

## Questions and Answers

**Q.** *Does it cost anything to join the CES?*

**A.** The only cost is your commitment to give back to the community what you receive from it. If you require lists and newsletters by post there will be a Rand cost, but everything else is financed in the community currency.

**Q.** *How can I start trading without any money in my account?*

**A.** To begin trading you do not need to have anything in your account. As ‘money’ in this system is just a book entry, there is no need for a supply of it. You begin by going into debit (not debt). This simply means that you owe the community goods and services to the value of the debit.

**Q.** *What is to stop me entering ‘payments’ into my account so that I get lots of credits?*

**A.** You don’t need credits to trade so there is no point in this. Also, your credits are someone else’s debits, and they will question your false trades with them. Your balance, which is open for all to see, will also reveal what you are doing.

**Q.** *What if someone exploits the system and then leaves without giving anything in return?*

**A.** This can happen but equally someone who has given more than they have taken can also leave. If someone exploits the system it is the community that bears the burden, not any particular member.

**Q.** *What if someone doesn’t pay me for work I have done?*

**A.** That is impossible. You—the ‘seller’—are responsible for recording the transactions and so you will be immediately credited for them.

**Q.** *What if someone takes more than they give back?*

**A.** Before agreeing to trade you should check the buyer’s trading record. If you see that they are running a large debit, then refuse to trade until their standing has improved.

**Q.** *What if my service is popular but I can’t find anything I want?*

**A.** Don’t trade unless you feel there is something you can get in exchange. As more and more people join the community the more likely it becomes that someone will have something you want. Encourage others to join.

**Q.** *What is the currency called and what is it worth?*

**A.** The currency of the CTTE is called Talents. One Talent is equivalent to one Rand. This is purely to give it reference. The currencies are not linked so the two could deviate over time. Talents are also not subject to inflation.

**Q.** *How are goods and services valued?*

**A.** Members value their own goods and services, using the Rand as a guide. The ‘law’ of supply and demand applies, but within the context of a closed group. This frequently differs from the situation in the conventional economy.

## An Example of a Trade

**Requirement:** *Your car needs an oil change.*

**Step 1:** You either look through the Offerings List or do an online search to see if anyone is offering oil changes or car maintenance. Someone is offering oil changes for T100 but you must bring your own oil and oil filter.

**Step 2:** In the Offerings List you click on the person’s name to obtain contact details. You phone the person (the ‘seller’) and agree on a time and place for the oil change.

**Step 3:** The oil change takes place and then you (the ‘buyer’) fill in a Trading Slip, giving the date, your name, your account number, the amount (T100) and your signature. You fill in the same details on the counterfoil and get the seller to sign it. The counterfoil is then cut off the slip and you hand the main part to the seller, keeping the counterfoil for yourself. For the seller your Trading Slip represents your payment and your receipt for the service or goods delivered; for you the counterfoil is your record of payment.

**Step 4:** You leave, satisfied that your car has fresh oil. The seller then goes to a computer and enters the details of the transaction into the transaction form on the CES site. This becomes a credit for the seller and a debit for you. You are now obliged to provide goods and services to the community worth T100.

### Join the Talent Exchange

If you would like to join the CTTE go to the web site at [www.ctte.org.za](http://www.ctte.org.za) and fill in the online registration form. Alternatively send an email to [info@ctte.org.za](mailto:info@ctte.org.za) giving your contact information and details of what you have to offer.

There are CES exchanges in many countries. They are all inter-linked through the CES web site so global inter-trading is possible.



The Cape Town Talent Exchange

## What is the Cape Town Talent Exchange?

The **Cape Town Talent Exchange (CTTE)** is the local exchange of the global **Community Exchange System (CES)** – a network of alternative exchange systems. There are different types of community exchanges in this network. Some of them are known as **Local Exchange and Trading Systems (LETS)** and others as **Timebanks**.

The main difference between CES exchanges and their national money systems is that their scope of operation is limited to a local geographical area. The ‘currencies’ in CES do not ‘exist’ like conventional currencies so there is no need for them to be issued and you don’t need any to start trading. ‘Currencies’ in these systems are ‘score-keeping’ records of who does what for whom and who sells what to whom.

The CES is not a bartering system. When you receive something you owe nothing directly to the seller; you owe the community goods and services to the value of what you have received. You ‘pay’ for what you receive by delivering goods and services to other members of the community. There can therefore never be a shortage of ‘money’ in the CES for its ‘currency’ is but a metric of the values transferred. Over the long term you can never receive more than you can deliver.

In the CTTE every member has a private, online ‘bank account’ that also gives access to a directory of goods and services offered by members. When you want to purchase any of the goods and services advertised you contact the seller and the transaction takes place. ‘Payment’ is effected through a cheque-like ‘Trading Slip’ that conveys the essential transaction information. The seller enters this information into his or her account or, if a computer is not available, hands the Trading Slip to a co-ordinator who can enter it. The amount entered becomes a credit for the seller and a debit for the buyer. Accounts are reconciled immediately. Theft and fraud are not possible because a false credit will be someone else’s false debit. The balances of all members are public information so anyone abusing the system will be immediately exposed.

The CES provides another stream of income, which is particularly useful for those marginalised by the conventional economy. It is also a support network that helps build a sense of community among its members.

## Why we need a new money system

Why invent a new money when Rands seem to do the job?

The simple answer is that Rands only works for those who already have money and marginalises the rest of us. It is also the fuel that powers the growth imperative of our economies, forcing us to compete and having disastrous consequences for our planet.

The main problem with conventional money is that it 'exists'! As such it has to be created, issued and the amount of it restricted and controlled. Because money comes into existence when commercial banks grant loans, every unit in existence is based on a unit of debt. This determines the quantity of money, which has nothing to do with the amount of money people require to live decent lives.

Despite its modern electronic trappings, our conventional money is the latter day equivalent of cattle or gold. The debt-based money system was developed for the industrial revolution to provide a rapidly expanding money supply that could not be provided by one based on the quantity of precious metals. This introduced intangible money that did not exist in the same way as earlier 'hard' monies, but people continued treating it as a tradeable commodity. Like any commodity, money that 'exists' can be lent, stolen, traded, destroyed and lost. Its distribution is not based on the delivery of value but on the ability of people to 'make money'. It has no restraints and always flows towards the 'money centres' - away from where it is created and needed.

The CES breaks out of this paradigm by recognising that the electronics revolution has eliminated the need for an exchange medium. Never before has it been possible to record accurately who delivers value to whom. Now that this is possible money needs only to be a measure of the delivery of value to others, not something of value in itself.

If money does not need to exist it does not have to be created and distributed, and so no one can have control over it. People will earn 'money' solely on the basis of their delivery of value to others, not through charging interest, trading it in money markets and a multitude of other ways without delivering any real value.

Money that does not exist can never be in short supply. Everyone can take as much from the social product as they can give to it; no one can take more than they give as they do under our current money system. Money remains where it is created and needed and does not leak away.

## The benefits of community currencies

The CES was launched to counter the effects of conventional money, which is the root cause of the social, economic and environmental problems that we face today. Community currencies can do this because they:

- **Mobilise the Real Wealth of Communities:** The knowledge and skills of its people is the real wealth of a community. Conventional money drains away while a local currency keeps this wealth in the community.
- **Foster Self-Reliance & Self Esteem:** In our communities unemployment is increasing. The CES removes our dependence on the 'job creators' by matching needs with skills and creating 'livelihoods'. People are no longer dependent upon welfare or charity, and everyone's self esteem benefits.
- **Increased Personal Savings & Disposable Income:** Disposable income in Rands increases because members can get many goods and services through the community currency. This increases the rate of community savings, and therefore of community investment and capital generation.
- **Creating Local Economic Control:** By creating a local currency that cannot leave the community, uncontrolled and activity-limiting capital outflows are reduced. As a community currency only has value in the community in which it is generated, it continues circulating to create more wealth for everyone. They give members a powerful new tool with which to 'steer' the local economy in directions that benefit everyone.
- **Building Community Support Networks:** Because community currencies connect members to a local information network, they provide an instantaneous community support network. Through this network all members have a reason for calling for support or help. Everyone can 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 by participants, a community currency equalises the wage differentials that exist in the conventional economy. This greater equality prevents polarisation. There is no point in accumulating community currencies as they do not earn interest. It is only by putting them to productive work that the individual or community benefits.

- **Building a Sense of Community:** The increasingly transient, temporary and mobile lifestyle of today has seriously damaged our sense of belonging to a meaningful community. Because a community currency builds relationships it is a powerful means of regenerating a sense of trust among members.

### Offers and Wants

Central to the CES are the concepts of offers and wants. All members advertise their 'offerings': the goods and services they wish to supply and which will earn them credits on the system. Members also advertise their 'wants': the goods and services they require and which they will purchase if anyone can provide them.

Having an account on the system gives a member access to the lists of offerings and wants. Members can add their own offers and wants. They decide on their own prices or leave it open for negotiation.

Prices can be a mixture of Talents (the currency of the CTTE) and Rands. Often members charge Talents for labour and Rands for any materials they have to buy for Rands.

The lists of offerings and wants are emailed to members weekly. A hard-copy can be obtained for a fee in Rands to cover the printing and postage.

## Transparency and Security

Transparency means that everyone can see the trading position of everyone else: how many sales and purchases they have made, their current balance of account and how many offerings they have. This prevents abuse of the system as excessive 'spending' would immediately be noticed. A community money system based on fairness, inclusiveness, openness and equality encourages people to be honest.

Money in the CES is also secure. As it is just a number on a computer it can't be stolen, and a fraudster would not be able to divert credits to his account because his credits would be someone else's debits, and that would immediately expose him. In any case, there is no need to cheat as there is no such thing as having 'no money' in the CES. Your wealth is your talent, and so long as you can provide something you can have access to what you require.