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Evaluating LETS as a Means of Tackling Social Exclusion and Cohesion

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Aims and Objectives of the Research

1. To identify the social bases of LETS

To what extent do LETS represent alternative forms of social relations and constructions of value? What belief systems predominate in LETS and how do they operate in practice? What meanings do participants attach to value, exchange and money in their LETS activities? What are the consequences of these alternative social relations for tackling social exclusion and cohesion?

2. To evaluate LETS as a vehicle for tackling economic exclusion.

To what extent are they a new source of work for those excluded from employment? Do they create new economic activity, or are they a substitute for the black economy, employment and/or unpaid work? Is there evidence of them being used by people as part of a strategy of self-employment or new firm formation? Is there evidence of new skills being acquired or existing skills up-dated on LETS? Are LETS used as a means of resocialization into the labour market? What limits their economic impacts? How and why does this vary locally?

3. To evaluate LETS as a means of tackling financial exclusion.

To what extent do they provide a new source of credit for those lacking access to other institutions of accumulation? Who uses LETS, and how, to acquire credit? Is credit used to acquire basic necessities or luxury goods? Is there evidence of members abusing the availability of interest-free credit on LETS? Can LETS work in partnership with other alternative institutions of accumulation such as credit unions? What factors limit access to credit on LETS? How can these be overcome? How and why does this differ locally?

4. To evaluate LETS as a vehicle for tackling social exclusion.

Do they provide a means by which the socially excluded can rebuild their social networks and sources of support? Who joins and why? Has the LETS met their expectations? How relevant is it to their quality of life? Do they also create wider and deeper networks of friends? Does this vary locally?

5. To assess LETS as a tool for creating social cohesion.

Does individual empowerment result from participation? To what extent, and for what social groups, are they inclusionary, and who is excluded, how and why from LETS? What are the barriers to joining and participating in LETS for different groups and how can these be overcome? How do understandings of money, value and exchange change through participation and what effects does this have on actions? What do members see as the potential of LETS? How does social cohesion differ locally?

Methodology

Three methods will be used to investigate these aims. Stage I will be a nation-wide postal questionnaire of participants in LETS. The LETS to be investigated will be chosen using maximum variation sampling (e.g., an urban and a rural LETS; a solely business membership LETS and a LETS composed of entirely individual businesses; a local government created LETS and a LETS developed by a group of individuals; a woman-only LETS and an all inclusive LETS; a large LETS and a very small LETS). The aim, in so doing, is to identify the differences across LETS rather than merely the similarities, as has been the case with much previous research. This survey will gather information on: the membership profile of each LETS (eg. gender, household income, employment history, educational qualifications, ethnicity); the level and nature of their activity on LETS; and perceptions of its impacts on their social, economic and financial exclusion. This will enable understanding of who participates in LETS, to what extent and an evaluation of its impact on their lives in different LETS. Previous research tentatively suggests that not only do relatively large LETS, especially those with spatially concentrated memberships, have greater impacts than smaller LETS with geographically diffuse memberships, but also that the nature and extent of participation varies depending upon the membership profile and the nature of the locality.

Second, therefore, and so as to enable in-depth exploration of both the problems and issues involved in developing LETS as a tool for overcoming exclusion and creating greater social cohesion, Stage II will examine LETS in three contrasting localities - an affluent southern town with pockets of severe deprivation (Canterbury), a small town and its surrounding rural area (Stroud) and a northern city (Sheffield). Stroud LETS, set up in April 1989, and based in a relatively alternative green-oriented community, has 350 members, many of whom are white middle class self-employed or unemployed, according to the coordinator. It has a turnover of 6,000 stroud pounds per annum and 8 business members. Sheffield LETS, formed in the summer of 1992 in this large northern city suffering high rates of unemployment, has 280 members, many of whom are unemployed according to the LETS coordinator, but only one business member. Turnover is unknown. East Kent LETS, formed in March 1994, has 269 members and have adopted a deliberate policy of not recruiting solely middle class greens and have placed much emphasis on recruiting businesses. It has an annual turnover of 25,000 tales and is currently the fastest growing LETS in the country; 25 per cent of members are businesses according to the coordinator. All three are expanding. In addition, in an earlier preliminary nation-wide survey of LETS coordinators by the Principal Applicant, all three LETS agreed to research being conducted on them.

To commence analysis of these three LETS, and so as to build up baseline data on the membership profile and the level and nature of trading, a postal questionnaire will be conducted of all members. This will be the same questionnaire used in the nation-wide survey of members. Following this, ethnographic action research using Stringer's (1996) 'look-think-act' methodology will be conducted by placing a researcher in each LETS for a six month period working with the LETS coordinators. The aim here is to gather richer understandings of both the constraints on members participation and the meanings which participants attach to their engagement with LETS, thus building up a picture of LETS and enabling interpretation and explanation of both constraints on participation and meanings. To further understand the constraints on participation, and explore the implications of attempting action to resolve them, groups of non-members will be approached through groups in the locality with identifiable memberships, including 'job clubs', sports clubs, chambers of commerce, political parties, mother and toddler groups, PTAs, residents associations and hobby clubs. Those who have ceased to be LETS members will also be interviewed. Meanwhile, a series of focus group discussions will investigate the variety of meanings attached to value, exchange and money in these systems, so as both to triangulate or cross-check different participants' views (Holbrook and Jackson,

forthcoming) and to explore how they evolve through discussion. These focus groups will be composed of a group representative of the diversity of beliefs, identified through the preliminary questionnaire and the action research.

Third, and running alongside stages I and II, an open dialogue will occur with LETS activists and practitioners worldwide, using the established sites for discussing LETS on the WWW, to engender discussion amongst practitioners and academics about the meanings attached to money, value and exchange in LETS, so as to feed into the developing theory.

Research Report: *Evaluating LETS as a Means of Tackling Social Exclusion and Cohesion*

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