



NorthLondon LETS

LOCAL EXCHANGE TRADING SCHEME

In a time when community values have gone out the window and social isolation has been increasing, thousands of people have been getting involved in Local Exchange Trading Systems – popularly known as LETS. They had their beginnings within the environmental movement, this grass-roots scheme has spread to all walks of life, and there are now thousands of LETS schemes worldwide. Some of the main benefits of setting up a LETS scheme are:

- * **Develops a greater community spirit,**
- * **Increases regeneration of the local economy,**
- * **Gives people more control over goods and services they obtain,**
- * **Improves social contact and lessens social isolation,**
- * **Bolsters confidence and self-esteem of people not in paid work,**
- * **Enables people to use existing skills, and acquire new ones.**

Every time a pound is spent in a branch of a national, or multi-national, chain store, only some 20p of that pound stays in the local economy. This is mainly the wages of the workers. The other 80p goes straight out to pay for goods, transport, interest charges and profit. But if that pound is spent with a local person making goods out of local materials the position is reversed, with only 20p going outside the community to pay for materials, tools or fuels not available locally, and 80p stays in the local economy to be spent again.

With the setting up of a Local Exchange Trading System (LETS), in an area, a framework is provided in which people are encouraged to trade locally. The currency, which is only spendable locally, doesn't exist as coins and notes. Each member has a virtual account, which is debited or credited every time a transaction takes place.

The more the currency circulates locally, the more power goes to the local community and the less to the faceless institutions. We are more able to see how things we are buying have been produced, and what use is being made of the goods and services we are supplying others. It also becomes possible to have a face-to-face relationship with the people we are trading with.

Any kind of goods and services can be offered, from baby-sitting to legal advice, from home-made jam to housing. When the goods or services involve national currency expenses, transactions can be in part LETS and part national currency. An example is a taxi service, where the driver's time could be paid for in "green money" as it's often called, but not the fuel.

One great advantage of LETS is that you can start spending before you start earning. Indeed it's essential that some people go into "commitment, because the system has no cash, so the very first transaction can only be paid for by someone going into "commitment". This expression is used instead of "debt", because there is no stigma attached to having a minus balance in a LETS system.

This was one of the most important features in the original LETS system, which was started in a former mining company town in Canada. When the company pulled out everyone's earning capacity went with them. People still had skills to offer, but no one had the money to pay for them. It was a vicious circle, but the introduction of LETS provided a solution.

FOR MORE INFORMATION you are welcome to attend a members' social – times and venues are on our website: www.nllets.org.uk or send an A5 stamped addressed envelope to: North London LETS, c/o LETSlink London 12 Southcote Rd, Tufnell Park, London N19 5BJ

