

The short answer: It is a community of people volunteering their time and giving away their goods and / or services while keeping track of these activities. Keeping track allows the community to reward each other with goods and services. This promotes a culture of generosity instead of a culture of greed that is associated with traditional money.

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The long answer: The **Community Exchange System** (CES) is a community-based exchange system that provides the means for its users to exchange their goods and services, both locally and remotely. It could also be described as a global complementary trading network that operates without money as it is commonly understood.

Unlike the conventional money-based exchange system, the CES has no physical currency. The idea that such a currency is required before any trading can take place is an ancient one and increasingly irrelevant in this day and age of mobile phones, computers and the Internet. Information can replace currencies and at the same time eliminate most of the problems associated with regular money.

There are many similar trading systems around the world, commonly know as **Community Exchange Systems**

(CES),

Local Exchange Trading Systems

(LETS),

Mutual Credit

trading systems or

Time Banks

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Apart from using information instead of currencies to effect exchange, the exchange systems are community-focused in order to build community and keep wealth where it is created. The CES takes this a step further by providing the means for inter-community trading, right up to the global level.

As the 'currency' in the above types of exchange systems is information it does not have to be 'created' like conventional money so there is no need for an issuing authority or for a supply of it, and none is required to start trading. 'Money' in these systems is a retrospective 'score-keeping' that keeps a record of who did what for whom and who sold what to whom. There can never be a shortage of information as there can be of money, as information does not have to be created and limited by a third party (banks or government) in order to give it value. For this reason the concepts of borrowing, lending and interest are meaningless in the CES.

There are many different types of complementary exchange systems (CESs) and they are growing in popularity throughout the world. Some use 'hard' currencies, where notes and coins are issued by the group for their own use; others use time as a 'currency' rather than notes; and yet others use a 'virtual currency' which is the recording of the values of goods and services exchanged.

Complementary exchange systems foster the real wealth of communities and rebuild a sense of worth and self-esteem among their users. Around the world they report an increased sense of vitality in all sectors of the communities using them. While these exchange systems might have a slightly different function for each of these sectors, they certainly have relevance to all.

These systems provide infinite opportunities for exchanging one's narrow specialisations for the goods and services offered by others. In this way a complementary exchange system acts like a supplementary currency, creating an additional stream of value in a community. By supplementing conventional cash flow with a local exchange system a community can provide an additional source of essential goods and services that become scarce in economic downturns and protect itself from changes and fluctuations in the national money supply.

I help you, and you help another—and someone else helps me. The recipients of help become, in turn, the providers of help. What goes around comes around. By helping others you become entitled to receive goods, services or help from someone else. When you receive something, someone else is entitled to claim from the community the equivalent of what they provided.

Is this a form of Barter?

No! Barter almost always involves bargaining between two individuals to establish the relative worth of the goods or services they wish to exchange. There is no bargaining in the CES as the recipient is in no way obligated to the provider; you 'pay' for what you have received by delivering/selling something to another trader in the community at a later time. Complementary exchange systems are as versatile as conventional ones.

Is this just a tax dodge?

Definitely not! Our motives are noble. Our aim is to create a more equal society where wealth is distributed according to contribution, not according to the ability to 'make money'. In other countries where these systems have become big, the state has either ignored the tax angle because it saves state expenditure on welfare payments, or there is an agreement to provide services to the state. Our approach is that when the CES becomes big, the state should become a user of the CES and participate in the normal way. In this way the state could credit itself through the services it provides to all user and debit itself by purchasing the services of CES users.

Can I only trade with members of my own exchange group?

The CES is an international trading network with exchanges in many countries. Credits earned in one exchange can be spent in another, or if you are visiting another area you can trade with local CES traders. New exchanges are starting in new areas all the time, and existing ones are growing steadily

What other benefits are there in using a community exchange system?

New Economics is about rebuilding society using alternative/sustainable economic policies and practices. Complementary exchange systems fall into this category because they are instrumental in:

- **Mobilizing the Real Wealth of a Community:** The knowledge and skills of its people is the real wealth of a community. Conventional money drains away while a local exchange system keeps this wealth moving about the community, generating economic activity and

providing access to the common wealth for all involved. People who have accumulated a wide range of skills and abilities suddenly become once again highly valued members of the community.

- **Fostering Self-Reliance & Self Esteem:** In our communities unemployment is growing and increasing numbers of people are unable to get their needs met. Single-parents may need respite care or other services for their children. Elderly pensioners also need a range of specialised services or may simply require company to combat loneliness. At present a person's ability to access these and other services is proportional to their purchasing power. The community exchange system breaks this bottleneck by making it easier to match someone's need with another's offerings. People are no longer dependent upon welfare or charity, and everyone's self esteem is elevated.

- **Increased Personal Savings & Disposable Income:** Because CES users can acquire local goods and services through their local exchange system, this reduces their need for national currency. Disposable income in conventional money, available after basic needs are met, thus increases. Those who trade regularly with complementary exchange systems will find they have more money left in their pockets at the end of each week. The rate of community savings, and therefore of community investment and capital generation, will improve. This will result in an improvement in the quality of life for everyone.

- **Creating Local Economic Control:** Complementary exchange systems help to plug the leaky bucket of the local economy. By creating an exchange system that reduces the leakage of wealth from a community, uncontrolled and activity-limiting capital outflows are reduced. As wealth generated by users of a local exchange system only has value in the community in which it is generated, it continues circulating to create more wealth for everyone. They give community members a powerful new tool with which to "steer" the local economy in directions which benefit everyone.

- **Building Community Support Networks:** Because the CES plugs its users into a local information network, it provides new or isolated residents with an instantaneous social support network. This avoids the embarrassment of introductions for strangers. Through a CES network all users have a ready reason for calling for support or help. Elderly pensioners, people with disabilities, unemployed youth, supporting parents, new arrivals, and single-income families with partners trapped in a dormitory suburb can all build firm friendships on relationships established through a functioning network.

- **Fostering Social Justice & Equality:** Because the value attached to one's time and commitment is set individually by participants, a complementary exchange system equalises the differentials that exist in the conventional economy between the work of women and the work of men. This greater equality helps prevent the polarisation of the community "haves" and "have-nots". There is no point in accumulating community credits as they do not earn interest. It is only by spending them back into the community that the individual or community benefits. Local exchange systems foster participation at all levels in the community.

- **Building a Sense of Community:** The increasingly transient, temporary and mobile lifestyle in the world today has seriously damaged our sense of belonging to a meaningful community. Because a local exchange system builds relationships it is a powerful means of regenerating a sense of trust among community members, a necessary component to the health of any community. As communities become more self-aware and self-reliant through the

use of a local exchange system, isolation, fear and loneliness diminishes and everyone benefits.

- **Keeping Wealth Where it is Created:** National currencies always leak away to the 'money centres' creating money deserts and the dwindling of local economic activity. Local exchange systems, on the other hand, are community based and so keep wealth where it is created. Where previously economic activity was stagnant, the local exchange system can stimulate trade and permit things to happen where formerly there was no economic activity due to a lack of money. By being community focused the entire community becomes self-sufficient and does not have to rely on 'imports' and external businesses to provide what is required.

- **Bringing the 'Money Power' Back to the Commons:** The money we use in our daily lives is provided by the corporate financial system as a profit-making enterprise, not by the government as a public service to the community. As such, the money we use does not belong to the commons and so we have little control over how it is spent and who it benefits. A local exchange system is democratic because it brings the 'money power' back to the people. Its users can decide how that power is exerted.