

DISTURBING FACTS ABOUT OUR LETS SYSTEM.

ARE WE IN GRADUAL DECLINE?

By Kate Cook

Can I spend what I earn and vice versa?

Understanding what it is all about.

All of us share in the responsibility and integrity of our trading system.

A LETS credit is a transfer of energy to others within the LETS Community.

A LETS debt is a commitment to the LETS Community to make some time or goods available at some future date to transfer it back.

In a healthy system as we trade with each other accounts bob up and down, sometimes in credit and sometimes in commitment. We all start with a zero balance so in theory the LETS economy should remain stable.

Unfortunately this is no longer the case in Swan Hills LETS. An imbalance has occurred which is destabilising our system and we are finding that at the present time LETS has a huge over accumulation of gumnuts or credits.

Why has this occurred?

One of the main causes appears to be because people have left LETS for whatever reason with high negative balances. In other words they have taken out more energy than they have put in and the trend has created the number of excess credits within the system to increase over time. Apart from existing members we are also finding new members are joining, earning gumnuts and then leaving disillusioned as they are unable to spend them.

If a debt is not repaid it circulates in the LETS Community as a credit because others have benefited or accrued gumnuts as a result of the work done. If enough people leave with debts which are "wiped off" then the LETS system will collapse due to an over-accumulation of credits. In effect everyone in the system who wants to spend are unable to do so. There are more people with positive balances than negative balances so there is no incentive left to trade. The remaining members of LETS who are willing to work or trade lose confidence and are the ones who ultimately suffer the consequences of a system which is no longer sustainable. Those with computer access please refer to the following web-site for The Life Cycle of a LETSsystem

<http://www.members.optusnet.com.au/~guthltd/lets/>

What can we do?

The good news is that we can in fact do something to stop this happening now that we are aware of the problem. These are some ideas and we welcome more! Meanwhile the Committee is also trying to nut out solutions to reduce the large number of credits in a fair and just way to everyone.

It is important if leaving LETS for whatever reason that in fairness to our Community we ask that members make a real effort to repay back what is owed first.

Whilst not obliged to commit we do our very best to comply when asked for services we have offered in the directory so that trading continues to be active.

In the spirit of LETS have a plan in place to repay debts if they exceed a reasonable limit
Attend Socials and get to know other members. It is easier to trade when you know people and often you will find they have more to give than just those services offered in the directory.

Talk to Committee members if you have a problem. We are there to help you and to keep our system healthy. Help us help you and we will all then be able to continue to help each other.