

The Effects of Local Currency on Unpaid Work Issues

-From A LETS Case Study in Maleny , Queensland, Australia-

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Abstract : This study proposed a new unpaid work evaluating method by local currency.

“Local currency : LETS” is non-monetary currency that is limited to being used in only certain geographical areas. The purpose of this study is to clarify:1) How does LETS affect unpaid work, 2) Details of LETS trading, 3) The amount of LETS currency in circulation, 4) Assurance of gender equality by LETS. I used the case study method to evaluate these issues. My case study data originates from the LETS in Maleny, Queensland, Australia. I found 5 positive points for using the LETS system in Maleny,

- (1) It provides various trading services for day to day living.
- (2) The LETS members was able to see unpaid work and valued for it by “bunya”
- (3) It gives LETS members the ability to acquire economic power.
- (4) It is a tool of empowerment.
- (5) It brings mutual respect between women and men, harmony between paid and unpaid work.

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I INTRODUCTION

Our life consists of two kinds of work. One of which we receive money for, and one of which we don't. The two kinds of work are called “paid work” and “unpaid work”. Unpaid work means housework, child rearing, nursing, volunteer work, and so on. Both kinds of work are essential. In a capitalist

society, unpaid work is undervalued because it is done for free, and such work is usually undertaken by women. Therefore unpaid work deals with gender issues.

The 1st world conference on women was held in 1975 and it discussed contributions to society by unpaid work. The 4th world conference on women was held in 1995.

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This conference was concerned with finding tangible rewards for unpaid work, for example evaluation of unpaid work in monetary terms. The conference was also concerned with how to measure such rewards. One idea was to devise a time-use survey to suitably measure domestic responsibility with a focus on gender equality.

In Japan, The Economic Planning Agency reported a monetary evaluation of unpaid work in 1996 (Keizaikikakucho, 1997). The results showed annual unpaid work for the following groups; unemployed wives performed 3 million yen worth of work, employed wives performed approximately 2 million yen worth of work, employed husbands performed approximately 360,000 yen worth of unpaid work (Fig.1).

This monetary evaluation of unpaid work gives us the opportunity to show many women sacrifice their financial compensation for unpaid work. However, to evaluate in monetary terms does not change anything in reality. There is still gender inequality, because nobody pays the evaluated amount.

Thus, I suggest the "local currency" method (a detailed account of "local currency" is given below) as a new way of evaluating unpaid work, because "local currency" is visible and unpaid workers are actually able to use it (Saito,2002).

II WHAT IS "LOCAL CURRENCY" ?

"Local currency" is non-monetary currency that is limited to being used in only certain geographical areas (Morino, Abe, 2000).

"Local currency" is used for bartering, a system in which goods and services are traded (Fig 2).

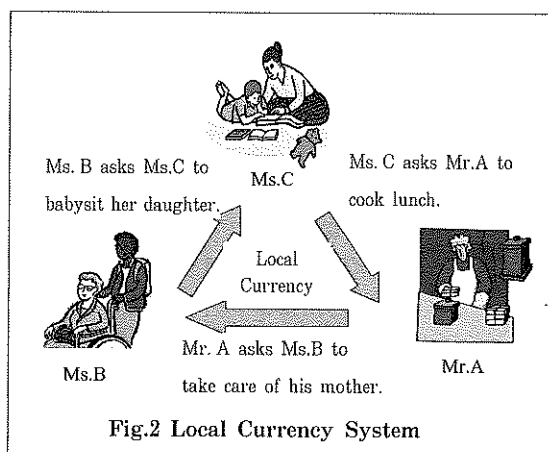


Fig.2 Local Currency System

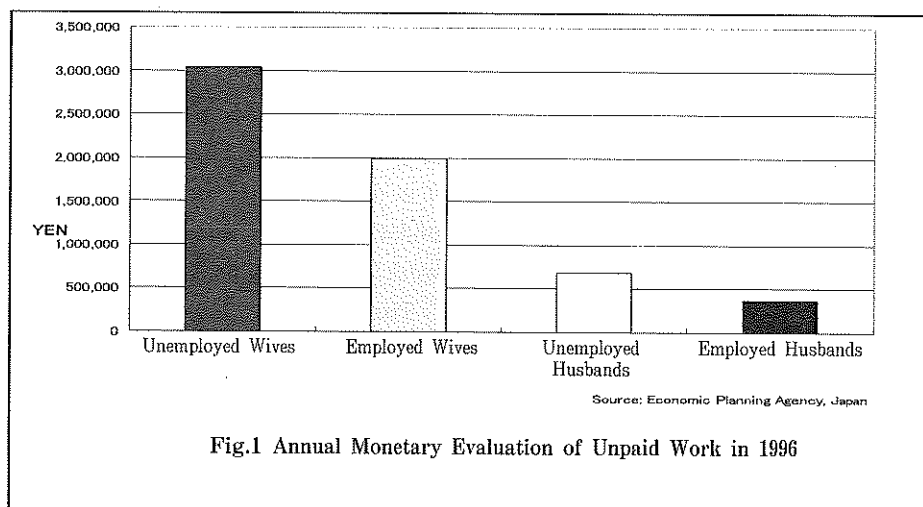


Fig.1 Annual Monetary Evaluation of Unpaid Work in 1996

Bartering services usually consist of house-work, care work, and volunteer work that don't pay any money. Presently, there are about 2000 "local currencies" in the world (Izumi, 2001). There are many types of "local currency", the most popular being "Local Exchange Trading System; LETS". It is being incorporated more and more into our daily lives. I chose LETS above other systems due to its superior effectiveness.

III PURPOSE AND METHOD

The purpose of this study is to clarify: 1) How does LETS affect unpaid work, 2) Details of LETS trading, 3) The amount of LETS currency in circulation, 4) Assurance of gender equality by LETS.

I used the case study method to evaluate these issues. My case study data originates from the LETS in Maleny, Queensland, Australia. The reasons for choosing Maleny were:

- (1) This town has the longest history of using LETS.
- (2) They have some support systems that help unpaid workers in the community.

(3) Over the past fifteen years, they have had positive results with regards to gender equality.

In order to obtain results, I conducted a field survey and interviewed LETS facilitators and LETS users in 2003 and 2004.

IV RESULTS

1. An outline of LETS in Maleny

The town of Maleny is located about 2 hours from Brisbane by train on the eastern coast of Australia. Maleny is a well-known co-operative town and has a population of approximately 5,000. LETS was first started in Maleny in 1987 and currently, there are 1,328 members. The unit of currency is the "bunya", which is named after the original pine tree nut of the area.

Members pay a registration fee of 15 \$ Au. After paying the registration fee, the members are given a form, which explains what each member can provide to the community. The LETS newsletter informs all members about services, goods and needs. The members read the newsletter and if they require the goods or services, they can

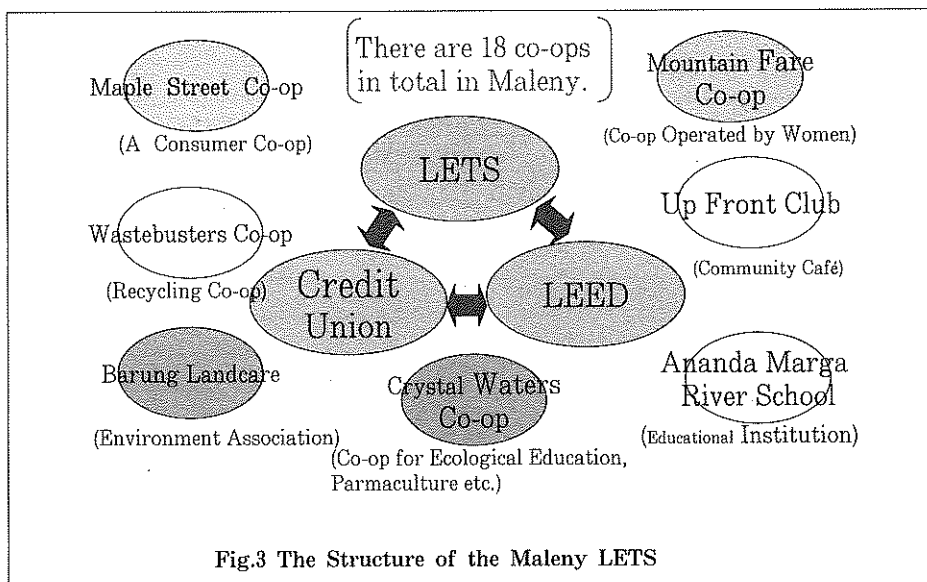


Fig.3 The Structure of the Maleny LETS

contact the LETS office. The terms conditions of the barter are negotiated by the provider and user.

2. The structure of Maleny LETS

In Maleny, there are 18 cooperative societies related to LETS (Fig.3).

The most beneficial co-ops to the Maleny LETS are the Credit Union and the LEED (Local Economic & Enterprise Development) organization. LETS plays an important role in the Credit Union and in LEED. The Credit Union was established in 1985 to enable the people of Maleny to conduct small banking transactions. When LETS was started in Maleny, the Credit Union used the bunya currency in addition to \$ Au. The Credit Union would give a member of LETS a loan without demanding collateral. Many users of the LETS were women who were generally unable to obtain loans from other financial institutions. With help from the Credit Union, some women were able to build homes

using the LETS system.

LEED is an organization of business consultants that support small businesses. Small businesses use LEED to obtain loans from the Credit Union. LEED helps entrepreneurs to start a business. LEED's main support goes to small businesses in Maleny. 80 % of these businesses are owned by women. LEED accepts payment in bunya and recommends that shops accept bunya from customers. By accepting bunya, many shops increases their customer base, allowing them to incorporate the majority of townspeople. 85% of the shops are satisfied with LEED.

3. Details of LETS trading

There are many goods and services available for trading (Table 1). The LETS market is open on the first Monday and the third Wednesday of every month. In the market, cash is prohibited and customers must use bunya.

Table 1 Partial List of LETS Resources

CATERING & FOOD	HOME HELP	CARE	PERSONAL CARE
BBQ & picnic basket	Cleaning	Babysitting	Haircutting
Home made cake	Maintenance	Child care / support	Sewing
Ethnic food	Floor-waxing	Child minding, your place	Fashion advice
Organic vegetables	Decorating	Care of invalid / elderly	Help
Catering	Gardening	Shiatsu / Physiotherapy	Healing
Cooking for special events	Storage	Relaxation massage	Reiki
	Ecological advice	Looking after plants	Counseling
	Lawn mowing		Yoga
			Fortune telling
SKILLS	LETS OFFICE	GOODS	OTHERS
Computer training	Newsletter ads	Video	Room for rent
Accounting	Office work	TV	Transport
Voicetraining		School fee	Car-towing
Art		Accommodation	
Personal development		Goods	
Filming		Gift donation	
Professional skills			

The "UP front club" is a cafe located in the center of town, where people gather. They can always use bunya to pay for half of the bill.

4. The amount of LETS currency in circulation

Table 2 summarizes the amount of LETS currency in circulation from August to October 2003. In this three month period, there were 759 trades with 30,554 bunya in circulation. The most popular services were catering and food, which were used 226 times with 1,664 bunya being exchanged for the services. The highest value bunya service was trading goods with 10,170 bunya being exchanged for the said service. These bunya are mainly used in the LETS market.

CATEGORY	Trades	BUNYA
CATERING&FOODS	226	1,664
HOME HELP	63	4,758
CARE	75	1,433
PERSONAL CARE	120	3,527
SKILLS	21	2,326
LETS OFFICE	67	5,142
GOODS	178	10,170
OTHERS	9	1,534
TOTAL	759	30,554

Although bunya cannot be converted into cash, it is thought that 1 bunya is equal to 1 \$ Au. Therefore according to the above table, I find there is approximately 10,000 \$ Au worth of non monetary work done per month among LETS members. There are currently 200 active members in LETS with 50 frequent users. If all bunya is spent by the 50 frequent users, this system, in theory, supplements their income by 200 \$ Au per person (10,000 \$ Au/50users). According to the Australian Bureau of Statistics data, the average monthly income of this area is 2,329 \$ Au (Australian Bureau

of Statistics,2003), therefore bunya is equivalent to approximately 10% of their average income.

5. What influence does LETS have on members?

The main characteristics of the users are that they are in their 30s or 40s, female, and persons oriented to an alternative lifestyle. LETS contains many single mothers, immigrants, and pensioners.

To take some examples from my interviews, Ms.A is an immigrant from Yugoslavia. She is an old member of LETS. She sometimes cooks traditional Yugoslavian food, and sells it at the LETS market. In return, she gets bunya. Then she uses bunya for cleaning her house and receiving massages. She feels her cooking makes LETS members happy, and she feels accepted in this community. Bunya supported her life; it was a tool of communication for an immigrant like her.

The Mountain Fare co-op was one of 18 coops in Maleny. This co-op consisted of women who made healthy organic foods. The skill of processing is preserving food in the same way as their home. They provided their cooking skills, sold their home made foods for cash or bunya. It was a success. They gained confidence through their work, which was unpaid. Now the Mountain Fare co-op has closed but the members have started their own small businesses.

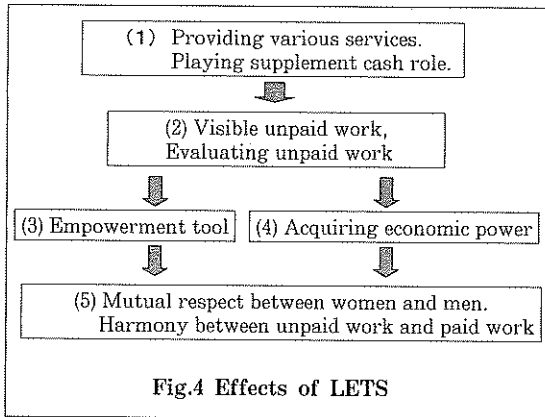
Ms.B is an artist, LEED consultant and clothes shop owner in this town. In her shop, bunya can be used to pay for goods. She hires four women and pays their wages in a mixture of cash and bunya. If she paid all the wages in cash, she would not be able to hire four people, she could only hire two at most. Therefore, this system increases employment and contributes to the inde-

pendence of women.

Many members benefit from the LETS system. It is a tool of empowerment. The residents improve their skills by providing services and they are valued for their work. As a result of this process, women get economic power and men can find meaning in their life through unpaid work.

V CONCLUSIONS

The results in Fig.4 show the effects of the LETS. I found 5 positive points for using the LETS system in Maleny,



(1) It provides various trading services for day to day living in Maleny. There were 759 transactions and 30,554 bunya in circulation for 3 months. This system supplements about 10% of the average income for frequent users.

(2) The LETS members were able to see unpaid work and valued it using bunya.

(3) It gives LETS members in Maleny the ability to acquire economic power.

(4) It is a tool of empowerment. Those who participate in LETS, improve their skills by providing services.

(5) It brings mutual respect between women and men, harmony between paid and unpaid work.

It is concluded that the LETS system is a movement to improve monetary conditions

and human relations in this community. LETS provided opportunities for economic independence for women and allowed men to discover the enjoyment of unpaid work. It was a helpful tool and freed LETS members from gender roles.

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