

SYSTEMIC PROBLEMS

- **Poverty**

- **Ageing Population**

- **Credit Crunch!**

- Money is created as debt by banks
- Compound interest is charged
- Exponential effect - individually/globally
- Danger of system collapse

SOLUTIONS ?

- Mitigating (ie compensating for) the worst effects of the system, eg using food banks
- Campaigning for system change
- Building a new paradigm - strategies include co-ops, asset-based investment and **Complementary Currencies**

*COMPLEMENTARY SYSTEMS

- Parallel to mainstream currency
- Fiat **or** created by member-trading
- In many different contexts
- Top-down or member-member
- Geographically or peer-based
- Favours, Hours, or Currency,

Altruism - the Gift Economy

- based on natural friendly behaviour
- non-zero-sum, ie your gain is my gain
- for further details: <http://www.altruists.org/>



Transaction PLUS PLUS = ++ and sometimes +++

“Fiat” Currency

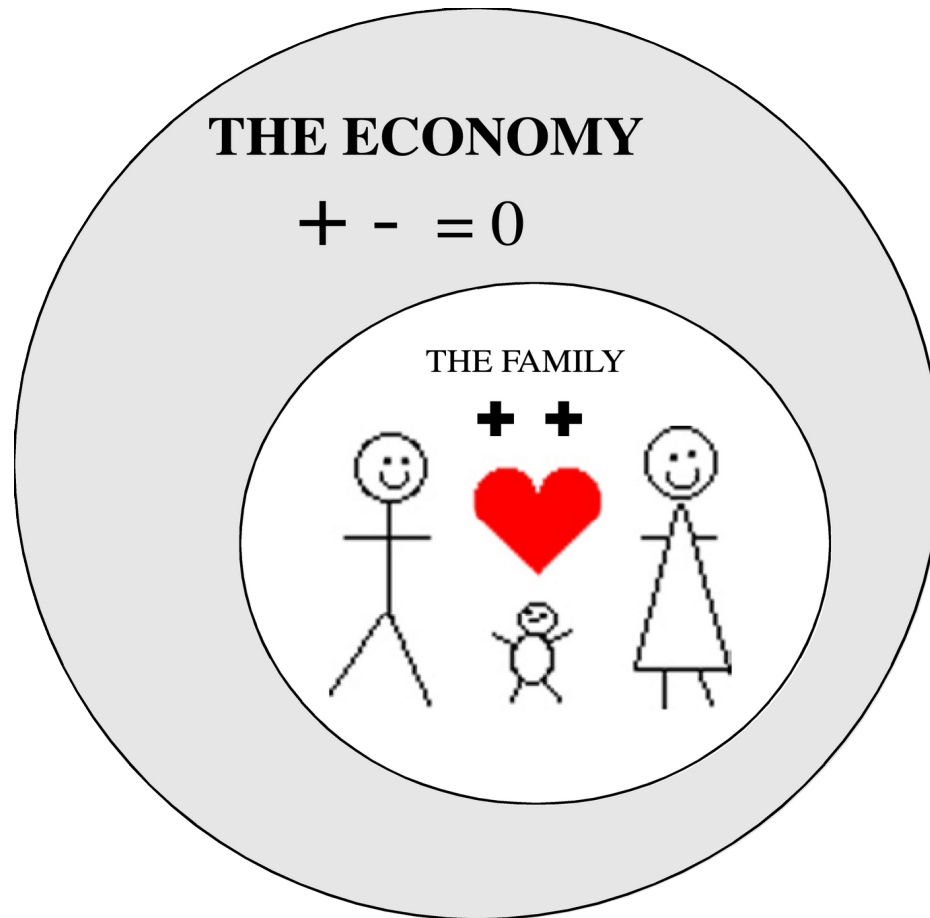
Issuing currency into the economy was historically the responsibility of the king or government, who had the power of “seignorage” but in the UK only about 3% is still produced in this way (cash and notes from the Royal Mint). Most is created digitally as required by banks as mortgages against property, so the money supply gradually *expands*.

Examples of Complementary Fiat Currencies

- [Guernsey](#) - new money 1820-36
- Argentine [Creditos](#): 1985
- Paul Glover’s Ithaca [Hours](#): 1991
- Salt Spring [Dollars](#): 2002



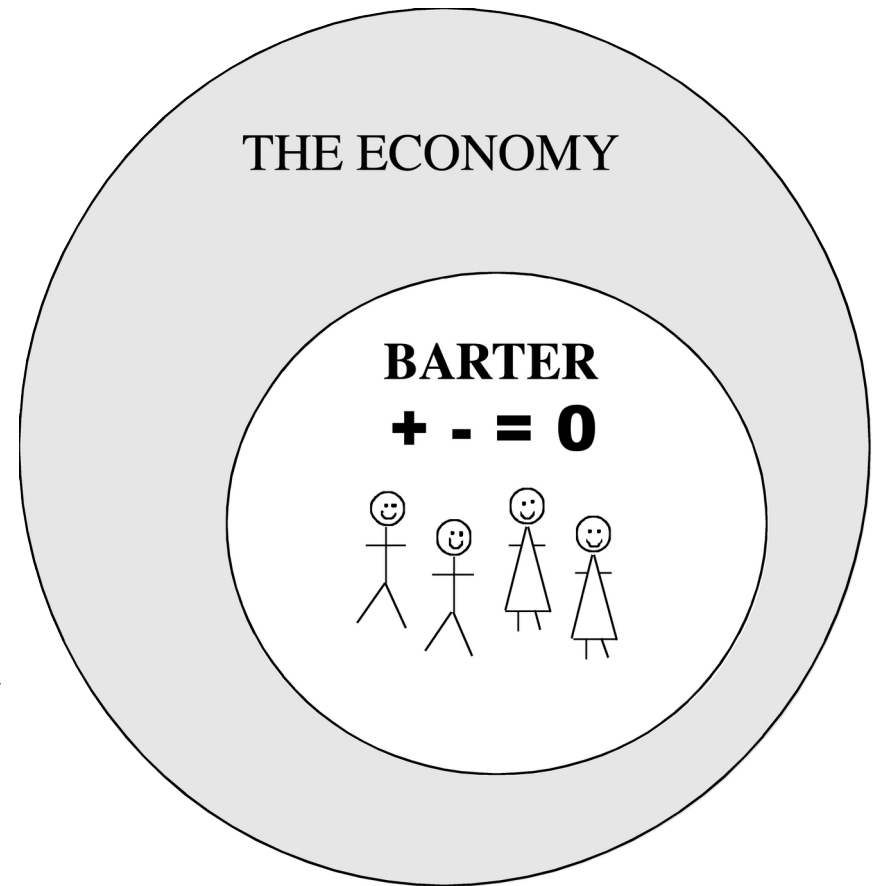
Inner and Outer Economies



Commercial Barter

- Business to business
- Market - “Offers & Wants”
- Broker-driven
- Sterling Commissions

Virtual “clearing” may take place to help manage budgets within companies and between organisations.



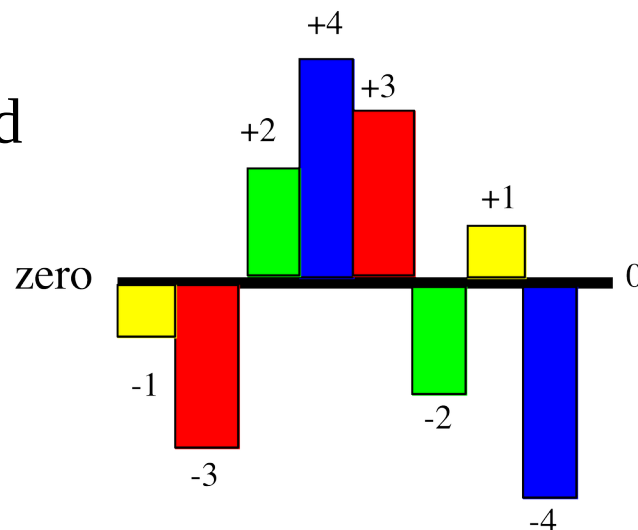
Local Exchange Trading (LETS)

- Voluntary, self-organised = has Governance & Rules
- Community: based on locality or other common bond
- Private Currency - ring-fenced for this community
- Market is established: - directory of “Offers and Wants”
- Meetings help members to connect with each other
- Member-to-member negotiations & mutual credit trading
- Variety of accounting mechanisms - eg Passbooks, Cheques, Vouchers (event currencies), Web-transactions
- Cost of service paid in *local* currency
- **Zero-sum** including admin account: NB “Mutual”.

Accounting in Barter and LETS

Example:

- Four pairs of members have traded
- 10 units have changed hands
- Overall turnover is 20 units
- Overall balance is zero



In barter if the broker fee is 10% he would earn one unit of ***national*** currency, maybe 5% from each side. In LETS it is more likely that a ***regular*** monthly fee in ***local*** would be taken, maybe 1 unit per month - this goes to a system account from which administrators may claim payment.

Different Styles of LETS

Systems

- 1985 Canadian model developed from David Weston's "green dollars" + Michael Linton's LETS
- up-front monetary approach
- **value-free** technical approach
- adapted from commercial barter ie commission-based
- interested in scaling up into major currency systems
- lightweight "governance"

Schemes

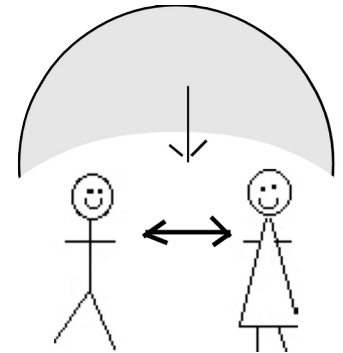
- adapted for the UK by Liz Shephard = LETSlink
- community association
- core-group roles and tasks
- adopt **value-rich** local "green/community agenda"
- much variation in practice
- tend to prefer exclusivity
- heavyweight "governance" eg constitution agreed by members at AGMs, etc

In practice there is a continuum between these two formats

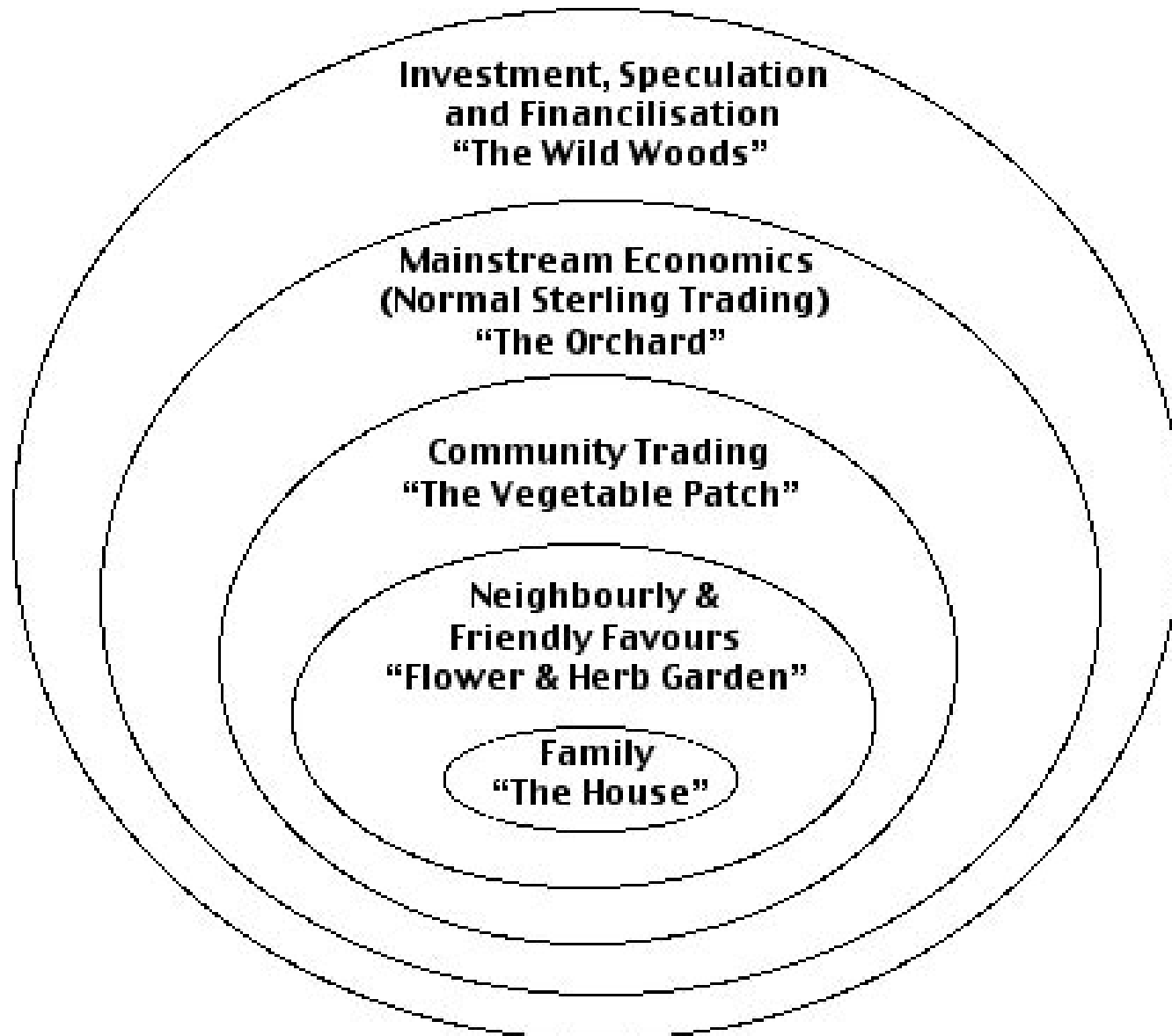
Volunteering Approach

Timebanks

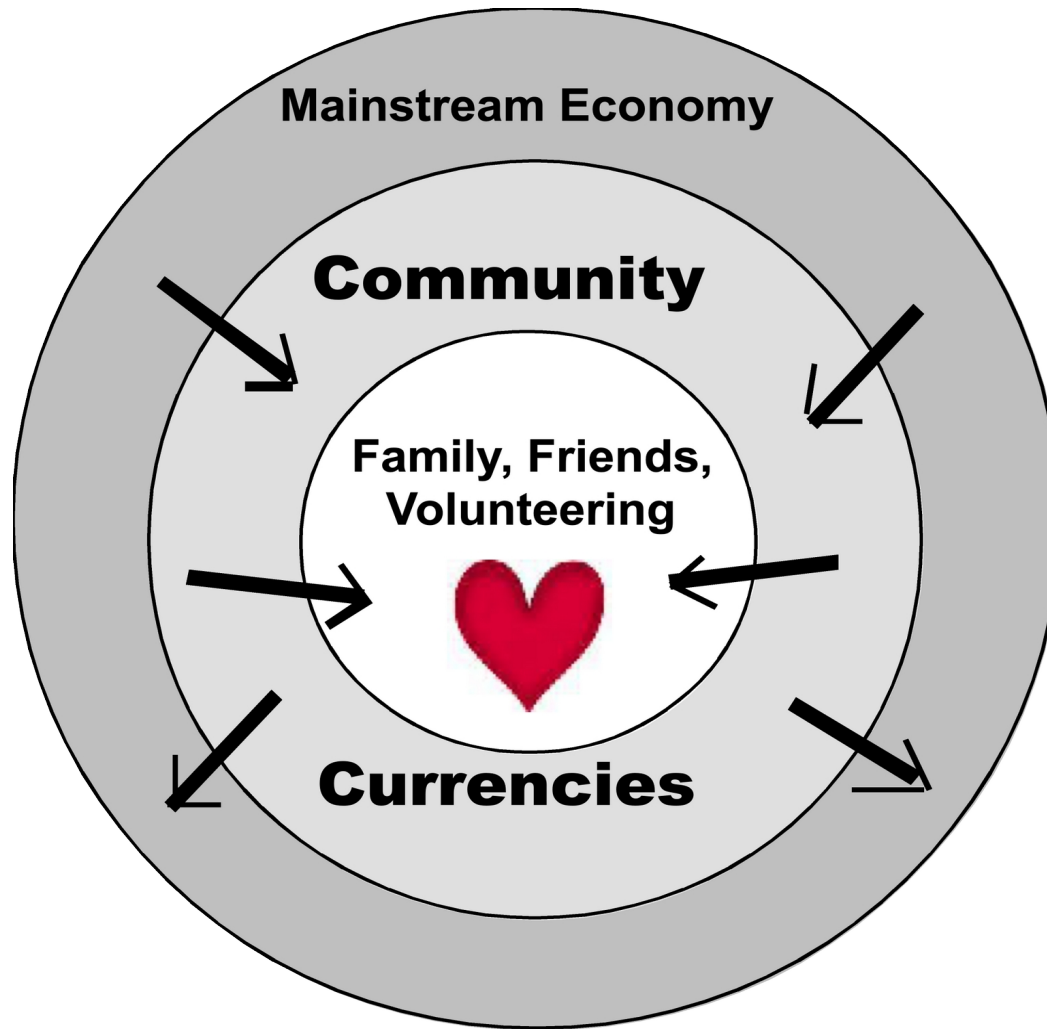
- Simplified and de-monetized (only speak about **community**, never about **currency**) but currency is actually the “hour”
- Based on government’s **volunteering** agenda: “top-down”
- Designed to reach vulnerable individuals - eg police-checking
- Hour-based - value of people’s time is counted as equal
- Trading controlled from office - jobs booked in advance so whereabouts of participants is known in advance
- Top-down - participants are “clients” not members
- Reciprocity is “encouraged”, not required
- Reward-token system - (fiat) - no need to balance system
- **Depends on funding - salaried “broker” - could limit trading**



The Permaculture Plot - Zones



The Dynamics of Economies



New Ways Forward

- go **web-based** to reduce workload, save money, and provide better management and communication tools
- review **governance** to promote common standards and more uniform, professional, coordinated approach
- **out-reach** to promote more activity between members and use project-based activity for “quantitative easing”
- improve **co-ordination** nationally and regionally

LETS - systemic weaknesses

- usually too poorly resourced centrally to provide much support so lack of common standards has led to wide variations
- voluntary effort means dependence on group processes and tendency to stay within comfort zone, eg failure to outreach
- paper-based systems encouraged groups to limit their size by methods such as asking for renewal of subscriptions !
- shrinking markets result in low levels of trading
- extreme balances can develop due to insufficient management
- heavy workload and stress lead to organiser burnout
- developing relationships between members leads to **altruism**

New INTEGRATED **COMMUNITY CURRENCY** **“ ICC ” Model**

- Combines best of existing systems
- Well-designed customisable printed items for local use, eg Cheques, Vouchers, Passbooks, Fliers etc
- Web-based systems to support administration
- Direct member to member accounting enabled
- Buddy system for computer access and training
- Choice of Hours, Currency, Gift, Cash transactions

****New: “Commons” projects for currency creation****

New: National hour-based transfer system

LETSlink UK Strategy

- Support existing groups by analysing management styles and group processes, and providing training where needed, including local networking/resourcing.
- Provide software which helps set common standards but is also adaptable to local requirements
- Design city-wide regional currencies with local neighbourhood networks to fill gaps in local provision.
- Introduce LETS to *existing* community, artistic, enterprise, co-housing, and activist groups to support their volunteering and campaigning work.

LETSlink UK: `

12 Southcote Road, London N19 5BJ

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www.letslinkuk.net

- go to “Find Your Local Group” and follow the links



LETS LINK UK

UK Local Exchange Trading and Complementary Currencies Development Agency



- [HOMEPAGE](#)
- [ABOUT LETSLINK UK](#)
- [LATEST NEWS](#)
- [ATTEND AN EVENT](#)
- [THEORY OF LETS](#)
- [PUBLICATIONS](#)
- [FIND A LETS GROUP](#)
- [UK REGIONAL LINKS](#)
- [START A GROUP](#)
- [JOIN THE NETWORK](#)
- [OTHER LINKS](#)
- [ARTICLES ARCHIVE](#)
- [CONFERENCES](#)
- [MEMBERS' AREA](#)
- [TRUSTEES](#)

Welcome! SO WHAT ARE LETS?

LETS - Local Exchange Trading Systems or Schemes - are local community-based mutual aid networks in which people exchange all kinds of goods and services with one another, without the need for money.

LETS are revitalising communities throughout Britain. As grassroots initiatives they are open to everyone - people of all ages, skills and abilities; local clubs and associations; voluntary groups, charities, community initiatives; housing co-operatives, small businesses and local services - helping everyone to give and take, connect to new resources, and find a genuine community identity.

LETS offer equal opportunities to all - whether employed or unemployed, financially secure or on low income, black or white, able or disabled. LETS use a system of community credits, so that direct exchanges do not have to be made. People earn LETS credits by providing a service, and can then spend the credits on whatever is offered by others on the scheme: for example childcare, transport, food, home repairs or the hire of tools and equipment.

Research in about 1996 indicated that at least 40,000 people were involved in some 450 LETS schemes, most of them established according to the democratic and co-operative LETS model developed in Britain by LETSLINK UK, which began work in 1991. In the year 2006 our current contact list of over 300 indicates that their has been some shrinkage - if we say that membership averages 100 per scheme, this means about 30,000 or fewer members in the UK.

However, this has been accompanied by an increase in related initiatives, such as Timebanks, Freecycle, Commercial Barter, Fairtrade Campaigns, and Community Networks of all kinds, which

LETS
respond to
Credit Crunch
[News Update](#)


[Find your local group](#)

For your **LETS Introductory Pack** and LOCAL LETS contacts please send your name, postal and email address with a cheque for £5 or follow the UK [regional link](#). Group affiliation annual fee is £25 - please follow the link to the registration form [here](#).

The **LETS Info-Pack** (120 pages) with full instructions on how to set up a LETS, send £12 (includes UK P&P, overseas is £15) to LETSLINK UK: 12 Southcote Rd, London N19 5BJ



LETSLINK UK

LETS and Complementary Currencies Development Agency



UK REGIONAL LINKS

This diagram shows Counties, Metropolitan and Non-Metropolitan Districts within official Government Regions. Click through to broad local areas which then click through to pages for each county etc. Please note the position of the regional lists does not exactly correspond to the background image!



Finding a local LETS Scheme

Such is the interest from our enquirers that to meet the demand, it is our intention to build a full set of links to local schemes, as soon as we can verify information from individual LETS organisers. In the meantime follow the links from the regional headers to obtain local contacts. If you have already enquired and we have not yet been able to reply individually, we will contact you when the area you require is...

- [HOMEPAGE](#)
- [ABOUT LETSLINK UK](#)
- [LATEST NEWS](#)
- [FORTHCOMING EVENTS](#)
- [PUBLICATIONS](#)
- [BEST PRACTICE GUIDE](#)
- [TECHNICAL SUPPORT](#)
- [LEGAL ISSUES](#)
- [RESEARCH & DEBATE](#)
- [FINDING A LETS GROUP](#)
- [UK REGIONAL LINKS](#)
- [OTHER LINKS](#)
- [ARTICLES ARCHIVE](#)
- [MEMBERS' AREA](#)

SCOTLAND
Borders, Grampian, Highland, Lothian, Shetland, Strathclyde, Tayside, Western Isles, Dundee, Edinburgh, Glasgow, Inverness

NORTH-EAST
Durham, Northumberland, Gateshead, Newcastle-upon-Tyne, North Tyneside, South Tyneside, Sunderland, Darlington, Hartlepool, Middlesbrough, Redcar & Cleveland, Stockton-on-Tees

NORTH-WEST
Cheshire, Cumbria, Lancashire, Bolton, Bury, Knowsley, Liverpool, Manchester, Oldham, Rochdale, St Helens, Salford, Segton, Stockport, Tameside, Trafford, Wigan & Wirral, Blackpool, Darwen, Blackpool, Halton, Warrington

IRELAND

WALES
Dyfed, Glamorgan, Gwent, Gwynedd, Mid-Glamorgan, Powys, South Glamorgan, West Glamorgan, Aberystwyth, Cardiff, Swansea

WEST MIDLANDS
Herefordshire, Shropshire, Staffordshire, Warwickshire, Worcestershire, Birmingham, Coventry, Dudley, Sandwell, Solihull, Walsall, Wolverhampton, Stoke-on-Trent, Telford, Wrekin

YORKSHIRE
North Yorkshire, Bamsley, Bradford, Calderdale, Doncaster, Kirklees, Leeds, Rotherham, Sheffield, Wakefield, East Riding of Yorkshire, Kingston upon Hull, North East Lincolnshire, North Lincolnshire, York

EAST MIDLANDS
Derbyshire, Leicestershire, Lincolnshire, Northamptonshire, Nottinghamshire, Derby, Leicester, Nottingham, Rutland

EASTERN REGION
Bedfordshire, Cambridgeshire, Essex, Hertfordshire, Norfolk, Suffolk, Luton, Peterborough, Southend-on-Sea, Thurrock

GREATER LONDON

SOUTH-EAST
Berkshire, Buckinghamshire, East Sussex, Hampshire, Isle of Wight

SOUTH-WEST
Bristol, Cornwall, Devon, Dorset, Gloucestershire, Somerset, Wiltshire