

Local economic development can start without money

By Wayne Visser

LED is the "in" buzzword in South Africa right now. It stands for "local economic development", and is a wonderful thing (like home-made apple-pie); except that government can't even afford the ingredients (small business support, economic education, skills training, accessible credit ...); while communities are either starving or craving a lick of the cream on-top (jobs, houses, cars, TV's ...).

It all boils down to a lack of that scarce resource - MONEY. Or does it? Not according to a growing number of communities who have given up waiting for "outside" help. Now they help themselves. How? They treat people as their most abundant resource, and money ... well, they just create their own. Illegal? No. Inflationary? No. Effective? You be the judge.

The roots of LED in these communities go back to an old tradition of barter-exchange and a more recent phenomenon of community currencies. If your first reaction to this is an image of animal-skin-clad "primatives" swapping spears, you should be reminded that most estimates place the value of bartering at 10-20% of world trade today. And much of this is made up of highly sophisticated mainstream transactions.

In the US, there are information networks operating barter systems worth \$7.6 billion a year, with the number of companies engaged in barter services having increased from 100 in 1974 to 600 in 1993. These often benefit small businesses the most. For example, according to the Washington Post, the number of micro-enterprises in bartering networks in the city have increased from 1,200 in 1990 to 3,500 in 1995.

This also spells great potential for the economically dependent countries of the South, since governments can now go around the "money monopolies" of formal banks and multinationals and conduct intricate barter and counter-trade deals directly (as do corporations) using computer-based trading systems similar to those that Chicago's commodity traders use.

There are also groups addressing equity issues in trade by standardising transactions in terms of their time-input value. For example, in the Time Dollars system developed in the US, over 3,000 participants were providing about 15,000 hours of service a month in nine states in 1990. Similarly, a service exchange network called WOMANSHARE, started in 1991 for women in New York City, grew so rapidly that by 1993 members were offering each other 60 different kinds of instruction and 130 different services.

In South Africa, little work has gone into researching or applying this international experience or formalising and expanding local initiatives which undoubtedly already exist. One inspiring example is called Adopt-A-Neighbour, a scheme which Lawrence Snell, a former insurance consultant, co-ordinates in Strandfontein, Cape Town. Snell describes the seed for the idea:

"As a child growing up on the informal settlement of Elsie's River (after being evicted from Vasco) I was exposed to the *kanalah* system of empowerment among the Moslem community. *Kanalah* means much more than literally "please"; it's something about doing it for Allah. This system is chore-related and not about monetary value."

Today, Adopt-A-Neighbour co-ordinates an exchange among its local community of 4000 families. People exchange chores (like gardening) and goods (like unwanted furniture). Other services on offer are cleaning, painting, old-age care, "safe houses" for after-school care, student exchanges and "a host of other little chores that make life just a little more bearable."

They hope to fund the salaries of their future co-ordinators (1 per 100 families) collecting, recycling and selling as much community waste as possible. Adopt-A-Neighbour's philosophy just about sums it up. Their mission is "helping you achieve sustained, fulfilled living"; their vision is "when you need help, we are all the help you need"; their goal is "how may we help you?"; and their currency is "goodwill" which is not measured.

Still listening? A follow-up article will go one step further to unmask "community currencies". Tune in - it won't cost you a cent!

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