

► IN PERSPECTIVE

More than Tea and Biscuits; the Role of Time Banks and LETS in Local Economic Development

John Batchelor

Introduction

Some years ago, when the Bath Local Exchange Trading Scheme (LETS) was looking for a name for their local currency, 'Bath Olivers' was the obvious

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choice. Today, the Gorbals Initiative has dubbed its time-based currency 'Liptons', in deference to the locally born magnate Sir Thomas Lipton. These inventive names reflect the innovative nature of the approaches. What, though, has been their impact on marginalised or excluded communities? LETS received some interest from economic development practitioners – and there were some Local Authority-supported schemes – but early hopes were not fulfilled. Time Banks, it is argued, remedy some of the limitations of LETS. This *In Perspective* examines the prospects for the 'second wave' of complementary currencies in the UK, bringing together four articles on Time Banks and LETS – reviewing the impact of these approaches. In the first, David Boyle traces the origins of Time Banks, and reviews their importance in the context of community participation. Gill Sefang evaluates time banks as a tool for community self-help, though a study of the Rushey Green Time Bank in London, and Stuart Callinson reports on the experience of Time Banking in the Gorbals in Glasgow. Finally, Peter North makes a plea for a re-examination of the potential benefits of Local Exchange Trading Schemes.

The New Mutualism and the Meaning of Time Banks

David Boyle

It is now five years since the American inventor of time banks, the civil rights lawyer Edgar Cahn, first

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came over to the UK to tell the story of their success in the USA. Thanks to the original and imaginative support from the King's Fund – the first of the handful of innovative trusts who initially saw the potential of time banks over here – the New Economics Foundation was able to run two introductory conferences, one in London and one in Newcastle. The idea has been burgeoning ever since.

Five years later, not only are there more than 130 time banks up and running or seeking funding in the UK – but there is increasing understanding about the benefits of building reciprocal relations between people in neighbourhoods where, sometimes, the social capital has almost completely disappeared. There have been a number of critical

milestones along the way. The first time bank, Fair Shares in Gloucestershire, opened its doors in December 1998 in Stonehouse. In 2000, Time Banks UK was launched with support from the Active Community Unit, and the government agreed to ignore time credits for tax and benefits that same year. In 2001, NEF launched the London Time Bank network and the Time Banks Manifesto (New Economics Foundation, 2001). And, in 2002, there was Gill Seyfang's research report which confirmed that time banks were succeeding in reaching people who don't tend to take part in volunteering (Seyfang and Smith, 2002).

The idea of time banks was simple in itself. Edgar Cahn originally described it like a blood bank or babysitting club: "Help a neighbour and then, when you need it, a neighbour – most likely a different one – will help you," he said originally (Giddens, 1998). "The system is based on equality: one hour of help means one time dollar, whether the task is grocery shopping or making out a tax return... Credits are kept in individual accounts in a 'bank' on a personal computer. Credits and debits are tallied regularly. Some banks provide monthly balance statements, recording the flow of good deeds."

Time credits were simply a recognition of the time and effort put in locally. They were not supposed to be an adequate recompense, and experience in the USA showed that most were never spent. But they did seem to be the kind of recognition that kept people volunteering much longer than conventional volunteer schemes. That's what we thought, but it was difficult to know in the early days whether time banks were actually living up to the rhetoric because, although time banks and time dollars have become widespread, particularly in Japan, they have actually been very little researched. The University of Maryland's Centre on Ageing studied 'service credits' throughout the 1990s, but came to no clear conclusions. There is ongoing detailed research work on the health benefits of two time banks – Member to Member in Brooklyn and Rushey Green in Catford.

One of the key tasks has been to carry out the necessary research to confirm some of the simple anecdotes about time banking – lives transformed through involvement in the time bank, streets where residents covered behind locked doors just beginning to become safer, children on the

verge of being expelled suddenly finding themselves with responsibility for tutoring other children. So far, research seems to reflect that.

That's the simple story, but time banking on both sides of the Atlantic has also been developing a series of more complicated ideas, which makes it increasingly central to the debate about social capital and public services. This is because, over the same five years, time banks have also been breaking out of their niche as a highly effective, innovative idea, into community centres, surgeries, housing offices and schools – and emerging as something else.

Time banks are builders of social capital, after all – at a time when there are precious few systems on offer that can succeed in doing that, and when a great deal of 'participation' simply involves the same few faces over and over again on the same uncomfortable chairs. But they are also now poised to be more than that. They are set to be mainstream tools by which we can also heal the gaping divisions in public services between aloof and frantic professionals and disempowered clients with a great deal of time on their hands, and unleash the enormous resources of people's time back into the common good.

When there is a time bank, for example, in the Rushey Green Group Practice – a GP's surgery – it makes it possible for patients to be deliverers of health services themselves, alongside the doctors and nurses. These may not be conventional services – they include a friendly face once a week, or a mended curtain rail so that an elderly patient can live in the daylight, or just a changed light bulb – but they are way beyond the kind of services that a conventional, professional NHS can provide.

When there are time banks, for example, in three Tower Hamlets schools, paying time credits to the most disaffected pupils for tutoring younger pupils, they are also achieving something that conventional services delivered by professionals cannot do.

Innovative projects, such as Time for Childcare in the Cotswolds and Leicester – which trains local mothers to provide mutual childcare so they can get other kinds of training and become economically more independent – are mutual volunteering systems, but they are much more than that. They are providing a new kind of approach to public services and welfare that tries to tackle some of their recent failures. They are a living example of

the argument that nothing professionals want to achieve is possible unless clients, patients, pupils or neighbours are involved as equal participants. They are also demonstrating that, despite the widening gulf between professionals and beneficiaries, there is actually almost nobody who doesn't have something to offer – and enabling them to offer it can be transformative, both to them and their neighbourhood.

Embedded in this is a critique of public services and conventional volunteering: both concentrate too much on people's problems, rather than on their abilities – to the extent that demonstrating problems is the only way that people can access help or support. Time banks hold out a possible alternative that builds reciprocal relationships into public services, and by doing so breaks down some of the intractable issues that have made them so ineffective so often.

Time banks say that, actually, there are spare resources – in the very people who public services are finding most difficult to deal with. The measuring and rewarding of the efforts that people put in are a means to an end: creating reciprocal relationships and creating the kind of forum that allows, for example, young people on youth juries to demand and enforce behaviour from their peers.

This idea that there needs to be some kind of strategy to make clients of public services into equal partners in the business of regeneration is increasingly coming under the label coined by Edgar Cahn (2000) of 'co-production'.

Put simply, the co-production idea means that – if they're going to succeed in the long-term – welfare programmes, policing or health, need to be equal partnerships between professionals and clients. That sounds a pretty familiar idea, because politicians and professionals have been paying lip service to something similar for a generation or more.

What makes the ideas behind co-production both more subtle and more revolutionary – and why policy-makers in Europe and Japan are getting excited about it – is that 'co-production' is also the collective name for a series of very practical techniques that any professionals can use to transform their relationship with their clients, and work alongside them for a change.

As a result, what started as a simple critique of public institutions often ends up somewhere rather

more surprising – maybe with the poorest neighbourhoods in downtown Boston working alongside Harvard professors to eliminate drug resistant diseases, or 16-year-olds from some of the most notorious projects in Washington running their own courts, and under licence from the District of Columbia, or people in St Louis paying their doctor's bills with credits earned helping local old people.

Co-production means a strange mixture between common sense and what might otherwise might be regarded as anathema by traditional left and right, but taken together add up to something much more powerful.

One the one hand, the 'ultimate consumers' of justice of mental health services, or of health insurance are involved with professionals in a whole new series of reciprocal partnerships. On the other hand, for the gurus of co-production, welfare must be 'earned'. Things are not given away for free.

Co-production, if it takes off, means an end to the old familiar formulas of philanthropy. No more giving by wealthy, no more *noblesse oblige* and grateful recipients. Instead, it means reciprocal agreements with neighbourhoods or traditional welfare groups that – if they are not exactly based on the market – they do certainly imply contracts and agreements. And it does so with the ultimate hope that, for the first time since the inception of many of our giant public institutions, they actually work – they actually bring about the elusive holy grail of public policy: real change.

'Co-production' does not necessarily mean time banks, but often it does because they provide a simple way of managing reciprocal relationships – just as ordinary money simplifies the kind of reciprocity behind trade and business. Time banks also provide a technique that could be used to tackle a range of other knotty social issues. For example:

- *Housing*: how, in practice, do you get a neighbourhood to provide the kind of mutual support that will prevent a new estate sliding into alienation, or an old street in the middle of a northern industrial town being abandoned to criminality? Time banks can only do so much, but what if housing managers use the model used in Baltimore that every household owes eight hours a month through their local time bank as part of

the rent? The system works – they can spend anything extra they earn on the buses – because it is seen to make a difference to the place they live.

- *Recycling*: it may not be practical politics at the moment to follow the recent advice of a Downing Street think-tank to charge people for the rubbish they put out. It would be simpler to reward people for recycling – and at least one time bank in London is planning to do so. That would be impossible if you were trying to reward them in normal money, but time credits does measure and reward the effort people are putting in. If you then allow these credits to be used in buses – as they are in Rotterdam or in Curitiba in Brazil – then you use spare capacity in the transport system to clean up the city.
- *Student loans*: some people will never afford to pay them off. Worse, the fear of debt may prevent some students from buying the equipment and the books they need. What if it was possible to pay some of these loans off in time – even if it was just the interest to them? In Boulder, Colorado, people who would otherwise go to jail because they cannot afford the maintenance for their ex-wives or cannot afford parking fines can pay them off in time. It saves the state money.
- *Schools*: the success of the Opt 4 IT project in three Tower Hamlets schools, where disruptive pupils earn time credits by tutoring younger children, and use their credits to buy a computer, shows the possibilities of this kind of scheme. The Treasury has also funded the Southwark Police Karrot scheme, which pays credits to schoolchildren at risk of truancy for turning up to school. But the most successful schemes are not just rewarding pupils: it is involving the most difficult ones in the business of delivering education.

As these schemes grow, the question is how much they should be knitted together. Transforming time banks into the local interface of a giant city-wide scheme – perhaps using the new London Underground smartcards to collect time credits – might undermine its local power. But equally it would allow people to carry on earning and spending time credits throughout their lives, and from one public institution to the next.

This may not keep everybody active in the community – although it could also reward people for voting – but it would put the question of people's activity in the community at the heart of the public services and involvement debate. This because, despite the hand-wringing of the chattering classes, the question of participation is not about whether or not people can be bothered to vote once every few years – before they slump back before the passivity required of them by officials and professionals alike. In that situation, of course people aren't going to vote. Voting and other kinds of participation emerge out of other kinds of activity for local and personal good. If we hand over the whole of public life to professionals and officials who know best, the rest of society will eventually seize up with boredom and powerlessness.

Time banks and co-production are the antidote to this kind of sclerosis. They are an alternative form of mutualism – one with some practical meaning – that has the chance to make our public services and welfare system consistently more effective.

We know that traditional forms of mutualism failed to motivate people – and perhaps that's not surprising considering how little involved they felt: an annual letter from a building society chairman telling you who to vote back on the board. Time banks are a new kind of mutualism without ownership at its heart: they have participation at their heart, and a new definition of work.

Mutual participation without ownership can be exploitative, of course, and time banks must stick closely to the original empowering vision to avoid that. But mutual ownership without participation is a meaningless lie, and the new wave of mutual public services must realise that before repeating the mistakes of the past.

It's not the owning, it's the taking part. Because only by taking part as equal partners in our institutions do we get any kind of meaningful control over them. The future of our public services is going to be reciprocal, because it's the only way we can make them effective.

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‘With a little help from my friends.’ Evaluating time banks as a tool for community self-help

Gill Seyfang

As a nation we’re rich in many things, but perhaps our greatest wealth lies in the talent, the character and the idealism of the millions of people who make their communities work. Everyone – however rich or poor – has time to give . . . Let us give generously, in the two currencies of time and money.

Tony Blair (2000)

INTRODUCTION

The UK government’s Active Community Unit (ACU) has identified the need for informal mutual support, volunteering and community self-help, to build capacity for regeneration among deprived neighbourhoods and grow healthy communities. As Prime Minister Tony Blair explains in the quote above, time is a vital resource for this effort. Indeed, a key element of active citizenship and regeneration in New Labour’s strategy for tackling

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social exclusion is the mobilisation of voluntary activity (SEU, 2000; PAT9, 1999).

This perspective describes a social policy associated with Liberalism and the Utilitarian individualists. Social inclusion policy within this paradigm focuses on individual behaviour patterns at the micro-level, rather than social structures. Policies aim to mould people into flexible actors in a specialised competitive economy – hence the emphasis on education and skills, and deregulation of the labour market. Exhortations for individuals to build social capital – networks of reciprocal social relations, trust, civic participation and community solidarity (Putnam, 1995) – through community participation and active citizenship are well placed within this individualistic, liberal discourse. Social capital is claimed to be a palliative for harsh economic conditions, and also to provide substitute and alternative fora of inclusion, outside the economic sphere (Allen, 1998). The New Labour government has promoted a ‘third way’ beyond the dichotomy of state and corporate actors, by focusing on the rights and duties of active citizens (Watt and Jacobs, 2000). In so doing, the UK state has been subtly redefined, away from a provider of universal welfare and redistribution to a liberal state whose role is to be “an enabling force, providing – as a right – equality of opportunity, whilst insisting on the individual’s responsibility for their own welfare and future” (Blunkett, 1999; see also Seyfang, 2002d).

Harnessing self-help activities for community capacity-building, social inclusion and self-help is therefore a pressing policy objective, and imaginative and resourceful initiatives are required to achieve this (Williams, 2002). Furthermore, imaginative new tools are sought which reward voluntary activities and engage people who do not normally participate – the young, elderly, ethnic minorities, the unemployed, and women (PIU, 2000).

‘Time banks’ are a new initiative which promise to do just this. They are community-based mutual

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