enable and maintain the “close integration [of the local system] into the formal economy, whose prices and price formation mechanism the [local] system ... adopts” (Offe and Heinze, 1992, page 93). Rather, the link simply provides a widely accessible understanding of value on which the local currency may begin to operate and attract participants. Nevertheless, certain class and gender biases are imported into LETS from the wider economy. A gender division of labour between ‘men’s’ and ‘women’s’ work is apparent (see table 2). Similar patterns have been observed in Stoke LETS (Williams, 1995), with men tending to offer household maintenance and repair and to offer equipment and tools (the means of production?) for hire, and women offering time in the form of mundane domestic services. Gendered wage inequalities are also reproduced from the wider economy, with men not only demanding more than twice the rate per offer than women but being more prepared than

(13) Throughout the paper, quotations from people interviewed during the course of research are set in italics. All such quotations are from individuals involved in running and participating in LETS.
women to negotiate a price. The influence of status and class is apparent in the debates within LETS on appropriate rates for different kinds of work. Skilled professional services (including legal, medical, and design services) are especially problematic in terms of the rate for the job and in posing problems associated with the mode of delivery and the legal liabilities and responsibilities that attend their production and consumption.

Table 2. ‘Women’s’ work and ‘men’s’ work in two local exchange, employment, and trading systems, 1995.

| Canterbury | Medway |
|------------|--------|
| **'Women's' work (more than 75% of offers by women)** | **Domestic and family services** |
| Domestic and family services | Domestic and family services |
| Accommodation | Accommodation |
| Personal, spiritual, and therapies | Personal, spiritual, and therapies |
| Creative arts | |
| **'Men’s' work (less than 50% of offers by women)** | **Business and office services** |
| Business and office services | Business and office services |
| Building services | Building services |
| Equipment hire | |
| **Percentage of total offers made by women** | 68 |
|  | 65 |

The social construction and regulation of value

The fundamental significance of a local currency is not to be found in the attempt merely to keep the economic geography of the LETS separate and local in the face of the ever-increasing velocity and level of global circulations. Separate currencies also allow forms of regulation to be applied to LETS which are quite different from those applicable in the wider capitalist economy. Accumulation, for example, is not helpful, and in some schemes may be charged a form of interest. By contrast, needs and indebtedness drive the system—“people just have to ask for something and they set the whole economy in motion”—without incurring the economic imperative to redeem ‘credit’. The money supply is not controlled by a central bank but by the requirements of exchange. Participation in LETS by the voluntary sector is especially significant here. The voluntary sector is endemically prone to indebtedness—often for lumpy items of expenditure—within a LETS and so generates a substantial amount of economic activity at the same time as demonstrating the desirability of indebtedness to other individual participants (who would, in economic geographies elsewhere, be pilloried for indebtedness) whilst often being able to offer regular services within the LETS and so point their trading accounts towards some kind of equilibrium over the long term.

This process is facilitated, of course, by face-to-face trading—so removing the fetishism of commodities:

“People can start working on a scale they can relate to.”

“Local currencies are much more real, they relate to yourself and to people; they’re a real life method of trading.”

As already suggested, less direct—but nevertheless public—accountability is ensured by the publication of trading accounts for all members of a local scheme. Furthermore, people’s engagement with production as well as with exchange and consumption in trading through LETS intensifies their sense of direct involvement in their economic geographies and facilitates a knowledge and understanding of
LETS and the social construction of local economic geographies

...economy based upon immediate and observable cause and effect:

"It's like playing on a trampoline."

"You can set up your economy and then go off and do it."

But there is a contradiction here: if a system of social reproduction (considered here simply as a chain of consumption and production) is based merely on the satisfaction of individual wants and needs, it is difficult to see how social surplus can be produced to support expanded reproduction (see figure 2).

--- c p c p c p c p c ---

(a)

surplus surplus surplus surplus

--- c p c p c p c p c ---

(b)

Figure 2. (a) Simple and (b) expanded social reproduction. Note: c, consumption; p, production; typesize relates to the quantity of consumption and production, a larger type size indicating a greater quantity.

Within LETS there is neither the means of producing a social surplus nor the mechanism for its social distribution or allocation. Such reasoning suggests that LETS must be structurally tied to a wider surplus-generating economy. It is not surprising, therefore, that some LETS formalise their links with the wider economy by attempting to set up a development fund based on subventions from local business.

On the one hand, the argument is made that "unless businesses get involved, LETS must remain peripheral" not least because, on the needs side, "with a mortgage to pay off, you've got to keep a large financial life as well" and because, on the supply side, the continuing need for food, skilled production, and servicing involves heavy inputs of labour and capital but "work in the LETS can simply absorb too much of the time of skilled workers".

The argument on the needs side is that LETS will remain only marginally ameliorative and largely irrelevant to the lives of the poor unless they are able to provide for basic needs. On the supply side, business membership can ease cash-flow and liquidity problems and expand the market both for inputs and for outputs and so offset tendencies for LETS to undermine local businesses at the same time as allowing the use of local currencies over a large part of the (local) economy. There is a danger here in the trade-off between the size and scope of a LETS and its degree of local embeddedness and intimacy. One possible solution—being explored in the Canterbury LETS, for example—is the development of a multi-LETS scheme. Here, local clusters of participants in small-scale LETS engage in relatively intense day-to-day trading but have access to the wider scheme for more esoteric requirements or offers. At the same time, a central administration is able to reduce its overheads per capita by offering its services for the whole of the multi-LETS.

The advantages of the expansion of LETS to cover basic needs is not independent of class or occupation in its effects. Although capital may benefit from membership of LETS (from access to advertising, markets, suppliers, and labour), labour—especially low-skilled manual labour that makes up so much of the long-term unemployed—may be more threatened. The substitution of LETS labour for
waged labour may be an attractive proposition both within domestic and within commercial economies. Furthermore, the input of skilled and professional labour (for example, medical, financial, legal) into the LETS economy has a more limited effect on the demand for such labour in the national currency economic geography as regulations governing the legality and legitimacy of exchanges produced by such labour within civil society offer protection.

The problem of linkage is complicated by what Offe and Heinze (1992, page 4) call the 'modernisation trap', which presents some severe structural difficulties for LETS. The range of goods offered by LETS—at least in the early stages of their development—is of the domestic and alternative kind rather than the technical. Offe and Heinze argue that the internal expansion of capitalism has colonised spaces of production formerly occupied by more traditional labour-intensive activity—hence unskilled unemployment—at the same time as commodification has reshaped the norms and opportunities of nonwork time, and technical change has placed much work formerly open to informal labour beyond the capabilities of such labour. Thus, the marginal utility of money to an individual tends to increase with increases in the availability of money, whereas the marginal utility of time tends to decrease. Thus it becomes "more difficult to convert available resources of time into money or to make a tight monetary budget go further by spending time" (Offe and Heinze, 1992, page 21). And yet, in terms of their relationship to social exclusion, that is precisely what LETS are about—and most especially so for their least-skilled and, at present at least, women members.

On the other hand, maintaining and developing the autonomy of LETS facilitates access to knowledge capital otherwise subject to the market imperatives of scarcity in the formal economy:

"If you can get artisans, crafts people and food, then you've cracked it".

At the same time, autonomy sustains and develops the locally derived principles (egalitarian, ecological, a concern for the sustenance of the 'developed individual' outside a capitalist market economy) on which the local system was established. But at the same time, if LETS are to offer a sustainable time-based alternative to the money economy, such autonomy necessitates a programme of training in order to accumulate knowledge capital.

Given the limited development of LETS, even within local economies, this tension between the separation from and integration with the national currency economic geography is not a significant issue. However, it may be highly significant in terms of motivation. For some people within some schemes, LETS are seen as an alternative means of coordination both within production and between production and consumption, thereby providing a stage along a progressive separation from the national currency economic geography towards "a community which has its local economy, builds its own shelter, generates its own energy, produces its own food and keeps itself clean".

Although, by their very nature, LETS offer an opportunity to confront economic exclusion, the objectives of many of those coordinating and participating in them may be rather different—sometimes diametrically so. LETS are potentially extremely radical—offering, as suggested above, a reinterpretation of value and a recasting of social relations in production, consumption and exchange as well as the opportunity "to stand to one side" as the formal economy goes rushing by. In a reference to the global economic implications of the Kobe earthquake of January 1995 (but before

(14) At the time of writing, the largest and most centrally organised LETS in Kent had a turnover of about 10 currency units (tales) per member per month (1 tale = 1 pound).
their specific manifestation in contributing to the collapse of Barings in February),
LETS, it was said, "put a little dam between you and these massive perturbations". The
question is, what is on the other side of the dam?

Representing LETS: excluding the excluded?
If, as Peet (1995) suggests, discursive formations play a powerful part in the cultural
construction of economic geographies, the practices through which and the ways in
which LETS are represented become important constituents of their construction.

Abstraction
There is a tendency to assume a high degree of technical and managerial efficiency
and understanding in administration, organisation, and in strategies of recruitment
or public relations (Offe and Heinze, 1992, chapter 6). The national network is
nourished by the sustained output (from LETSlink UK) of user-friendly promotional
literature and of instruction and support for administering LETS. This material
takes the form of books, pamphlets, instruction manuals, and software. It deals with
questions of software and hardware for the administration of local schemes. In such
ways, the potentially radical agenda of LETS is represented in part through docu­
mentation; it is, quite literally, read. So, although the idea of LETS is ‘so simple’,
without information technology and desk-top publishing “there would be a problem ...
nobody wants to do the Directory or the accounts”.

Beyond such pragmatic concerns, however, there is a certain abstract appeal
(regardless of wider and deeper objectives) in running an economic geography.
An explicit contrast was drawn between a discourse, on the one hand, of the
abstract ‘economic’ aspects of LETS—represented, for example, in the develop­
ment and dissemination of increasingly complex computer software written to
administer and so to promote more extensive and interlinked LETS—and, on the
other, their ‘social’ aspects—local events and the practice of trading
"which will
keep people using LETS". Thus, for one respondent, the “social side is really cru­
cial ... just so they come out of their houses”. Nevertheless, tendencies towards the
abstract and the economic may help to explain why “middle-class people click into
these good ideas very quickly”, why the idea “has been taken up mainly by As and Bs”(15)
and, conversely, why there is a profound “mistrust of new schemes like this
by the underclass and the poor”.

LETS, it is felt, “are a middle-class hobby”.

Ideology
Not only is there close contact—usually on personal name terms—between local
coordinators and the highly effective organisers of the UK LETS Development
Agency (LETSLink UK), there are many well-developed direct and personal links
established through prior involvement in (often ongoing) wider political commit­
mments, amongst local movers and shakers in the network of LETS:
“I recognise many green names in LETS around the country.”
Furthermore, there is often a set of shared beliefs and prior commitments—“a commu­
nity of philosophy” that serves to draw like-minded people to LETS. They are “very
much linked to people who think about the environment, vegetarianism, people who
think about the humanities”; “... a group of this kind is bound to attract people with that
[‘green’] thought”,(16) and it is not surprising that “people who do voluntary work are

(15) Here the interviewee refers to the classifications of socioeconomic status.
(16) One reason for this is the proactive campaigning for LETS on the part of the ‘green’
movement. However, none of the LETS looked at in this study had arisen as a simple
outgrowth of parallel organisations (see the following sections of this paper).
more likely to get involved”. In short, LETS attract “a whole new section of society [consisting of] a well-educated underclass ... unemployed but well-educated graduates”, even to the extent that (unintended) exclusion takes place on the grounds of taste and life-style:

“people who belong to LETS tend to want to eat properly”.

Local origins
The representational significance of the highly documented and internally coherent network of support and promotion for the actual and potential membership of LETS is intensified by the ways in which local LETS originate. All of the LETS studied here originated from personal contact with, or knowledge of, the idea of LETS. Indeed, one of the major problems in setting up LETS is the need to generate a critical mass, first of organisational capacity and then of membership. In this respect, an influential and articulate relationship with local media has proved to be both effective and exclusionary in terms of the range of people who feel able to establish LETS. This is one reason for the involvement of progressive local states in the initial establishment and early running of LETS.\(^{(17)}\)

The majority of LETS are formed spontaneously, arising, for example, out of “dinner-table conversations or chats in the pub”. And here the geography as well as the content of and social participation in the conversation is important. It is easier to set up and sustain a LETS in a geographically well-defined geographical centre of consciousness than in the more diffuse rural areas, suburbs, or edge-of-town estates.\(^{(18)}\)

In any event, some form of preexisting social formation involving “communities of philosophy or identities of place”—whether defined by local government or in more spontaneous fashion—is a vital prerequisite. In the case of one (suburban/rural–urban fringe) system, for example, the preexisting network of a local branch of a national and international ‘green’ organisation provided the initial membership and the means of communication, and the involvement of the local coordinator in parish-pump affairs provided contacts and access to meeting places and even to organisations which could be persuaded to trade in the local currency.

Motivation
But what motivates conversations in the direction of LETS? Here again (unintended) exclusions occur and shift the trajectory of LETS away from issues of social exclusion. Respondents talked of “rebuilding a little community”, of an effort to “start people talking to each other”, or of an economic framework in which “you can pursue your bliss”. More ambitious objectives include an attempt to “engender empowerment and community spirit which is something ... central to a sustainable future” by providing people with “something to give them identity in a sea of anonymity, a sea of anomie”. More instrumental reasons include the establishment of a network of skills to draw upon in the development of a farm based on permaculture and a network of potential customers in the marketing of its products. In short, the origins, motives, sustenance, and representation of LETS are highly diverse and often socially specific. They have their own social geography.

It is, perhaps, for reasons such as these that the geography of LETS in England and Wales is more than a little skewed. This geography is summarised in figures 3–6

\(^{(17)}\) According to data published by LETSLink UK (1995), there are about ten systems assisted by local governments. At least one LETS has been established and run by a temporary but full-time member of staff and placed explicitly within the antipoverty programme of a (socialist) local authority.

\(^{(18)}\) This conclusion qualifies that of Offe and Heinze (1992) that rural areas contain a far wider range of skills than do undeveloped urban areas.
in which the distribution of LETS is plotted against two (imperfect) indicators—economic inactivity and unemployment—of regional inclusion within and exclusion from the wider economy. In table 3 it can be seen that LETS in England and Wales are very sparse in regions of exclusion but that the most economically included
Figure 5. Districts of inclusion and exclusion in Kent, 1991. Note: for definitions of inclusion and exclusion, see figure 3.

Figure 6. Local exchange, employment, and trading systems (LETS) in Kent, 1995.
regions have a more nearly balanced, if smaller, share of LETS than they do of population. What is more, membership of individual LETS conforms to a highly selective social geography. Thus in Kent, for example, none of the 250 or so members of the Canterbury LETS originates in Thanet—the most ‘excluded’ district, located in the northeast of the county and now eligible for receipt of development funds from the European Union. By contrast, members participate from over 30 km away in the more affluent and ‘included’ west of the county.

Table 3. Distribution of local exchange, employment, and trading systems (LETS) (1994) and population (1991) over regions of inclusion and exclusion in England and Wales.

| Regions          | Population (%) | LETS (%) |
|------------------|----------------|----------|
| Regions of inclusion | 16.1           | 11.2     |
| Regions of exclusion | 10.2           | 3.1      |

Note: for definitions of ‘inclusion’ and ‘exclusion’, see figure 3.

Concluding comments: a new (moral) economic geography?

Some years ago Gregory (1978) explored the complex historical geography of the Industrial Revolution by considering the transformation from a moral to a political economy. In this he drew upon notions of moral economy described by Thompson (1968; 1971; 1974; 1993). Thompson’s concerns were less with transformation than with the legitimation of protest and with the response to protest by the authorities. Legitimation for Thompson means that men and women “were informed by the belief that they were defending traditional rights or customs; and, in general, that they were supported by the wider consensus of the community” (1971, page 78). The wider consensus—the moral economy—“was grounded in a consistent traditional view of social norms and obligations, of the proper economic functions of several parties within the community ... An outrage to these moral assumptions, quite as much as actual deprivation, was the usual occasion for direct action” (page 79). And the authorities were more than well aware of the power of invoking the moral economy in confronting protest—often directed against the political economy which “entailed a demoralizing of the theory of trade and consumption [such] that the new political economy was disinfested of intrusive moral imperatives” (pages 89–90).

But, in the context of rapid change, the notion of moral economy as legitimation may be reinscribed in the form of a narrower notion of moral economy as an appeal to displaced tradition. Thus the relationships between the moral and the political economy have been revisited in a recent debate about the relative power of money to ‘disinfest’ societies and the countervailing power of the cultural matrix to resist such disinfection. Bloch and Parry claim that the distinction often assumed between money as “devilish acid” and money as “the guarantor of liberty” (1989, page 30) fails to recognise the interdependence between “individual short-term acquisitive endeavour” and the long-term order”. There is not a little ambiguity in this formulation. Bloch and Parry manage to argue both that “the maintenance of the long-term order is both pragmatically and conceptually dependent on individual short-term acquisitive behaviour” and that “such activities are ... subordinated to ... a sphere of activity concerned with the cycle of long-term reproduction” (page 26).
But in any event what Thompson as well as Bloch and Parry suggest is that the political economy is part of a wider cultural order with which, if it is to sustain legitimacy, it must come to terms. In the words of Bloch and Parry (1989, pages 28), "the symbolism of money is only one aspect of a more general world of transactions which must always come to terms with some absolutely fundamental human problems. One of these is the relationship between the individual human life and a symbolically constructed image of the enduring social and cosmic order within which that life is lived". In Thompson's (1971, page 79) words, "this moral economy ... supposed definite, and passionately held, notions of the common weal—noctions which, indeed, found some support in the paternalist tradition of the authorities; notions which the people re-echoed so loudly in their turn that the authorities were, in some measure, the prisoners of the people. Hence this moral economy impinged very generally upon ... government and thought, and did not only intrude at moments of disturbance". And here we are back where we began: the economic in complex relation with the social; the economic as an expression of social relations.

LETS: displaced tradition or exclusionary legitimation?

Participants in LETS refer to such a "relationship between individual human life and ... the enduring social and cosmic order" and to "passionately held notions of the common weal" which are presumed to transcend particular political economies. They draw above all on the urge for direct social relations and trust.

"People want to do something on a human scale and they want to do something which involves other people ... [they] ... want to come out of their houses and get involved ... going and trying to find something they can connect with."

LETS are a form of "caring organisation" and "should be run by the members ... on a one-to-one local personal level". And in trying to encourage the involvement of those most dependent upon state 'benefits' and who might be able to benefit most from participation in LETS, they also appeal to Thompson's notions of legitimation. However, because they are open about tax and social security matters, LETS engage in an ambivalent but oppositional relationship with the Inland Revenue and the Department of Social Security (DSS). As with Thompson's moral economy, the 'authorities'—"those bloody women at the DSS"—are necessarily engaged and are becoming less tolerant and relaxed about the growth of LETS:

"It is evident that anyone in receipt of a social security benefit who participates in the LETS scheme may find his or her entitlement to that benefit being affected" [extract from a letter (December 1994) from the local office of the Benefits Agency to a LETS coordinator].

And there are contradictions—or at least constraints—to this discourse originating within LETS themselves. LETS need to be based upon "like-mindedness" because "if you know people they won't shit on you". But notions of trust and direct social relations are double-edged:

"you need to have a good trustworthy base ... otherwise there will be a whole load of people who are there to see what they can get out of it."

There are, therefore, limits on the extent to which they are to be encouraged:

"I've got no intention of going to [a nearby locality of high levels of social exclusion] to persuade people to join something that they don't want to join";

"the great thing about the LETS is that it is a self-help scheme, not doling it out to charities in the third world."

LETS may well represent both a "practical transformation" and "a new moral economy", and they are certainly fascinating economic geographies, but their ambiguities and ambivalences, inclusions and exclusions—as well as the growing surveillance of them
by the state—suggest that the question of whether they are widely accessible, or even applicable to, the excluded is another matter. Certainly, their wide representation in the media as an alternative but complementary middle-class life-style ignores their potentially emancipatory and participative qualities, whereas the need for the confident participation of their members points up questions of their organisation and the ideologies which motivate them as issues which may threaten their inclusivity.

And these are vital points. Responses to the growth of endemic social exclusion (for example, Lee, 1995; Leyshon and Thrift, 1995) are of little point unless they offer not merely the means of inclusion but do so on terms which do not simply underline the existing exclusionary order. It is not so much a question of 'reclaiming capital' (Gunn and Gunn, 1991) as of displacing capital as a social relation with alternatives based on principles of inclusion. LETS are clearly capable of that and are also able to offer a series of social multipliers in undoing the damage and pathologies of exclusion. They also demonstrate that alternative economic geographies are possible, are capable of local mobilisation and organisation, and have demonstrable (for example, see Williams, 1995) positive and practical consequences for the social reproduction of those involved in them. It is for such reasons that the representation of LETS should itself be inclusive. LETS offer a reminder both that economic geographies are complex social constructs which are not necessarily reduced to the confines of accumulation. Alternatives are always present and people can continue to engage in making their own historical geographies.

Acknowledgements. Thank you to all those who were prepared to give up so much time to answer my obscure questions, to Andrew Leyshon for inviting me to give an earlier version of this paper at the Association of American Geographers conference in Chicago, March 1995, and to the anonymous referees who were generous in their affirmative comments on the paper but critically perceptive and helpful in locating embarrassingly weak points in the argument.

References
Bennett A, 1994 *Writing Home* (Faber and Faber, London)
Bloch M, Parry J, 1989, “Introduction”, in *Money and the Morality of Exchange* (Cambridge University Press, Cambridge) pp 1–32
Boyle D, 1995, “The common market sense in having local currencies for a new Europe” *The Guardian* 22 May
Braudel F, 1985 *The Structures of Everyday Life: The Limits of the Possible. Civilization and Capitalism, 15–18 Century, Volume I* (Fontana, London)
Brenner R, 1977, “The origins of capitalist development: a critique of neo-Smithian Marxism” *New Left Review* number 104, 25–92
Brenner R, 1986, “The social basis of economic development”, in *Analytical Marxism* Ed. J Roemer (Cambridge University Press, Cambridge) pp 23–53
CEC, 1993 *Growth, Competitiveness and Employment* White Paper, Commission of the European Communities, Brussels
Central Statistical Office, 1995 *Social Trends d25* (HMSO, London)
CSJ, 1994 *Social Justice: Strategies for National Renewal* Commission on Social Justice (Vintage, London)
Dobson R V G, 1993 *Bringing the Economy Home from the Market* (Black Rose Books, Montreal)
Dodds N, 1994 *The Sociology of Money: Economics, Reason and Contemporary Society* (Polity Press, Cambridge)
Elias N, 1978 *What is Sociology?* (Hutchinson, London)
Gregory D, 1978, “The process of industrial change 1730–1900”, in *An Historical Geography of England and Wales* Eds R A Dodgshon, R A Butlin (Academic Press, London) pp 291–311
Gunn C, Gunn H D, 1991 *Reclaiming Capital Democratic Initiatives and Community Development* (Cornell University Press, Ithaca, NY)
Harvey D, 1982 *The Limits to Capital* (Basil Blackwell, Oxford)
Lang P, 1994 *Let's Work* (Grover Books, Bristol)
LCS Ltd, 1989, "An introduction to LETS", Landsman Community Services Ltd, Courtenay, BC
LCS Ltd, 1993, "Estimates of LETSystems in operation, by country and total", Landsman Community Services Ltd, Courtenay, BC
Lee R, 1989, "Social relations and the geography of material life", in Horizons in Human Geography Eds D Gregory, R Walford (Macmillan, London) pp 152–169
Lee R, 1995, "Look after the pounds and the people will look after themselves: social reproduction, regulation, and social exclusion in western Europe" Environment and Planning A 27 1577–1594
LETSLink UK, 1995, “Lets in the UK”, LETSLink UK, 61 Woodcock Road, Warminster, Wilts BA12 9DH
Leyshon A, Thrift N, 1995, “Geographies of financial exclusion: financial abandonment in Britain and the United States” Transactions of the Institute of British Geographers, New Series 20 312–341
Levi P, 1987 If This is a Man (Abacus Books, London)
Offe C, Heinzle R G, 1992 Beyond Employment: Time, Work and the Informal Economy (Polity Press, Cambridge)
Peet R, 1995, “A sign taken for history”, paper presented at the Annual Conference of the Institute of British Geographers, University of Northumbria, January; forthcoming in Annals of the Association of American Geographers 1996 86(1)
Polanyi K, 1957, “The economy as instituted process”, in Trade and Markets in the Early Empires Eds K Polanyi, H Pearson, C Arensburg (Gateway, Chicago, IL)
Pryke M, Lee R, 1995, “Place your bets: towards an understanding of globalisation, socio-financial engineering and competition within a financial centre” Urban Studies 32 329–344
Rotstein A, Duncan C A M, 1991, “For a second economy”, in The New Era of Global Competition Eds D Drache, M S Gertler (McGill–Queen's University Press, Montreal) pp 415–434
Schedler D, 1994 Radical Theories: Paths Beyond Marxism and Social Democracy (Manchester University Press, Manchester)
Thompson E P, 1968 The Making of the English Working Class (Penguin Books, Harmondsworth, Middx)
Thompson E P, 1971, “The moral economy of the English crowd in the eighteenth century” Past and Present 50 76–136
Thompson E P, 1974, “Patrician society, plebeian culture” Journal of Social History 7 382–405
Thompson E P, 1993, “The moral economy reviewed”, in Customs in Common Ed. E P Thompson (Penguin Books, Harmondsworth, Middx) pp 259–351
Thrift N, 1994, “On the social and cultural determinants of international financial centres: the case of the City of London”, in Money, Power and Space Eds S Corbridge, R Martin, N Thrift (Blackwell, Oxford) pp 327–355
Thrift N, Leyshon A, 1994, “A phantom state? The detraditionalization of money, the international financial system and financial centres” Political Geography 13 299–329
UK LETS Development Agency, 1994a, “Resources for UK LETS”, 61 Woodcock Road, Warminster, Wilts BA12 9DH
UK LETS Development Agency, 1994b, “The LETS info pack”, 61 Woodcock Road, Warminster, Wilts BA12 9DH
UK LETS Development Agency, 1995, “Contracts: LETS in the UK”, 61 Woodcock Road, Warminster, Wilts BA12 9DH
Williams C C, 1994, “Informal sector solutions to unemployment and social exclusion: an evaluation of local exchange and trading systems”, in Tackling Unemployment and Social Exclusion: Problems for Regions, Solutions for People Eds S Hardy, G Lloyd, I Cundell (Regional Studies Association, London) pp 87–90
Williams C C, 1995, “Informal networks as a means of local economic development: the case of local exchange trading systems (LETS)”, paper given to the Annual Conference of the Institute of British Geographers, University of Northumbria at Newcastle, Newcastle upon Tyne, 5 January; copy available from the author, Centre for Urban Development and Environmental Management, Leeds Metropolitan University, Leeds

© 1996 a Pion publication printed in Great Britain