

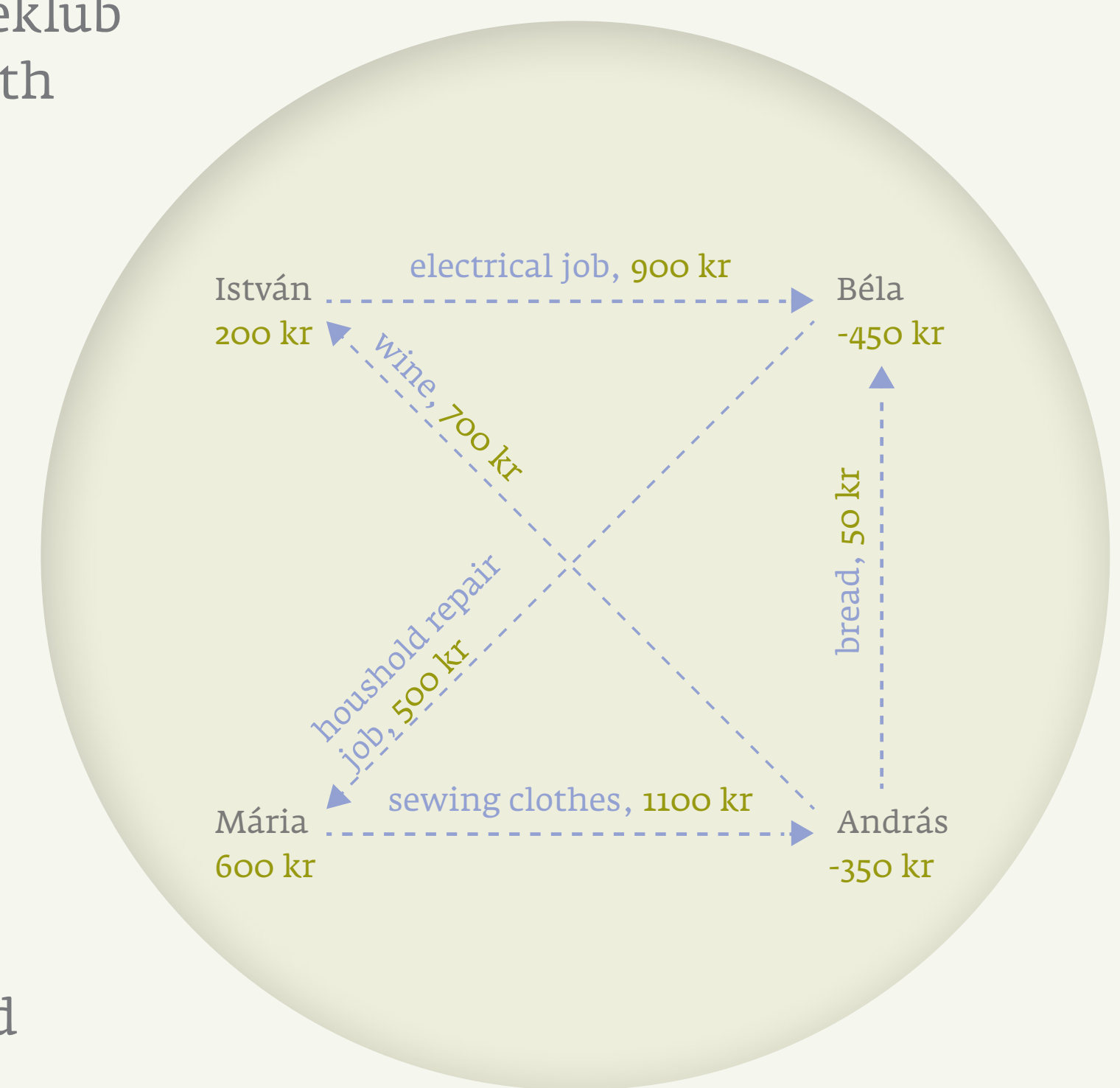
# Pilisi Koronakör – Pilis LETS

| Hungary |



## OVERVIEW

Pilisi Koronakör is a Local Exchange Trading System (LETS) created in 2008 using the support of the NGO Korona Csereklub Association. It is a self-established informal community which is designed to connect locals who have certain needs with other locals who have the knowledge/time/capacity to carry out the work/provide the product or service to satisfy these needs. It is backed by an online tool (which includes a database) in which participants can enter what they can give away (both services and products) and what virtual value they estimate their offers to be worth. Other participants can choose to receive/accept these benefits. When the work is carried out or the product purchased, the online system registers the respective value as a credit (“income”) for the “offerer” and a debit (“spending”) for the “purchaser”, thereby maintaining the total sum of online virtual credits. The total sum of the online credits of all participants is always zero.



## CONTEXT: THE PERCEIVED PROBLEM

The most important aim of Pilisi Koronakör is to increase local resilience – especially economic and social – and the self-sufficiency of the local community in response to global challenges such as the economic downturn and a scarcity of resources, most importantly food, land and fossil fuel. As, in the current socio-economic system, those who do not have money cannot survive and be successful, Pilisi Koronakör offers a system in which those who have skills, talents and diligence but lack money can also participate, as well as contribute to the well-being of their communities.

## INITIATIVE SOLUTION AND PROCESS

Pilisi Koronakör is a local alternative currency initiative - an informal one that works as a club but has an online presence (using an online database which is used to match supply with demand as well as to keep track of members’ “korona” balance). It is only possible to enter the community following the recommendation of two existing members (lacking this, only conditional membership is allowed) in order to ensure that trust is maintained between members. The way transactions are carried out in the system is depicted in the figure.

The initiative has the potential to increase local employment and facilitate the provision of non-existent or restricted services to all members, while also building social capital.

## CONTRACTION AND CONVERGENCE ELEMENTS

### CONTRACTION:

Pilisi Koronakör is not primarily about motivating individuals and communities to observe ecological limits and/or to lower ecological footprints. There is no mention of ecosystem or planetary limits in their core mission statement or in their prominent, contemporary materials, even though the establishment of the initiative was partly motivated by global resource scarcity challenges.

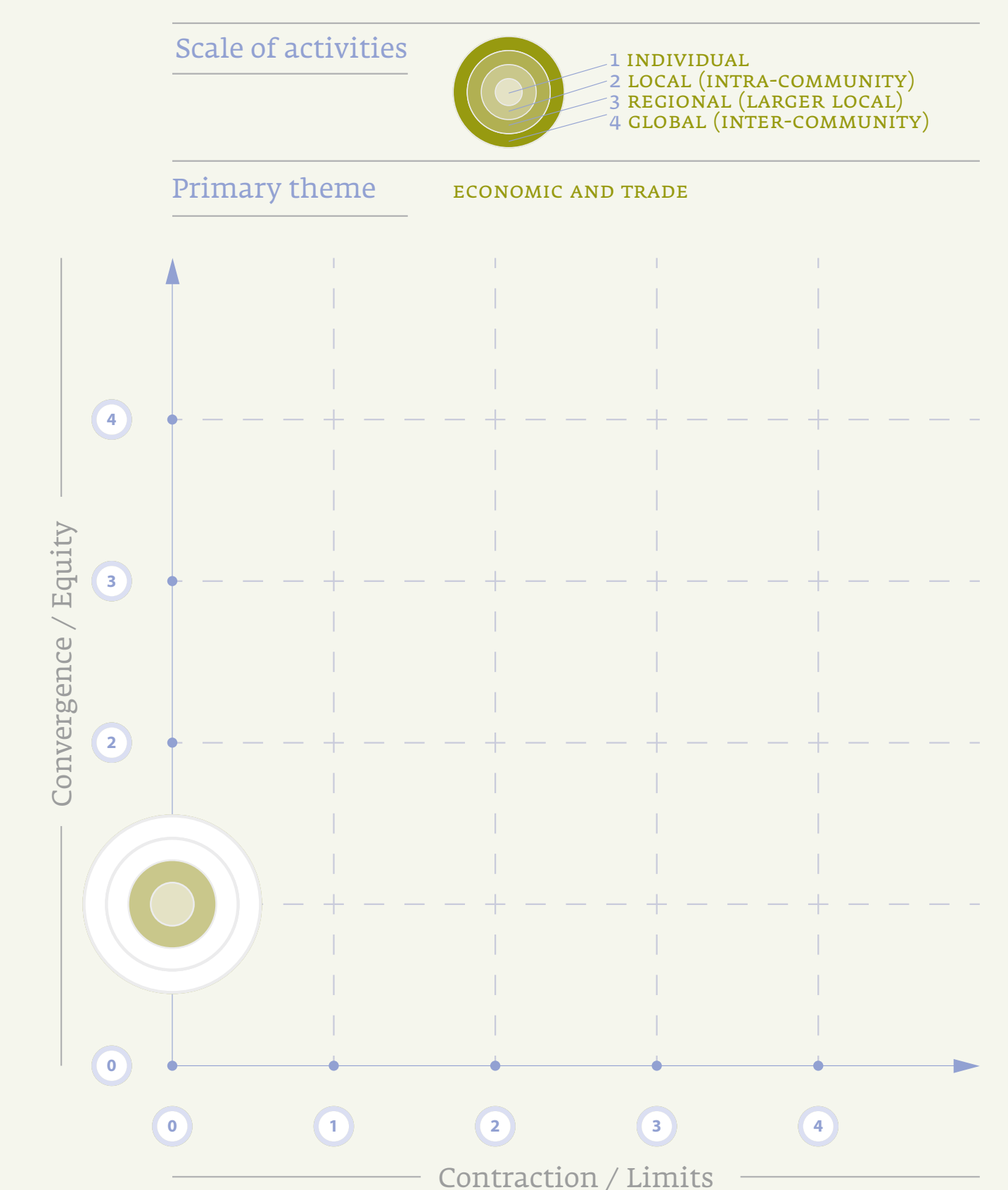
Furthermore, in this system one can easily “buy” products and/or services that could be considered surplus to the basic demands of daily living. There are no explicit requirements about the quality, environmental-friendliness, healthiness, etc. of offered services and goods – the main provisions are simply that they are local and offered by members of the local community.

### CONVERGENCE:

Local currency initiatives can contribute to increasing social equity and to encouraging fairer trade to a great extent. They can also help strengthen the local economy and the social capital which exists in the community.

Participating in a LETS and using a local currency requires individuals to behave ‘differently’ (in terms of both selling and purchasing behaviours) and to make a conscious effort to participate in community-centred activity. Also, since LETS encourage person-to-person relationships, direct feedback can be given directly to those who offering services/products.

Although there is no mention of equity or justice in the core mission statement of Pilisi Koronakör, promoting equity and providing more equal opportunities (employment, easier access to goods and services) for all are obviously the centre of activity. Through encouraging and actively promoting local self-sufficiency in providing food as well as education and social services, the initiative helps create a more sustainable and resilient local community.



## CURRENT STATUS AND IMPACT

The founders of Pilisi Koronakör actively encourage other similar clubs to come into being. They also help networking activities for LETS operating in different regions and communities.

When the Pilisi Koronakör was created there were already hundreds of similar LETS around the world. In June 2009, it was reported that the example of the Pilis Koronakör had been reproduced in 7 Hungarian regions. The Pannon, Őrség, Heves, Hajdú, Kunság, and Békés LETS have now been created and one LETS community outside Hungary (Romania) specifically claims to have been inspired by Pilisi Koronakör.

The initiative has very high potential for replicability (being relatively easy to start and operate) and there are proven examples of LETS being multiplied in localities in many countries<sup>3</sup>. The Pilisi Koronakör itself has also grown, although exact information is unavailable.

## REFERENCES AND FURTHER READING

1. Initiative website: <http://www.koronakor.hu/pilis.php>
2. Nagy, G. (a founder) Blog. Available at: <http://nagygaabor.blogspot.com/>
3. Overview information on LETS: [http://en.wikipedia.org/wiki/Local\\_exchange\\_trading\\_system](http://en.wikipedia.org/wiki/Local_exchange_trading_system)