



(Re)localization:

An Exploration in Local Currencies

Fortunately, life doesn't always go as planned. It's full of twists and turns, bumps, and unexpected detours. We start off in one direction, only to get tossed around, lost for a while, and then thrown out into unfamiliar territory. But, that's the beauty of it. For in this wandering, we learn invaluable lessons that we never could have expected.

Three months ago, when I proposed this article, I had grand plans. I had recently arrived in Vancouver, British Columbia (I'd been here only about one month) and I was going to start a local currency—a Local Exchange Trading System (LETS), to be exact. This LETSystem was going to be off the ground and running by today, when I was going to explain to you my experiences setting up LETSystems in both Los Angeles and Vancouver.

For those of you who are unfamiliar with LETS, a LETSystem is a type of local currency—a third-party computerized barter system. However, unlike in traditional barter, you do not have to offer something to the person you are trading with. Instead, you exchange “credits,” which basically means commitments to offer something to the system as a whole.

The ideas behind LETS speak of amazing opportunities to conquer scarcity. Since LETS credits are created every time a transaction occurs and it's completely acceptable to have a negative balance, there is never a shortage. LETS works to create alternatives to the traditional global economy, keeping transactions local and establishing a more inclusive economic system.

Before arriving in Vancouver, I set up a LETSystem in Los Angeles, based out of the Los Angeles Eco-Village. The system was still fairly small when I left L.A., but it had much potential for growth. I was inspired by this experience and excited by the prospect of setting up a LETSystem in Vancouver.

Coincidentally, soon after arriving in Vancouver, I connected with Village Vancouver (VV), an amazing organization that is working to create neighborhood villages or ecovillages around the city of Vancouver. Through a variety of activities such as dialogs on “How to Create a Village in a City,” community dinners, gatherings focused on cultivating food and community, and tabling at local events, VV creates ways for neighbors to get to know each other.

VV was excited by the idea of setting up LETSystems around the city of Vancouver, and I was enthusiastic to have the opportunity to create another local currency. To make it even better,

one of my professors agreed to let me count my working with VV to set up a LETSystem as part of my coursework.

I had it all figured out. I would hold a few community meetings, use the knowledge I had gained from setting up the system in L.A., and I would easily have a LETSystem up and running in three months. Only, things didn't go exactly as planned...

In order to have setting up a LETSystem in Vancouver count for my coursework, I had to write a paper about it. This meant I had to delve into the academic literature on LETS to have viable sources to cite in my paper.

Reading the academic literature on LETS was an eye-opening experience for me. Prior to reentering academia, I had never seen this literature. When I set up the LETSystem in L.A., I was working for CRSP (the Cooperative Resources and Services Project), a non-profit. I never thought of looking into the academic literature and, even if I had, I would not have had the same access to it as I do now, as a graduate student. The information I had access to in L.A. was limited to book and online sources, most written by Michael Linton, the founder of LETS, or people who started LETSystems. All of the information was positive and inspiring.

The academic literature, on the other hand, was not very positive. Since the academics were coming from a detached perspective, they were more inclined to offer critiques. The academic literature on LETS taught me that LETSystems might not be the best mode of alternative currency, especially for an urban environment.

While LETS is alleged to address issues of social exclusion, the academic articles I read showed that this is not always the case. A majority of members involved in LETSystems in the United States are college graduates under the age of 50. Furthermore, LETSystems are supposed to add goods and services into one's life that one normally wouldn't have access to in the traditional economy. However, multiple studies found the average transactions per person per year to be about 12. If people are using a local currency only once a month, how much good is it really doing?

In an attempt to gather more information on LETS, I decided to reach out to people who previously attempted to set up a LETSystem in Vancouver, as well as other communities using LETSystems in Canada. What I learned from these people was that LETS works best within a tight-knit community. I was told



Top left: Dianne and Rand. Below left: Lee and Kathryn. Middle: Activity Board. VV retreat participants mapping out the projects they hope to accomplish over the next three years. (There's a whole column for creating a sharing economy!) Right: Village Vancouver Steering Committee and friends retreat on Keats island to vision, plan, and build community.

that contradictory to all of the claims that LETS can be used to form community, LETS works best if you work within existing communities. I was encouraged to target specific populations that already have ties.

Instead of finding all of the answers needed to create LETS, I was left with several questions. Which comes first, the community or the community currency? Can a currency be used to create community? Or, do you first need to build community before you can create a currency? Maybe you need a bit of both.

This past weekend, I attended a retreat for Village Vancouver with all of these questions on my mind and more. A few weeks ago, we made the decision to start looking into other alternatives. We wouldn't take LETS off the table, but we would explore other forms of local currency—possibly, a currency that is based on time, like Time Banks. Or maybe a physical local currency that could be traded for the Canadian Dollar. This wouldn't address scarcity, but it would help keep funds local.

Over the course of the retreat, I had various conversations about LETS and local currencies. One common thread that I noticed throughout my conversations was the issue of creating a currency that was money-based. If we are still putting monetary values on people's work, are we really moving away from our current economic situation? Yes, we are moving towards a more local alternative. But isn't part of building alternatives to our current economic system building trust?

I believe we need a paradigm shift—to break free from ideas of competition, hoarding, and exploitation, and to shift to ideas of sharing, cooperation, and the incorporation of community values into our economic system. What would happen if we were to create a system that was based more on trust and an understanding that we would take care of each other and be there for each other when we are in need?

Yet part of what I've learned is that despite the flaws of the capitalist model, we can't reject everything that comes with it. With the good comes the bad, and with the bad comes the good. There are lessons we can learn from capitalism. Cooperation

and sharing do not have to mean scarcity, which unfortunately they often have in the eco- and communities-minded world (at least in my world). In our search for good we often forget about ourselves. And in our rejection of capitalism and this extravagant materialistic culture, we often end up rejecting ideas of abundance. Yet we can be eco-friendly, cooperative, abundant, and not green-washy.

I don't have the answers yet, but I am working with Village Vancouver to create some. We are working to find solutions that are locally relevant. We haven't decided upon a specific direction yet, but there has been talk about possibly moving in multiple directions. One system would be based on trust and community values—a system that doesn't count mock currency or value one person's services more than another, but trusts that everyone will be taken care of. Another system would be more monetary-based, working to keep funds local and create a stronger local economy.

I plan on continuing to research local currency initiatives worldwide as I explore solutions for Vancouver. I hope to share further experiences of Vancouver's initiatives as well as other communities with you in this Community Economics column. If you have any questions you would like answered or know of any communities I should look into, please contact me at alison@ecovillage.org. (The academic sources used in this article were written by Ed Collom; Theresa Aldridge, et. al; Gill Seyfang. For those of you interested in reading the academic literature mentioned, please email me for full sources.) ❁

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