Learning in LETS: A Radical Alternative to Informal, Formal, and Non-formal Learning in the Capitalist-Nation-State

Donovan Plumb
Mount Saint Vincent University

Abstract: Kojin Karatani (2006) highlights three modes of exchange (gift-giving, plundering, and buying/selling) that sustain the triune structure of the capitalist-nation-state. This paper argues that each of these modes of exchange has given rise to a corresponding mode of learning: informal, formal, and non-formal learning. Adult education’s reliance on these modes of learning explains its historical failure to enable people to resist the relations of the capitalist-nation-state. Local Exchange Trading Systems (LETS), the paper argues, constitutes a forth mode of exchange that can support new forms of learning. Participating in LETS can help people learn ways to counteract the relations of the capitalist-nation-state.

Over the past decade, alternative exchange and circulation networks like local currencies, bartering networks, time banks, slow food initiatives and the like have grown rapidly throughout the world (Hughes, 2005). Michael Linton’s Local Exchange Trading System (LETS) has been particularly successful, with an estimated 3000 LETS having been started primarily in Canada, the United Kingdom, Japan and South America (Linton, 2007). Japanese social theorist, Kojin Karatani (2005) contends that LETS constitute a radically new form of social structure that has unprecedented capacity to counteract the relations of capitalism. According to Karatani, the reason for this is that LETS offers a form of exchange that is different from three forms of exchange that prevail in the capitalist-nation-state. LETS, he argues, has the potential to engage people in a range of truly radical social practices.

Karatani’s (2005) claim that LETS constitutes a context for alternative practices is especially interesting when viewed in relation to recent practice-based and situated theories of learning (Lave, 1988; Lave and Wenger, 1991). If it is true that learning is a process by which people intertwine themselves with (or, are entangled in) an ongoing flow of material, social, and cultural practices (Lave and Wenger, 1991, Wenger, 1998, Plumb, 2008), and if LETS sustain practices that escape the strictures of the capitalist-nation-state, they might afford a learning context within which people can explore ways of living, thinking, and conversing that are otherwise impossible. It may well be that fostering LETS might well be a particularly radical form of adult education practice.

Modes of Exchange, Modes of Learning

As social beings, humans are constantly enmeshed in exchanges with each other. We exchange things, ideas, words, services, meaningful glances, tools, and so on and, in so doing, provide each other with the basis for living. To understand more clearly the basis of the claim that LETS constitute a radically alternate context for adult learning, it is helpful to explore Karatani’s (2005) account of three modes of exchange that prevail in the capitalist-nation-state. At the same time, I will argue that these three modes of exchange correlate with three modes of learning that currently prevail in adult education.
Karatani (2005) observes that by far the most archaic form of exchange engaged in by humans has been the exchange of gifts. The exchange of gifts (be they physical objects, social favours, stories, knowhow, and so forth) joins people together with bonds of mutual obligation. Gift giving is meaningful to all people involved in the exchange, and it serves to integrate people into the actions and intentions of others. Through the giving of gifts (especially the verbal exchanges that involve us in reciprocal processes of making meaning), the social and cultural structure of community emerge. As we exchange with others (ideas, practices, objects), we develop, to use Etienne Wenger’s phrase, a “shared history of learning” (Wenger, 1999, p. 56) that is distinct from the patterns of learning and engagement of any other “community of practice” (Lave and Wenger, 1991). Moreover, our particular entwinement in the exchanges of community provide each of us with a sense of social identity.

Gift giving enables us to forge a sense of identity, develop shared understandings that provide us with meaning, establish bonds of solidarity and love that connect us deeply with intimates, and build up repertoires of effective social practices. However, its capacity to link large numbers of people is limited. In fact, the tendency with gift giving is for communities to establish boundaries that serve as a regulative membrane for stabilizing patterns of exchange inside the community and preventing intrusions from the outside. Exchanges across the boundaries of communities are most often carried out by people who participate as members in more than one community. Wenger identifies these cross-boundary exchanges as “brokering” (p. 125). Brokered gift exchanges result in the flow of material, social, and cultural objects across the boundaries of communities and establish bonds of connection between communities. Over time, communities can become connected in this fashion into an intricate “mesh” in which the varied meanings and materials of connected communities slowly circulate (Plumb, 2005).

Contexts of gift exchange generate rich connections between people within a community. Brokering helps broaden these connections, but it does not provide a basis for people to develop deep understanding of others outside of the membrane of their community. While it is possible for people inside a community to imaginatively extend the boundaries of their community to include others with whom they have some affiliation (imagine themselves as part of a nation), they can also simply deny outsiders any substantial value (Anderson, 1991). Gift exchange tends, as a result, to generate exclusivity.

In the adult education literature, learning in contexts of gift exchange is usually described as informal. People learn informally in the flow of their daily interactions and exchanges with each other in communities of practice. Informal learning involves more than a mere transfer of knowledge, and, in fact, theorists interested in the everyday learning of people reject the idea that learning should be described as the acquisition of knowledge. Learning for these theorists is much better seen as process that takes place when a learner is entangled in the ongoing flow of situated practices.

According to Karatani (2005), the second mode of social exchange, plundering, presumes the prior existence of communities structured by gift-giving exchanges. Plundering transpires between communities and involves one community using force to take resources from another community (mostly material objects, but, in the case of enslavement, the skilled practices of other people). While plundering first appears as a form of predation, Karatani observes how, with the upsurge of civilization, plundering relations become regularized, and increasingly, as Foucault (2007) relates, take a more “pastoral” form. A plundering community begins to nurture their flock of communities, to protect them from other plundering forces, to regularize plundering exchange relations to maximize productivity, and to legitimize plundering relations.
In human history, plundering relations eventually stabilized and evolved into varied forms of state that nurtured and protected communities under its dominion in exchange for increasingly regularized forms of plunder (tithes, fealty, service, taxes).

It is important to note that the emergence of state societies (societies founded on plundering) did not result in the elimination of communities structured through gift giving and supporting informal learning processes. In fact, communities of practice persist as the primary productive force in state society and, for the most part, rich everyday learning processes continue unabated. The prime difference in state society rests in the ways communities were linked together. In addition to the weak cultural bonds produced by brokering, plundering establishes much stronger connections between communities across which a far greater volume of exchanges are made. The prime interest of plundering communities is to understand and control the productive practices of communities, that is, to penetrate and infiltrate the boundaries of communities, to better exploit them.

Formal learning first appears with the emergence of state society. While in gift exchange communities, knowledge is produced, reproduced, and transformed as people participate in the everyday social practices of their communities, in state society knowledge is something to be deliberately manipulated and controlled. Special attention and deliberate effort must be expended to shape contexts in communities where some practices (including explaining, justifying, and acknowledging) fall into harmony with state interests. Historical formal learning contexts – religious orders and establishments, military orders, administrative councils, and so forth – used varied techniques to privilege some forms of knowledge over others. Over time, more and more of social life was drawn under the pastoral power of state governance, largely by controlling the ways people participated in everyday exchanges. Eventually, state sanctioned formal educational institutions like universities and, more recently, schools rose to such power and prominence that formal learning became broadly perceived as the only legitimate form of learning. Under the sway of the plundering state, conceptions of learning were reduced to the mere transfer of legitimate (state sanctioned) knowledge into the minds of learners disconnected from the rich flows of community life (Lave, 1990).

The third and final mode of exchange identified by Karatani appeared much later in history. While bartering and direct trade are practices that stretch back into the archaic past, the practice of using money to buy and sell goods is a much more recent phenomenon. Drawing on Marx’s (1992) analysis and notation, Karatani describes early form of direct trading as commodity for commodity trading (C-C). The purpose of this form of trading is to exchange goods or services that are of use to the different parties of the trade. This form of exchange is not gift giving (no obligations are produced) and neither is it plundering (the exchange is freely agreed upon). The difficulty with bartering is that it requires both parties in the barter have something the other party wants. With the invention of money (M), however, and the gradual emergence of markets within which the trusting relations required for money mediated trade could gradually be established, buying and selling in the form (C-M-C) could greatly intensify. Despite the gradual increase in the scope of buying and selling, it was not until a fateful switch occurred that this form of exchange really gained impetus. Again drawing upon Marx, Karatani relates how the key shift took place when merchants transformed the nature of their exchanges from one that privileged the exchange of commodities (C-M-C) to one that privileged the exchange of money (M-C-M’). Merchants learned that using money they could buy commodities and then, by either moving them to areas of scarcity or holding them until times of scarcity, they could sell them for more money than their purchase price.
Once again, the emergence of this last form of exchange did not result in the elimination of earlier gift giving or plundering modes of exchange. Rather, the emergence of capitalist enterprise took advantage of the cultural and social structures existing in state society to develop wealth. Capitalists, it should be clarified, themselves are members of communities structured according to the relations of gift exchange. The key difference, once again, is not what happens inside the capitalist community but the ways in which they interact with surrounding communities. Merchants do not establish plundering relations with others. In fact, a key characteristic of capitalistic exchange is that people enter them freely (although, certainly with not the same bargaining power). Rather, capitalists deploy practices that enable them to exploit different value systems existing between communities – to buy low and sell high. The emergence and development of industrial capitalism in the 18th and 19th centuries really did not change this fundamental way of making money. Rather, with the assistance of the plundering state, it began to foster ways of incorporating the productive capacities of communities to serve the direct interests of capitalist exchange. As Karatani (2005) relates, over time, capitalist exchange re-patterned the connections between communities and within states to maximize productivity. Capitalist communities of practice, in league with plundering communities of practice, worked to develop networks comprised of long chains of exchange relations that could maximize the return of wealth (always evaluated in terms of money) to their coffers. The final result of this reworking has been an amazing powerful and resilient triune, the capitalist-nation-state.

Non-formal learning is the mode of learning associated with this last form of exchange. Its parameters are more difficult to discern. Unlike in formal learning contexts, capitalist exchange, itself, does not require the direct control of communities of practice or their practices. Rather, it requires the infection and restructuring of communities so that they become increasingly reliant on the market for essential products and services. The form of learning this entails, therefore, can be described most accurately as a selective disconnecting of people from the exchange relations of the community and state (and from the values of solidarity and justice) and the forging of direct connections to capitalist production and consumption processes (Polanyi, 1957). Non-formal learning, as a result, happens in the market in which producers either sell their wares (including their own labor) and consume capitalist products. Non-formal learning frees the producer-consumer from the constraints of obligation and restriction and increases the scale and speed of capitalist production. If carried too far, however, it can also threaten the basis of social and cultural reproduction (enculturation in communities of practice) and social justice (the protection of rights by the state).

Resisting the Triune

The capitalist-nation-state now comprises a triune of unprecedented strength. For a century and a half, activists of all kinds, including adult educators, have endeavored to resist and/or transform this fundamental structure, to this point, to no avail. The primary reason for this failure, Karatani (2005) contends is that, usually, resistance is mounted from one pole or other of the triune.

Formal education has also played a role in structuring a context conducive to capitalist growth. States throughout the 20th century have made great efforts to control and regulate the informal learning processes transpiring in vast meshworks of communities of practice to generate productive capacities and dispositions favorable for economic growth. They have also expended great energy developing adult education systems to legitimize and sometimes transform existing social hierarchies. Too much state action irrevocably provokes backlash, however, from the other two poles.
Activists concerned about the domination of the state strive to enhance the informal learning processes of local communities. Adult education has a long history of supporting community development in many different forms. Aside from the direct opposition of the state (history is replete with examples of state violence directed at popular, community-based movements) and the growing power of global capitalist relations, there are a few serious problems with community-focused adult education initiatives. First and foremost, everyday learning processes within community have never proven themselves capable of resisting the relations of either the state or the market.

Economic activists interested in fostering the relations of the market also run up against resistance from the other two poles. Non-formal education that works to disconnect people from communities provokes a backlash from both community and state. Critiques of neoliberal ideology currently resound in the adult education literature (MacPhail and Plumb, 2009).

Based on this analysis, no matter what adult learning mode we favor, and no matter what form of activism we engage in, as long as we conduct our practices within the frame of the capitalist-nation-state, we will have very little luck challenging its structure. We cannot pin our hopes on fostering informal learning to improve communities because they form a unsteady basis for developing large and non-exclusive social structures. Within the resilient frame of the capitalist-nation-state there seems little scope for action. LETS, it turns out, might just provide a glimmer of an alternate strategy that adult educators might entertain.

**Local Exchange Trading Systems**

Karatani identifies a fourth form of exchange from which it might be possible to begin to escape the relationships of exchange that intertwine to form the capitalist-nation-state. Michael Linton’s innovation, the Local Exchange Trading System (LETS), Karatani suggests, engages people in a form of exchange characterized by solidarity, equality, and freedom but without the destructive effects that accompany the capitalist-nation-state. To date, there has been little investigation of the forms of learning sustained by the LETS mode of exchange, but there is good reason to hold that learning in LETS would be very different than learning in community, in state institutions, or in the marketplace.

In LETS, exchange is mediated through the exchange of money (Berger, 2005). Unlike the regular market, however, which uses bank issued funds, the money used in LETS is generated by the users of the LETS themselves (Linton, 2007). Once a LETS network is established (and there are many new internet-based applications that make running a LETS very easy), members can join and begin to trade goods and services with each other. Instead of using regular money, though, when a good is purchased, the person who buys the object recognizes its value by giving the seller a LETS credit that is recorded in a central place accessible to all members of the LETS. With this positive LETS credit, the seller can then purchase a good or service from any other member of the LETS. The trick with LETS, however, is that members are not permitted either to accumulate or to borrow all but a very few LETS credit. At all points, the goal is to participate in exchanges while at the same time maintaining a member balance close to zero.

Unlike with plunder, people are not compelled to participate in LETS. Members can buy and sell as they wish and from whom they wish. When goods are purchased, the buyer has no obligation to the seller beyond the transfer of credit. Unlike in gift exchange, people build bonds of relationship and solidarity, but they do not build bonds of personal obligation. Unlike in the capitalist economy, because LETS do not permit the accumulation of money, people cannot be
economically exploited. All exchanges are determined to be fair by both parties of the exchange. Finally, it is possible for people to participate simultaneously in multiple LETS. This feature generates a new mechanism other than brokering for hooking communities together into large-scale systems.

LETS has important potential as a context for learning. While it would not prevent informal learning processes from transpiring in gift exchange communities, it would augment these by enriching contacts between communities (much like capitalist markets provide opportunities for expanding social and cultural connections). LETS would help prevent community boundaries from closing and participation in multiple LETS would generate a wealth of rich connections through which respectful and caring bonds could develop. LETS would also provide opportunities for people to learn to escape bonds of obligations that often restrict members of communities of practice. Participating in LETS would enable people to be recognized for the value of goods and services they produce. It would provide alternate ways people can acquire a sense of identity not necessarily tied to occupational, family, or community roles. Similarly, while people in LETS learn processes for connecting to and working with expanding networks of people, it prevents the legitimation of social hierarchy. Additionally, while learning in LETS enables people to freely develop capacities to exchange in the LETS, it also prevents egotism and exploitation that prevail in capitalist markets. Most importantly, LETS provides people with a viable way to gradually learn to reduce their participation in the relations of the capitalist-nation-state. It enables them to learn to exchange with each other in humane, respectful, creative, sustainable, and socially constructive ways.

Adult educators have long worked to develop contexts within which people can learn richly. It is my view that innovations like LETS offer a very promising means for adult education to develop as a truly radical enterprise opposed to the intersecting and deeply resilient formations of the capitalist-nation-state.

References


