

## **SECTION 7:**

# **SETTING UP A LETSYSTEM**

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A LETSystem is a community initiative, and like all such activities, usually begins with a small group of interested and committed people. If you are such a person, and you wish to start a LETSystem in your area, working through the following steps may assist you.

### Organising a LETSystem Presentation

This is the point at which to start.

**Step 1: Build Your Awareness** of what a LETSystem is and how L.E.T.S could benefit you or your family personally. Could it work in your community? Is there a system already operating that you could join? What problems can you identify? Discuss it with friends and acquaintances. What are their reactions?

**Step 2: Maintain your Motivation** as you share your enthusiasm with others. Make sure that they too can see a personal benefit in a LETSystem, and organise small group meetings as convivial and pleasant events. If a system is operating, join it, encourage others to do so too, and begin trading.

**Step 3: Gather Information**, as much as you can, about the details of a LETSystem, and how it operates. Familiarise yourself with the details of this manual. Contact other systems for details and ideas. As you become more informed, share this information with others, in ways that increases their awareness and fosters their motivation.

You are now ready to begin some detailed planning.

**Step 4: Consider Different Alternatives.** People need an explanation of how LETS operates. What ways do people in your community get information? Which is most effective? Do some people access information in different ways? Who are you targeting and why? It is often good to target people who could meet the needs of your planning group.

**Step 5: Design Your Strategy.** A local media information campaign could cover the general principles and invite community members to a public meeting about LETS. Organise venue, speakers, presentations and publicity. If at all possible, see if you can get some way of knowing in advance how many people are likely to come (eg. an "Interest Sheet" with some publicity, at a Neighbourhood Centre with a sign-on sheet may help).

**Step 6: Test It Out.** Before running your meeting, get your group together and make sure you have covered all contingencies. Is there anything you have overlooked (eg. Parking? Supper? etc). What could go wrong? Is everything going to go smoothly. Check with friends and family if you have overlooked anything. If you are the presenter, rehearse what you are going to say and practice your presentation to people who can give advice beforehand.

Implementation comes next.

**Step 7: Run a LETS Event.** The meeting should cover all aspects of a LETSsystem. It should give people as much experience of a LETSsystem as possible. This manual contains all the information (and the stories of case studies) that you may need. Make sure you have the keys to the building, seating arranged and equipment in place long enough beforehand. Take a few minutes before people arrive, as a group, to get your "thoughts together".

**Step 8: Keep it Practical and Experiential.** Give people the chance to try out a LETS transaction, so they can get a feel of how the system operates. Make sure you answer all questions openly and honestly. You are not expected to be a superman, or superwoman. If you don't know, say so.

**Step 9: Monitor Progress.** Check to see if people who have come would be prepared to start a LETSsystem in the area, and if they would like to see one start now. Are those who came getting what they wanted? What about the planning group? Are their needs being met? Don't be afraid to ask directly, it can keep you on course and stop the waffle.

Now to make sure everything runs smoothly

**Step 10: Match Skills and Needs.** Strike while the iron is hot. By now people who came should be committed to a LETSsystem and you will be ready to appoint an interim Board of Advisers and establish initial LETS Trustees. The first trading sheet is prepared from the skills, services or goods offered or needed by those people attending the meeting. The first transactions may occur at the first meeting! Make sure that people know that they will be supported in their tasks, that instruction in the manual is available and that they are not alone.

**Step 11: Keep Track of Results for Individuals** who come. How can you assess how your LETSsystem is going? Devise some measures of success (eg. New members per month/transactions per week/Number of entries on a trading sheet), and share these with others. Other refinements include "LETS Trading days", new member introduction evenings, incorporation, and networking with others through an international computer based link-up.

**Step 12: Keep Assessing What is Required.** Judge effectively "how much time and effort are you prepared to put into your LETSsystem to keep it going?". If you are a Trustee, the payment in local credits for recording transactions should give you a chance to ensure your personal needs are being met. If you wish to leave an official position in the "organisation" just to become a normal member, make sure someone who fully understands what LETS is all about takes your place.

### **Presenting an Introductory Session on LETSsystems**

This manual in Appendix D contains overhead transparencies which can be used in a LETSsystem presentation. A useful order to follow is --

1. *The Individual/the Community (Leaky Barrels)*
2. *The flow of money in the economy (How individuals & communities get screwed)*
3. *Result: Which Way does Most Money Go (Distribution Triangles)*
4. *A Balanced Economy/Our Current Economy (Three Layer Cake Models)*

5. *"That unemployment exists is a specific testament to the inadequacy of conventional money"*
6. *"LETS recognises that money is merely information"*
7. *The Problem With Money*

This is usually a good point to take a break from the overheads and discuss a little of the background history of LETSsystems. You may then like to continue with

8. *The Ideal Currency*
9. *How LETS Works (Sheet 1)*
10. *How LETS Works (Sheet 2)*
11. *How LETS Works (Sheet 3)*
12. *How LETS Works (Sheet 4)*

This is another good point to take a break and perhaps ask for questions, The three sheets headed "LETS is Not" are useful to use in illustrating your answers. Enclosed you will also find a copy of the items on offer on the first Northern Suburbs LETSystem Trading Sheet (produced when the system had only 6 families involved), and a copy of their new member Registration Sheet, which can also be used to illustrate answers.

You may then, if time permits, be ready to try the simulation called LETSPlay, which gives people an experience of a LETSystem.

### **LETSPlay; a LETSystem Simulation**

Michael Linton provided a LETSPlay simulation exercise that has been used a number of times in Western Australia. The system discussed below is a simplification of the original, particularly in providing a "money sheet" (Appendix D) and in clarifying the scoring system.

The use of the simulation can provide the following outcomes.

1. It allows people to experience some of the important characteristics of a LETSystem
2. It helps people overcome the reticence against novelty they may feel about trading
3. It is a useful way of comparing outcomes between LETS and the conventional monetary system

It is important that you, and those involved in the simulation understand the differences between LETSPlay and a normal LETSystem. These apply principally to the following

- In LETSPlay, the prices are set within the game itself, and are not freely negotiated (although you are free to change the prices should you so wish)
- In LETSPlay there is no Trustee or Book-keeper to record transactions. For this exercise it is your responsibility to accurately record your own transactions.

#### **Step 1:**

Distribute the LETSPlay List of Purchases and Transactions Record sheets (see below). Discuss with the participants the purpose for the simulation, and make sure that they understand the differences between the Simulation and a genuine LETSystem. You may like to photocopy the sheets listed below.

### LIST OF PURCHASES

CATEGORY	PURCHASE ONE ITEM FROM EACH SELECTION	BOUGHT Please tick	SOLD Please tick	PRICE IN L.E.T.S CREDITS	PRICE IN "NORMAL" DOLLARS
100% L.E.T.S	Building labour Guitar lessons Housework Child minding Other .....			400 300 200 100 ....	0 0 0 0 0
90% L.E.T.S	Surveying fees Counselling service Firewood Massage tuition Other .....			360 270 180 90 ....	40 30 20 10 ....
80% L.E.T.S	Building material Locally designed clothes Advertising services Gardening Other .....			320 240 160 80 ....	80 60 40 20 ....
70% L.E.T.S	Custom furniture Landscaping design Printing services Local groceries Other .....			280 210 140 70 ....	120 90 60 30 ....
60% L.E.T.S	Boat building Legal services Rental Diner at restaurant for 4 Other .....			240 180 120 60 ....	160 120 80 40 ....
50% L.E.T.S	House painting Car repairs Woodwork lessons Baby furniture Other .....			200 150 100 50 ....	200 150 100 50 ....
40% L.E.T.S	Machinery hire Electrical services Secondhand furniture Local wines Other .....			160 120 80 40 ....	240 180 120 60 ....
30% L.E.T.S	Secondhand vehicle Dental services Veterinary services Second hand power saw Other .....			120 90 60 30 ....	280 210 140 70 ....
20% L.E.T.S	Jewellery Vehicle hire Imported clothes Plumbing service Other .....			80 60 40 20 ....	320 240 160 80 ....
10% L.E.T.S	Trip to ski resort New tyres Medical services Imported food Other .....			40 30 20 10 ....	360 270 180 90 ....



**Step 2:**

Explain the rules. Participants are each given token money to the value of \$200. (Photocopy the master sheet (above) and the Federal Money sheet and give the sheets to each participant. Give them the time to tear the money sheet into individual "notes").

The rules are

1. All persons are free to trade as many items, from as many categories as they wish
2. The "game" proceeds until everyone has received a minimum of one item from each category (people are free to trade for more than one item should they wish)  
Note: (You are free to shorten the game if you have insufficient time)
3. All LETSystem transactions shall be recorded. Goods provided generate LETSystem income, and get recorded in the income column; goods purchased are recorded as LETS expenditure. The balance is adjusted by adding income to the previous balance, and subtracting expenditure from the previous balance.
4. The \$ tokens are traded as for conventional money. No record is kept of transactions, and the value of tokens in your hand is the current balance you hold.
5. If you spend all your tokens, you can write an I.O.U. for the value of the purchase you make, if that is agreeable to the other party.

**Step 3:**

Play the "game" (allow a minimum of about 20 minutes for it to proceed). At the completion of the game, give time for people to balance their token and LETSystem accounts on the score sheet.

**Step 4:**

At the completion of the game check on the distribution of \$ income and LETSystem credits held by each person. This can be easily done by show of hands.

**Record**

1. The number of people with final balances greater than \$200 (Federal), compared to the number with balances less than \$200. Usually there will be fewer of the former and more of the latter - showing that for the conventional system, even though everyone started evenly a few people get richer but most get poorer.
2. The number of people with final LETSystem balances greater than zero, compared with people with balances less than zero. Usually there will be more of the former than the latter, as, unlike the conventional system, in a L.E.T.Scheme income gets distributed more evenly.
3. The total value of all purchases in LETS This represents the value of goods and services in the local economy additional to those traded in the conventional system.
4. Add the value of I.O.U.'s to the value of \$ issued ( $\$200 \times \text{No. of players}$ ). This reflects the total value of goods and services in circulation in the conventional economy.
5. Compare (3.) with (4.). Discuss what this shows to the group.

Ask people for any impressions they had from playing the game, or anything else they noticed. From this exercise the value of a LETSystem to a local community should be clearly apparent

### **Concluding a LETSystem Introduction: Requests and Promises**

Your LETSystem presentation should end with an evaluation of some kind. Such an evaluation will --

1. Help you as a presenter improve your skills
2. Identify areas still requiring more attention
3. Give the new LETSystem a sense of direction
4. Ensure that the needs of those people present are met.

A useful way of summarising how far things have progressed is to brainstorm through a list of Requests and Promises. A Brainstorming session is one where you try to get as much information recorded in a public way (Butchers paper, Black Board, White Board, or Overhead Transparency), with the minimum of interpretation and evaluation at the time (the evaluation of comments can come later, when the Brainstorming is completed).