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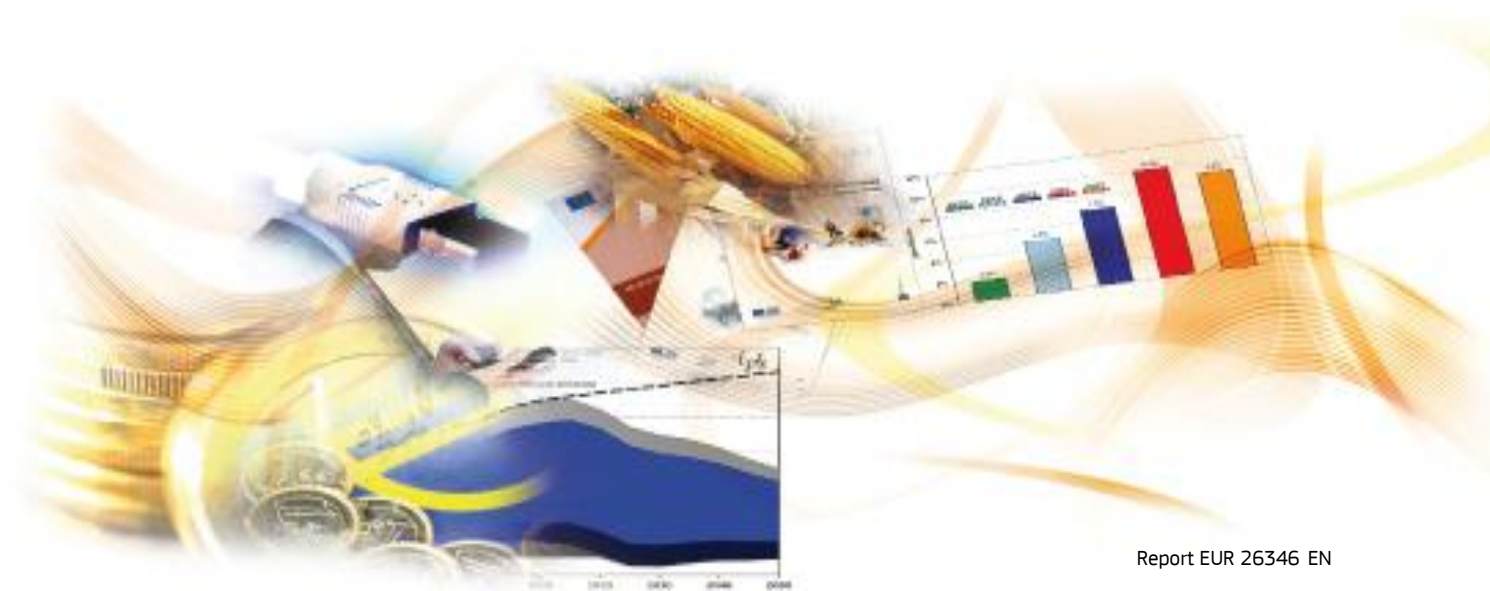
# The Potential of Time Banks to support Social Inclusion and Employability

An investigation into the use of reciprocal volunteering and complementary currencies for social impact

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## About the Author

David Boyle is a fellow of the New Economics Foundation and the New Weather Institute. He has been at the heart of the effort to develop co-production and introduce time banks to Britain as a critical element of public service reform. He was co-author of three key reports for NESTA in 2009/10, *The Challenge of Co-production*, *Public Services Inside Out* and *Right Here, Right Now* which set out co-production as a practical way forward for UK services. He was recently the government's independent reviewer on Barriers to Public Service Choice (2012-13). He was also the founder of the London Time Bank network and co-founder of Time Banking UK. He has been closely involved in their Clone Town Britain campaign and writes about the future of volunteering, cities and business. [www.david-boyle.co.uk](http://www.david-boyle.co.uk)

## PREFACE

As the Internet pervades the economy and society, new tools and cultural models for human activity are being developed that change the practices and possibilities of work: the way that tasks are executed, how they are organized; how human capital is contracted, exploited and developed; and the ways and places that people are able and choose to work and develop their working lives.

In the current economic context where a key policy emphasis is on employment, the JRC-IPTS Information Society Unit undertook a project, ICT for Employment - Future Work, to build understanding of four novel forms of internet-mediated work activity, both paid and unpaid: online work exchanges, crowdfunding, online volunteering and internet-mediated work exchanges (time banks). The project comprised a set of parallel studies of the state of understanding and practice in these areas, and in-depth qualitative studies of the users and creators of services based on these concepts, analysed from the perspective of employability.

These studies capture some of the ways work, and pathways into work, are changing, in order to identify whether these changes offer opportunities for policy to promote employment and growth, or whether they represent new challenges with respect to labour markets and employment conditions, such as creating new barriers to participation in the labour market. There is considerable public, private and third sector activity in these areas, and many initiatives can be seen as models of social innovation. The findings are relevant to policy concerns in a range of EU policies, most notably, the Agenda for New Skills and Jobs, and specifically the *European Commission Employment Package 2012* Key Action 8 which identifies a need to "Map new forms of employment", and the *Social Investment Package 2013*.

The studies are both descriptive and analytic and set out to answer:

1. How do new internet-based systems based on exchange or donation of labour, or capital provision, operate from both the user and operator perspectives?
2. What are the opportunities and challenges that each of these types services present to policy?

The following reports have resulted from the project ICT for Employability.

Thematic reports:

1. Internet-mediated Volunteering in the EU: history, prevalence, approaches and relation to employability and social inclusion;
2. The Potential of Time Banks to support Social Inclusion and Employability: an investigation of the use of reciprocal volunteering and complementary currencies for social impact;
3. Crowdfunding and the Role of Managers in Ensuring the Sustainability of Crowdfunding Platforms;
4. The Value of Crowdfunding;
5. From Cloud to Crowd: online work exchanges for contract and crowdsourced labour;

Synthesis reports:

1. CrowdEmploy: Crowdsourcing Case Studies. An empirical investigation into the impact of crowdsourcing on employability;
2. Exploratory Research on Internet-enabled Work Exchanges and Employability (the present report);
3. ICT for Employment, Future Work Final Report, four trends in paid and unpaid work: implications for employability.

These reports are available on the JRC-IPTS website:

<http://is.jrc.ec.europa.eu/pages/Employability-TheFutureofWork.html>

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## EXECUTIVE SUMMARY

The developed world is facing a series of economic crises, many of them inter-linked, that is forcing a series of reconsiderations about the various uses of money and how they might best be deployed for areas and neighbourhoods which have been struggling economically. The reductions in public spending, combined with rising unemployment, have made innovation in this area more urgent than before. This report is about the combination of two innovations – complementary currencies and counting systems supported by developments in information and communications technologies – and explores the role they might play in tackling these combined crises. In particular, it looks at the current and future role of time banks in the European Union and beyond.

The report draws on two different sets of evidence, first a literature review of available research and then an analysis of examination of ten case studies, from Europe and the rest of the World, based on detailed interviews with the time banks and currencies themselves.

### What is a time bank?

Time banks are systems which measure and reward the effort people make in their neighbourhoods, to support other people – often in very informal ways – and which allow people also to draw down informal support when they need it. In different ways, they use time as a kind of ‘money’ to reward people who help out in their neighbourhoods or beyond, and which then acts as a medium of exchange, whereby they can draw down help from the system themselves – or spend the time on more concrete rewards, like entry to sports clubs, training or even food.

By using time as a parallel currency, time banks are clearly related to other complementary currency systems. In the typology set out here, they share the characteristics of being predominantly (though not exclusively) local but having as their objective *social* improvements rather than predominantly *economic* ones.

	<b><i>Social</i></b>	<b><i>Economic</i></b>
<b><i>Local</i></b>	<b>Time banks/service credits</b> , e.g. Member-to-Member, Skill Swap, Rushey Green, Spice, Care Banks, Freecycle, Holy Cross.	<b>Local currencies</b> , e.g. LETS, Brixton pound, Ithaca hours, Stamp Scrip, Community Way, local barter, Community Exchange, berkshares, Global Barter Clubs
<b><i>National or international</i></b>	<b>Loyalty points</b> , e.g. Nectar, NuSpaapas, Young Scot, Wigan and Windsor, Fureai Kippu, Washington Youth Court, Karrots	<b>Backed currencies</b> , e.g. kWh money, Carbon points, Liberty dollar, Terra, Wir, LLP money, C3, Farm notes.

The boundaries between these types of practices are far from stable, and are subject of much debate: there are time banks in this report that might fit more appropriately into the loyalty or reward points category, and those where the predominant characteristics are those of local currencies.

### Goals and impacts of time banks

It is clear from the evidence that time banks have a track record of rebuilding personal and local social networks effectively, improving physical and mental well-being and improving employability.

The report distinguishes between time banks with a social purpose, and other kinds of complementary currencies which aspire to an economic purpose. It also proposes the following categorisation of time banks:

1. *Co-production time banks*: this is the UK model, based on the principles originally set out by Edgar Cahn, designed primarily to build social networks and to change the relationship between professionals (doctors, social care workers, housing professionals etc) and service users (for example: Fair Shares, the community time bank based in rural areas in the Cotswolds).
2. *Municipal time banks*: this is the Spanish model, which emerged separately, originally out of the feminist movement, and are used for a range of purposes sponsored by local government such as encouraging mutual support and community self-help (Spanish cities like Barcelona have been closely involved in the launch of their time banks). Because of the involvement of local government, the scope of the Spanish *bancos de tiempo* is often broader than it is in the UK and includes basic economic exchanges. It is also the prevailing model used by the Italian *banche del tempo*, and there have been attempts to spread from there to Bulgaria and Greece (for example: Banco del Tiempo El Escorial, the time bank which enables mutual support in the town in central Spain).
3. *Insurance credits*: this is the Japanese model, designed as a series of integrated national systems to revitalise retirement and social care. It tends to mix ordinary cash with other credit systems and focuses primarily on the care of old people (for example: the *fureai kippu* schemes to promote support for older people).
4. *Reciprocal volunteering*: this is the online model developed by the UK consultancy Slivers of Time and others, which allows people who are volunteering to exchange credits directly over the internet (for example: Cronobank and other online reciprocal volunteering systems).
5. *Time-based currencies*: this is where economic exchange meets social exchange. It includes currencies like the Local Exchange Trading Systems (LETS), for example the German and Austrian *Tauschring*, which were designed originally to revitalise the local economy, to use skills and resources better (for example: Talente Tauschkreis Wien, the Talente 'circle' based in Vienna).
6. *Reward points*: this is the Frequent Flyer points model, a national or local system providing rewards for certain designated behaviour, such as recycling or helping local charities, which can be traded in for something more tangible (for example: the UK-based charity website Blue Dot or the original green behaviour reward card from Rotterdam, Nu Spaarpas).

The term '*co-production*' refers to the way institutions motivate their beneficiaries to help support their social, economic, behavioural or environmental objectives. When it comes to time banks, it means that they achieve this by recognising people's effort by rewarding them with the right to draw down support – or in other ways.

*Links between types of time banks*: The links between the different kinds of systems are not well documented or understood. They clearly exist, because time banks – like the Italian ones – demonstrate influences from various different places. There is also evidence that European time banks are spreading quite quickly to the peripheries of Europe and to other continents. But the communications between them across Europe are very informal and often non-existent. For the economic currencies (those which are designed to achieve economic ends, rather than social ones),



there are co-ordinating studies and bodies, like Complementary Currencies in Action, currently funded by the European Interreg Programme.<sup>1</sup>

*Socio-economic involvement:* Different types of time banks appear to address different populations. The first detailed study of time banks in the UK found that the socio-economic profile of people involved with time banks was completely different from those involved in traditional volunteering. Time banks did appear to be able to reach hard-to-reach sections of the population in a way that traditional volunteering was unable to do. In contrast, some of the time-based currencies, like the Talente system in Austria and the Italian *banche del tempo*, seem to be attracting mainly better-off, who may also have been hit by the economic difficulties.

*Work related:* Social inclusion and employability are a continuing theme in the research literature and evidence base, mainly by helping people recover, from physical or mental breakdowns, or family crises, to find social networks and improve employability. Led by Edgar Cahn in the USA, time banks in Europe have begun to see themselves as engines of what he calls 'co-production'. Time banking recognises that almost everybody has something that the community needs, even if it is simply providing a friendly voice over the phone. When professionals like doctors, teachers or police find it difficult to succeed without the active involvement of the community, then time banks can provide a way of redefining work so that it includes all this vital but unmarketable local effort – looking after older people, checking on people coming out of hospital, measuring and rewarding this effort. The importance of this is that the involvement of time banks in public services may also enable savings in public spending – which could be used, even indirectly, to pay for the time bank infrastructure. This is controversial and depends on how the savings are found.

*Costs:* Start-up costs for time banks and similar systems are now low. But the costs of providing them with a human co-ordinator, which the research agrees is vital, is more difficult and funding is elusive. There is a continuing need for central organising and marketing staff – if the currencies are to reach the groups in society who would benefit most – and that suggests that currency systems will thrive increasingly inside partner organisations, rather than searching for funds separately outside. Again, this remains controversial, since some time banks insist on independence, but this can depend on having motivated volunteers

*Use of ICTs:* There is a division between currency types: the time banks tend to use specialist IT solutions which have developed with their specific, more informal, needs in mind; the other currencies tend to use IT solutions based on Cyclos. There are exceptions to this: many time banks use the South African CES system. The reasons for this division may be, though there is no research to base this on, that the kind of exchanges are different and that this is recognised by the software. Otherwise, we have to assume that the technological differences reflect the different traditions involved.

For the time banks, there is also a dilemma. On the one hand, they need to retain the human element, a theme that is repeated in research in the UK, Spain and Italy. On the other hand, they need to expand despite their limited resources – often managing hubs in different neighbourhoods – and this requires software that can allow them to do so.

## **Evolution of time banks: scope and scale**

Time banks have been emerging, broadly speaking, from two sources – the complementary currency movements around Europe, and from the reciprocal volunteering systems in the USA and Japan.

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<sup>1</sup> The project is part-funded through INTERREG NWE IVB (ERDF), see <http://communitycurrenciesinaction.eu/>

They also seem to be accelerating: the numbers of time banks or time banking-style organisations has doubled in the UK, USA and Spain over the past five years, though they seem to have stayed steady in Italy, France, Germany and Japan. Also, bald numbers of institutions, and bald numbers of members, may not give a very good guide to how active people are.

There are two other reasons why these figures may be misleading. The first is that the emergence of hubs and sub-time banks make it difficult to work out which time banks to count in the totals. The second reason is that there is also a tendency for the statistics about scale to over-emphasise start-ups.

It is also difficult to see clearly how many people are involved and how active they are. If there are about 1,000 time banks, there may be a similar number of time-based currencies or similar in the German and French speaking nations, and elsewhere. If we assume an average membership of 100, that would imply around 200,000 members in the European Union. But this is a very rough estimate and may have little value.

### **Evidence from the case studies**

The case studies were chosen as ten of the most interesting time bank systems, and complementary currency systems, for comparison (see table).

These cases confirm the distinctive roles of the time banks, compared to some of the complementary currencies. They also reveal the role that women overwhelmingly play, not just in the time banks (that was already clear from the research) but in most of the economic currencies too. They also confirm the variety of different IT systems that are in use – and the different roles played by the different kinds of currency.

<b>Name</b>	<b>Goal</b>	<b>Stakeholders</b>	<b>Location</b>	<b>Classification</b>
<b>Sawayaka Organisation</b>	Disaster recovery	Local people	Tokyo and beyond, Japan	Insurance credits
<b>Salut y Familia</b>	Mutual support	Women, etc	Barcelona, Spain	Municipal
<b>Rushey Green Time Bank</b>	Mutual support and health	Patients and neighbours	Lewisham, London, UK	Co-production
<b>Garw Timecentre</b>	Mutual support and community	Local people	Blaengarw, Wales	Co-production
<b>Visiting Nurse Service of New York</b>	Mutual support and social care	Care receivers and neighbours	New York City, USA	Co-production
<b>Talente</b>	Mutual support and economic recovery	Local people	Austria	Time-based currency
<b>Palermo Time Bank</b>	Mutual support and economic recovery	Local people	Sicily, Italy	Municipal
<b>Banco Palmas</b>	Enterprise	Women, etc	Palmas, Brazil	Parallel currency
<b>SoNantes</b>	Enterprise	Local entrepreneurs	Nantes, France	Parallel currency
<b>Rigac</b>	Economic recovery	Local people	Hungary	Parallel currency

The case studies highlight a number of issues relevant to the following areas of policy:

*Health:* There are aspects of the case studies which make time banks particularly relevant to policy-making in health:

- By providing volunteer support when people are recovering and coming out of direct professional care.
- By providing people with new social networks.
- By encouraging people on the margins to understand that they have important roles to play in those networks.

The main barrier here appears to be that health professionals have been slow to understand the significance of what is possible.

*Job readiness:* There are examples in the case studies of time banks making training available for people and finding them jobs, but the main role of at least a proportion of time banks appears to be earlier in the process of preparing people for employment – supporting people when they have been through depression or other disability or chronic problems, or when they have become isolated. Time banks seem to have a record of helping people get into the position where they might think about employment again, in particular after episodes of mental ill-health.

*Public sector effectiveness:* Again there are differences in national traditions and models. The UK time banks in particular are increasingly integrated with host organisations – limited only by the fear that public sector management may be too constrained and risk-averse to allow themselves the innovative freedom they need to do their jobs. This is partly driven by the need for core funding, if time banks are going to succeed in reaching their target audience in the hard-to-reach sectors. The lesson is that time banks can help public services achieve their objectives by providing supportive social networks and mutual support around them, and by extending the services which professionals can deliver. This is not a view that is necessarily shared in Italy or Spain, and certainly not in Germany and Austria.

*Resilient neighbourhoods:* The case studies make it clear that time banks also have a proven record of building supportive communities where they had been too divided or too economically deprived to create those for themselves. There is some evidence that members are better off because of the time banks, though the wider evidence for the other currencies and their economic impact is more ambiguous. On the other hand, the experiments in Latin America, lending very small amounts in parallel currencies to entrepreneurs, do now seem to be emerging in Europe, and this may prove significant.

*Women's entrepreneurship:* The research evidence does not cover this. But the implication of the success of Banco Palmas is that the focus on women is not just a feature of time banks; it also works effectively for the economic currencies. The implications are that women are central to the success or failure of all kinds of currencies, across the spectrum. The implication is that this is an important area for policy-makers to look at – and that building supportive communities of women in particular can underpin policies supporting poverty reduction and enterprise.

## **Key challenges**

The key challenges identified in literature and new case studies are around the sustainability of time banks, given that they need a human infrastructure as well as an online one, the relationship between time banks and other public services, and the ability to use information and communication technology to expand their reach and effectiveness. The case studies imply that

some time banks are increasingly becoming part of their host organisations, but they also show there are barriers to this.

The key may be an accounting problem: i.e. investment in time banks sees the financial savings that result accrue elsewhere in the public budget – so it is hard to identify and draw down these savings to pay for the time bank infrastructure. This is a basic problem that needs solving: how can institutions like time banks get access to the savings they make possible in public services, and use the money to make those savings possible in the first place?

The funding problem also relates to the technological problem. There is a technological challenge for time banks caught on the horns of the dilemma about how much they should be making self-managed internet-driven accounts available to members, and how much their target audience requires at least some face-to-face support beyond that provided by other members.

Behind this is the question of whether time banks (social currencies) and economic currencies are getting closer or further apart. One scenario, driven by regulation – and because time-based currencies are less useful for economic regeneration – sees them becoming further apart. That might mean a new relationship between time banks and public services. The other scenario sees them driven together by economic need, which might mean less involvement with formal services. There is some suggestion here that they may be driven apart in northern Europe and together in southern Europe, but actually there is too little evidence so far.

### **Other areas for future attention by policy and research include:**

This report identifies six specific issues related to the operation and impact of time banks.

*Public service professionals:* The evidence confirms that time banks have a potential role in the success of professionals in every field, but many professionals are slow to understand that – in particular in health. Work is needed to understand barriers to engagement and identify how to raise awareness among these professional groups.

*Role of Women:* There is also a need to look at the involvement of women in all kinds of parallel credit system and whether they are particularly able to meet the needs of women, as some of the evidence suggests so far.

*Regulation and support from welfare authorities:* The time banks may have tax ambiguities to solve in some countries, especially Scandinavia. The economic currencies still have regulatory hurdles in the future. It appears, also, that the design of time banks depends on the welfare regulations in each country, and there are complications here which need more attention before time banks can fulfill their potential role.

*The potential for employability and job creation:* There are various ways in which time banks, and the other currency systems, try to intervene in the job market, from training to small scale credit. We need to know more about what is possible and what is most effective for different populations and contexts.

*Support from enterprise agencies:* There may be an important role for micro-credit for enterprise in parallel currencies, but that will require research into the development of the Latin American model in Europe. It is also not clear exactly what relationship social and economic currencies ought to have to be most effective, and how they can work alongside each other.

*Sharing best practice and evaluation:* There are very few opportunities for time bank organisers to meet across Europe and to share experience and ideas. There are also very few opportunities for

the local authorities and mayors involved in all kinds of new kinds of credit system in Europe to meet those who have pioneered these approaches in Latin America. That may be an obvious area for collaboration and action research.

### **Summary of key findings**

- Time banks and complementary currencies are a growing phenomenon, not only in number of projects but also in their variety. The diversity of welfare system does not only imply different welfare rules but also different social needs, as well as work and time use patterns that influence the objectives, membership and use of time banks.
- Time bank and complementary currencies have the potential to improve well-being and mental health, to enhance the effectiveness of public services, and to promote entrepreneurship and self-employed business ventures.
- The high rate of women promoting and participating in these initiatives is an opportunity, but also a question: do the time banks really make the most of this participation?

## 1 INTRODUCTION AND KEY CONCEPTS

The developed world is facing a series of economic crises, many of them inter-linked, that is forcing a series of reconsiderations about the various uses of money and how they might best be deployed for areas and neighbourhoods which have been struggling economically. The reductions in public spending, combined with rising unemployment, have made innovation in this area more urgent than before. Almost a third of the unemployed in developed countries had been without a job for more than one year. At the same time, inflation in the care and welfare sector is rising faster than elsewhere, causing a crisis in public services.

### 1.1 Outline

This report is about the combination of two innovations – complementary currencies and counting systems using developments in IT – and what role they might play in tackling these combined crises. In particular, it looks at the current and future role of time banks in the European Union and beyond.

Time banks are systems which measure and reward the effort people make in their neighbourhoods, supporting other people – often in very informal ways – and which allows people also to draw down informal support when they need it. In different ways, they use time as a kind of ‘money’ to reward people who help out in their neighbourhoods or beyond, and which then acts as a medium of exchange, whereby they can draw down help from the system themselves – or spend the time on more concrete rewards, like entry to sports clubs, training or even food (see box below).

They include some of the case studies in this report, including the time bank at the Rushey Green Group Practice in London and the energetic Salut y Familia, in Barcelona, which is also an engine of opening new time bank systems in Spain and beyond. Both encourage members to support each other by rewarding them with spendable ‘credits’ for the time spent doing so.

They emerged in Europe from a range of different sources and influences, including:

- Edgar Cahn’s innovative time dollar schemes, emerging out of the civil rights movement in the USA, linked too radical social action ideas like ‘co-production’ (see box below).
- The experimental European and American complementary currencies, stretching back to the Great Depression.
- Internet-based exchange developments.

This report was prepared as part of the ICT4EMPL study at the Information Society Unit at the Institute for Prospective Technological Studies (JRC). It is one of four parallel reports covering other aspects of online innovations around the future of work. It tries to answer the following questions:

1. How do new internet-based systems based on exchange or donation of labour, or capital provision, operate from both the user and operator perspectives?
2. What are the opportunities and challenges that each of these types services present to policy?

The report is divided into two main sections, with an appendix, as follows:

- Section 2 looks at the evidence emerging from a literature review about time banks and related currency projects.
- Section 3 then looks at the evidence emerging from the ten case studies which are described in detail in the appendix.

- Section 4 examines policy opportunities and identifies areas in need of research.

## 1.2 What are time banks?

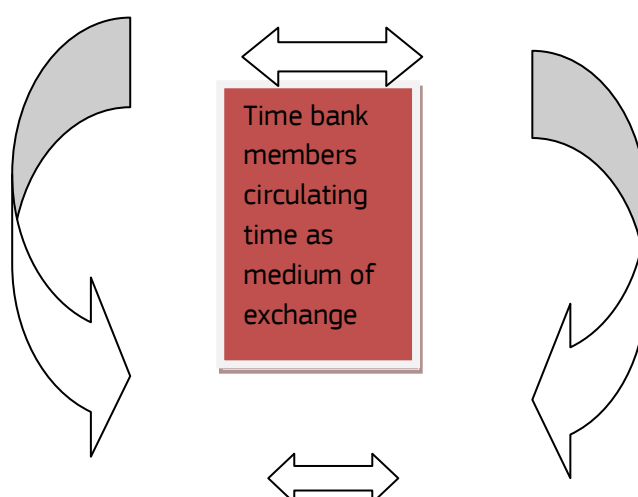
The full range of different time banks in Europe and beyond is set out below in Section 2.3, but there are perhaps two ubiquitous kinds, though most time banks – as discussed below – now borrow aspects of both. Both also use time as a kind of money. It operates as a *store of value* (so that people know they can spend their time when they need it), a *medium of exchange* (so that people can use it to access help or similar), and a *unit of account* by measuring informal support in terms of time rather than the conventional market.

This report also covers new kinds of money in Europe that use other denominations apart from time, but time banks are the core of the report. The two ubiquitous types of time bank are as follows:

### 1.2.1 Type I (metaphor: babysitting circle)

People earn credits from other members of the circle, and these then circulate around other members, who pay it out again when they want help for themselves – usually very informal help. Stakeholders may be users or neighbours of a charity or public service. They may occasionally be organisations too. The purpose is to rebuild and strengthen those reciprocal and mutual ties between people. In some time banks, the purpose is also to strengthen the local economy. These time banks almost always depend on a manager or intermediary organisation that carries out key functions, such as setting the conditions of members and use, registering users, registering work, and accounting for time credits, encouraging members to participate and supporting the time bank community in many other ways. Sometimes the work of these intermediaries is supported or funded by outside organisations.

**Figure 1: Type I time banks**

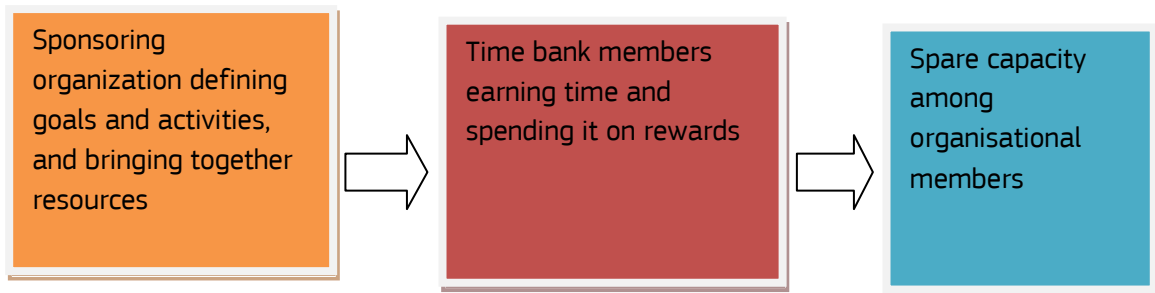


### 1.2.2 Type II (metaphor: reward points)

People earn credits from the sponsoring organisation, which may be a charity or public service organisation. These credits may be earned for many different activities, such as changing behaviour, helping other members. They can then spend the credits earned on designated rewards, which may

be spare capacity in other members of the circle (sports centres, theatres, food banks). For example, if a sports centre is a member of the time bank, and they have spare capacity on Wednesday mornings, they can offer entry during that period in return for time credits. The difference here is that the rewards don't circulate. They are simply spent and then deleted. The purpose is again to motivate people to support each other, or to carry out other neighbourhood-building tasks. Crucial to these systems are the institutional actors that run and organise the system, and supporting stakeholders.

**Figure 2: Type II time banks**



In both cases, funders are either the sponsoring organisation or an outside foundation or funder interested in rebuilding a mutual sense of neighbourliness or to build resilience and social capital.

### 1.3 What is co-production?

Co-production refers to the way institutions motivate their beneficiaries to help support their social, economic, behavioural or environmental objectives. When it comes to time banks, it means that they achieve this by recognising people's effort by rewarding them with the right to draw down support – or in other ways.

The term 'co-production' was originally coined by Elinor Ostrom in the 1970s to articulate the way professionals need their beneficiaries and clients' help in order to succeed.<sup>2</sup> The idea was developed by Edgar Cahn as a result of his work with time banks. I have defined the term elsewhere as follows:

"Co-production means delivering public services in an equal and reciprocal relationship between professionals, people using services, their families and their neighbours. Where activities are co-produced in this way, both services and neighbourhoods become far more effective agents of change."<sup>3</sup>

### 1.4 What are parallel currencies?

Parallel currencies, which normally include time banks, provide additional mediums of exchange to operate alongside the national currency. How these are issued varies considerably, but they might include:

- Mutual credit: where the currency is created when members go into debt to each other.
- Transition currencies: where the money is printed as banknotes and sold at a discount.

<sup>2</sup> [http://cdn.elsevier.com/assets/pdf\\_file/0013/105151/Crossing-the-great-divide-Coproducton-synergy-and-development.pdf](http://cdn.elsevier.com/assets/pdf_file/0013/105151/Crossing-the-great-divide-Coproducton-synergy-and-development.pdf)

<sup>3</sup> Boyle and Harris (2009), *op cit*.



- Hours currencies: where the money is printed and issued in other ways, for example as loans or grants.
- Demurrage currencies: where the money is issued but loses value month by month to encourage spending.
- Backed currencies, where the money is backed by anything from the value of gold to the value of vegetables or locally produced renewable energy.

Anyone can use anything as money, as long as it is agreed. The regulatory issues are around counterfeiting and, in the case of electronic currencies, what backs them. Regulators are also careful to make sure that currencies are not able to be used to avoid tax or to purport to be national currency.

## **1.5 Method and case studies**

This report draws extensively on a 2011 literature review of complementary currencies, including time banks in this case.<sup>4</sup> My own previous work has given me a good bird's eye view of what is available.<sup>5</sup> I brought time banks to the UK, having seen them in action in the USA in 1996, and was heavily involved in their development with others – co-founding Time Banking UK and founding the London Time Bank network in 2001. I have been closely involved in writing and making policy in this area ever since. There is more evidence available in the literature on co-production which applies to time banks, and potentially also to reward point schemes.<sup>6</sup> In summary, there is emerging data about the success of time banks and their ultimate costs and benefits, but much less about other kinds of complementary currency – and especially about their economic effects.

The case studies were chosen from a shortlist of the most interesting or distinctive projects around the world, discussed with other time bank experts and with the commissioners of the report. They are drawn from interviews carried out in person using a common template of questions, and the resulting answers checked with the interviewees. Where this was not possible, because of language difficulties, an intermediary was used and they used the same template of questions.

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<sup>4</sup> Slay (2011), op cit.

<sup>5</sup> See for example, Boyle (2011).

<sup>6</sup> Nesta (2012), *People-Powered Health Co-production Catalogue*, Nesta, London; see also David Boyle et al (2010), *Public Services Inside Out*, Nesta/New Economics Foundation, London.

**Table 1: Case studies**

<b>Name</b>	<b>Goal</b>	<b>Stakeholders</b>	<b>Location</b>	<b>Classification</b>
<b>Sawayaka Organisation</b>	Disaster recovery	Local people	Tokyo and beyond, Japan	Insurance credits
<b>Salut y Familia</b>	Mutual support	Women, etc	Barcelona, Spain	Municipal
<b>Rushey Green Time Bank</b>	Mutual support and health	Patients and neighbours	Lewisham, London, UK	Co-production
<b>Garw Timecentre</b>	Mutual support and community	Local people	Blaengarw, Wales	Co-production
<b>Visiting Nurse Service of New York</b>	Mutual support and social care	Care receivers and neighbours	New York City, USA	Co-production
<b>Talente</b>	Mutual support and economic recovery	Local people	Austria	Time-based currency
<b>Palermo Time Bank</b>	Mutual support and economic recovery	Local people	Sicily, Italy	Municipal
<b>Banco Palmas</b>	Enterprise	Women, etc	Palmas, Brazil	Parallel currency
<b>SoNantes</b>	Enterprise	Local entrepreneurs	Nantes, France	Parallel currency
<b>Rigac</b>	Economic recovery	Local people	Hungary	Parallel currency

## 2 REVIEW OF EXISTING ACADEMIC AND GREY LITERATURE

### 2.1 Introduction

This chapter looks at the emergence of time banks as a potential tool for building employment opportunities and employability, and the existing evidence and literature about them. It also looks more broadly at how time banks compare with other complementary currency or reciprocal exchange systems.

### 2.2 Outline mapping

The following information derives from a literature review of the time banking area. Time banks organise people in an exchange system, allowing them to use their skills or time to help others, and rewarding the effort they make with exchangeable credits – traditionally called ‘time dollars’ or ‘time credits’ – on an hour-for-an-hour basis. Time banks, or service credit systems, emerged in the USA in 1987, developed by the civil rights lawyer Edgar Cahn after a period at the London School of Economics.<sup>7</sup>

However, there are at least two other starting points: the Spanish *bancos de tiempo* emerged separately out of the women’s movement. The Italian *banca del tempo* model has also attracted women in particular, though this may now be changing.<sup>8</sup> Both have been sponsored by regional and local government. The Japanese *fureai kippu* emerged out of the burst of volunteering that followed the Kobe earthquake in 1995. Yet Cahn’s influence has also been profound, providing a fully worked out philosophy which distinguished time banks from other experiments with currency systems. (see under ‘co-production’, below).

Complementary currency systems have a much longer pedigree, emerging especially during periods of economic difficulty, but their objectives can be very different. Although they may overlap in their objectives with time banks, they are usually more focused on economic change – with social change as a by-product.<sup>9</sup>

Time banks, as usually understood, are systems which work to develop mutual support networks among local people, providing them with credits measured in hours for the effort they put in helping neighbours – and offering them the chance to spend those credits when they need help themselves, or to spend them on a range of rewards provided by local cultural or sporting organisations. It is hard to generalise, but most time banks share some or all of the following features:

- They are often embedded inside charities or public services to help them involve hard-to-reach people.
- They issue credits rather as a Frequent Flyer programme does, assuming that most will not be spent.

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<sup>7</sup> Cahn, E. S. and Barr, N.S. (1986) *Service credits: a new currency for the welfare state*. Discussion paper / Welfare State Programme. Suntory and Toyota International Centre for Economics and Related Disciplines; no.8, London School of Economics and Political Science, Suntory and Toyota International Centre for Economics and Related Disciplines, Welfare State Programme, London.

<sup>8</sup> Amorevole, R (2005), ‘Banca del Tempo dieci anni di sperimentazioni e il ruolo delle donne’ in *Atti Convegni Banche del Tempo Ivrea*, Ivrea, Provincia Torino.

<sup>9</sup> Boyle, D. (2011), *More than Money: Platforms for exchange and reciprocity in public services*, Nesta, London.

- The debits and credits do not usually need to add up: often they are simply issued to encourage people, knowing that most are not spent. When they are spent, they are simply deleted.
- They tend to have a co-ordinator, sometimes with a staff, at the heart of the time bank.
- Their credits are usually based on an hour for an hour's work, whatever that work is.
- They tend to pay credits for effort, whatever it is – even talking on the phone to people.
- They tend to be funded by public money or through public services.

### 2.2.1 Findings for time banks

Most academic studies of time banks in action have found that they are most effective in achieving the following for their sponsoring organisations:<sup>10</sup>

**Table 2: Achievements of time banking according to research.**

<b>Improvements</b>	<b>Who benefits</b>	<b>Why</b>	<b>Example</b>
<b>Social networks</b>	Public services	Mutual support networks prevent social problems emerging	Rushey Green Time Bank in London, embedded in doctor's surgery
<b>Social inclusion, sense of belonging</b>	Isolated people, refugees	Time banks have a record of reaching out across communities	King's Cross Time Bank in London has a record of helping people in this way, and crossing boundaries between different racial groups
<b>Employability</b>	Unemployed, or people with alcohol, or mental issues	Helping them get used to contributing	Barcelona Time Bank has specialised in this area
<b>Inter-generational relations</b>	Old people	Giving them a sense of bring useful and contact with young people	Fair Shares, Gloucestershire, specialised in older people
<b>Psychological well-being, confidence and self-esteem</b>	Old people, people with mental health issues	Helping them find friends and feel useful	This is one finding that is common across time bank evaluations
<b>Physical well-being</b>	Old people	Helping people stay active	Research at the Visiting Nurse Service of New York shows that over-80s say they feel better as a result of involvement in the time bank

The first detailed study of time banks in the UK compared those involved with time banks with those involved in traditional volunteering in the neighbourhood. They found that the socio-economic profile of people involved with time banks was completely different from those involved in traditional volunteering. Time banks did appear then to be able to reach hard-to-reach sections of the population in a way that traditional volunteering was unable to do.<sup>11</sup> This is not so much the case with time banks in other European countries, which are often attracting middle class people in economic difficulties, or people from rural communities or the counter-culture.

<sup>10</sup> Slay, J. (2011), *More Than Money: Literature review of the evidence base on Reciprocal Exchange Systems*, Nesta, London.

<sup>11</sup> Seyfang, G., and Smith, K (2002), *The Time of Our Lives*, University of East Anglia, Norwich.

Issues beyond employability are not included on this list, though social inclusion and employability are a continuing theme in the research literature and evidence base. One study showed that time banks attract disproportionately high number of members of socially excluded groups: 72% not in formal employment, 54% receive income support, 58% live in households with an income below £10,000, 42% are retired and 13% are disabled or have a long-term illness.<sup>12</sup> Again, this suggests that time banks are beginning to find a niche inside or attached to public services, certainly in the UK.<sup>13</sup> There is other similar evidence from other studies.<sup>14</sup>

The combination of soft social skills and user groups who are excluded means that the growth of time banks can also help people increase their employability, even if employment is not the main reason why people get involved with time banks. That is especially so when training becomes part of mainstream time bank life, as it did in the Member Organized Resource Exchange in St Louis or the Blaengarw Time Centre (see Appendix). Unlike other kinds of complementary currency, time banks can simply pay people in time credits to encourage them to take part.<sup>15</sup>

LETS (local exchange and trading systems) are no longer widespread in the UK but, when they were, there were also indications that they could improve employability and also lead to direct employment.<sup>16</sup> There was also some evidence that involvement in LETS could help provide a seedbed for developing self-employed business ventures.<sup>17</sup> A similar approach to mutual credit is represented by the German Tauschring, of which there are around 350 in Germany, Austria and Switzerland. The French SEL systems (mutual credit systems like LETS) follow a similar pattern. These are not, strictly speaking, time banks because they often mimic market pricing – and have to do so because they have ambitions in the local economy rather than just the social economy (see below).

Many studies demonstrate that involvement in time banks can lead to improvements in well-being and mental health, usually by plugging people into social networks when they were isolated before.<sup>18</sup> There are some examples of using time banks to improve economic prospects, though this is mainly devoted to improving people's employability skills.<sup>19</sup>

## 2.2.2 Co-production evidence

Led by Cahn in the USA, time banks have begun to see themselves as engines of what he calls 'co-production'.<sup>20</sup> Co-production means the way institutions motivate their beneficiaries to help support

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<sup>12</sup> Seyfang, G. (2002) Tackling social exclusion with community currencies: learning from LETS to Time Banks, *International Journal of Community Currency Research*, 6 (3).

<sup>13</sup> Ryan-Collins, J. et al (2008), *The New Wealth of Time*, New Economics Foundation, London.

<sup>14</sup> Slay (2011).

<sup>15</sup> Seyfang (2002), op cit.

<sup>16</sup> Williams, C. et al. (2001) The Role of the Third Sector in Paving a 'Third Way': Some Lessons From Local Exchange and Trading Schemes (LETS) in the United Kingdom, *International Journal of Community Currency Research*, Vol 5.

<sup>17</sup> Williams, C.C. et al (2001) Bridges into Work? An evaluation of Local Exchange and Trading Schemes (LETS), The Policy Press, Bristol.

<sup>18</sup> Slay (2011), op cit. See also Judith Lasker et al (2011), 'Time Banking and Health: The Role of a Community Currency Organization in Enhancing Well-Being', *Health Promotion Practice*, Vol. 12, No. 1, 102-115.

<sup>19</sup> Callison, S. (2003), 'All you need is love? Assessing time banks as a tool for sustainable economic development, *Local Economy*, 18, 264-267.

<sup>20</sup> Cahn, E. S. (2001), *No More Throwaway People: The co-production imperative*, Essential Books, Washington.

their social, economic, behavioural or environmental objectives. When it comes to time banks, it means that they achieve this by recognising people's effort by rewarding them with the right to draw down support – or in other ways.

The term 'co-production' was originally coined by Elinor Ostrom in the 1970s to articulate the way professionals need their beneficiaries and clients' help in order to succeed.<sup>21</sup> The idea was developed by Edgar Cahn as a result of his work with time banks. This suggests that time banks can be used as a way to create a reciprocal relationship that turns the users of public services into equal partners who are earning by doing the unpaid, marginalised work that society needs.

Time banking recognises that almost everybody has something that the community needs, even if it is simply providing a friendly voice over the phone. If professionals like doctors, teachers or police are unable to succeed without the active involvement of the community, then time banks can provide a way of redefining work so that it includes all this vital but unmarketable local effort – looking after older people, checking on people coming out of hospital, measuring and rewarding this effort.<sup>22</sup>

Time banks are not the only way of creating this symbiotic relationship, but it means that time banks could also draw also on the evidence about the effectiveness of co-production in public services.<sup>23</sup>

The importance of this evidence is that it also provides estimates of savings to public spending when co-production is involved. Most of this does not directly involve time banks, which is a means to the same end, but some does. A recent study of time banking in London found that the cost per time bank member averages less than £450 per year, but that the value of these economic consequences could exceed £1,300 per member. As the team pointed out, however: "This is a conservative estimate of the net economic benefit, since time banks can achieve a wider range of impacts than those we have been able to quantify and value."<sup>24</sup>

The evidence for cost savings across other co-production projects has been summarised in the UK government's Barriers to Choice Review in 2013.<sup>25</sup> It suggests that time banks linked to public services might be able to draw on this evidence more widely so see the cost savings possible when they are working effectively, though clearly the idea that time banks might be used to generate savings in public spending would be controversial in some places – but less controversial if they were savings born of *increased effectiveness*, rather than savings from reduced services.

Gill Seyfang's research certainly suggests that time banking can build a collective effort and help to create new social institutions and generate new ideas for the future. She also showed how time banking can provide participation opportunities for newly arrived migrants who do not yet have a working visa but have a desire for community participation. Her conclusions are important here:

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<sup>21</sup> [http://cdn.elsevier.com/assets/pdf\\_file/0013/105151/Crossing-the-great-divide-Coproducton-synergy-and-development.pdf](http://cdn.elsevier.com/assets/pdf_file/0013/105151/Crossing-the-great-divide-Coproducton-synergy-and-development.pdf)

<sup>22</sup> See for example Boyle, D., and Harris, M. (2009), *The Challenge of Co-production*, Nesta/New Economics Foundation, London.

<sup>23</sup> Glynos, J. and Speed (2013), 'Varieties of co-production in public services: time banks in a UK health policy context', *Critical Policy Studies*.

<sup>24</sup> Knapp, M. et al (2010) *Building community capacity: making an economic case*. Personal Social Services Research Unit (PSSRU). See: <http://www.pssru.ac.uk/pdf/dp2772.pdf>

<sup>25</sup> See: [www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/80071/The\\_barriers\\_to\\_choice\\_review\\_appendices.pdf](http://www.gov.uk/government/uploads/system/uploads/attachment_data/file/80071/The_barriers_to_choice_review_appendices.pdf)

- Running the time bank as part of an existing community organisation brings benefits of institutional support, synergy with other projects and local knowledge and credibility.
- By engaging local organisations, time banks can build momentum and engagement in existing projects and activities, and bring benefits to the wider community.
- Intensive co-ordinator support is needed at ground level to engage the most vulnerable and disadvantaged; this often requires face-to-face discussion and a neighbourhood drop-in facility.<sup>26</sup>

### 2.2.3 Findings for other complementary currencies

This section tries to place time banks inside a wider typology of complementary currencies, which broadly divides complementary currencies into four:<sup>27</sup>

- Social exchange systems (time banks)
- Reward points
- Local currencies
- National, backed currencies or currencies with a specific purpose

**Table 3: A typology of currency systems**<sup>28</sup>

	<b>Social</b>	<b>Economic</b>
<b>Local</b>	<b>Time banks/service credits</b> , e.g. Member-to-Member, Skill Swap, Rushey Green, Spice, Care Banks, Freecycle, Holy Cross.	<b>Local currencies</b> , e.g. LETS, Brixton pound, Ithaca hours, Stamp Scrip, Community Way, local barter, Community Exchange, berkshares, Global Barter Clubs
<b>National or international</b>	<b>Loyalty points</b> , e.g. Nectar, NuSpaapas, Young Scot, Wigan and Windsor, Fureai Kippu, Washington Youth Court, Karrots	<b>Backed currencies</b> , e.g. kWh money, Carbon points, Liberty dollar, Terra, Wir, LLP money, C3, Farm notes.

The *social exchange systems* or time banks are described in the section above. The *reward points* provide value for money by recycling excess capacity to reward public cost-savings, usually by rewarding changed behaviour by people. As well as more quantifiable public outcomes from a social or environmental perspective, many schemes also deliver outcomes around psychological and social well-being. These and all typologies are subject

There is evidence about reward points schemes which are extensions of time banks, like for example the Time Dollar Youth Court in Washington DC, which has been found to be highly successful.<sup>29</sup> The Youth Court now takes about a third of non-violent, first time offenders out of the court system, where they are tried by juries of other teenagers, who are paid in time credits for doing so. The NuSpaarpas system in Rotterdam also achieved a significant shift in green and

<sup>26</sup> Seyfang, G. (2004), 'Time banks: rewarding community self-help in the inner city?' *Community Development Journal*. 39(1) pp. 62–71.

<sup>27</sup> Boyle (2011), op cit.

<sup>28</sup> Boyle (2011).

<sup>29</sup> Time Dollar Institute (2003) 'Time Dollar Youth Court Annual Report 2003.' Washington DC: Time Dollar Institute.

recycling behaviour (NuSpaarpas was an experimental credit, earned on a smartcard, for shopping and behaving in a way that helped the environment).<sup>30</sup>

*Local currencies* take on momentum when they are responding to a failure within the existing monetary system. But there is currently little evidence to show they provide the claimed economic benefits, perhaps because rigorous analysis has not yet been completed. Equally, they do have a track record at specific points in history (especially in Austria and the USA during the Great Depression), and also have knock-on social effects along the lines of time banks – and presumably for the same reasons: successful joint endeavour.<sup>31</sup>

Once again, there is some evidence that local currencies can help people starting out in business: one study of UK LETS (Local Exchange and Trading Systems) found that 40% were also given access to interest-free credit through LETS, though welfare regulations can act as a barrier, as earnings through LETS jeopardise benefits payments.<sup>32</sup>

Other studies show that local currencies tend to attract highly educated and politically alternative individuals.<sup>33</sup>

There is more evidence around the Regiogeld programmes in Germany, Switzerland, Austria and the Netherlands, and the Transition currencies (in UK and the Netherlands). The aim of these is to increase the velocity of money in a defined area, to create jobs, stimulate innovation and increase local and regional resilience, and to use local spending power to best advantage. One evaluation of the Chiemgauer programme in Germany showed that the velocity of regional money is five times higher than legal tender, equivalent to an increase in spending of five times, with some positive effects on demand and employment.<sup>34</sup>

There is very limited evidence on the cost benefits and outcomes achieved of *backed or national currencies*. What research there is exists mainly in the form of feasibility studies. The development in C3 in Uruguay on a major scale could provide some research in the next few years, though this may now be stalled. It is strange, for example, that Europe's oldest complementary currency system (Wir in Switzerland) has hardly been researched, but economists have been slow to understand that this is not barter and that its longevity might prove significant.<sup>35</sup> That said, James Stodder's study of WIR in practice suggests that it is highly counter-cyclical, supporting small business by providing them with better bank balances during recessions.<sup>36</sup>

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<sup>30</sup> Holdsworth, M. and Boyle, D. (2004), *Carrots not Sticks: The possibilities of a sustainable consumption reward card for the UK*, National Consumer Council, London.

<sup>31</sup> Boyle (2011), op cit.

<sup>32</sup> Seyfang, G. (2001) 'Working for the Fenland Dollar: An Evaluation of Local Exchange Trading Schemes (LETS) as an Informal Employment Strategy to Tackle Social Exclusion', University of East Anglia, Norwich.

<sup>33</sup> Van Kuik, M. (2009) 'Time for Each Other: Working towards a complementary currency model to serve the anti-poverty policies of the municipality of Landgraaf, the Netherlands', *International Journal of Community Currency Research*, Vol. 13 pp.3-18.

<sup>34</sup> Galleri, C. (2009) 'Chiemgauer Regiomoney: Theory and Practice of a Local Currency', *International Journal of Community Currency Research*, Vol. 13 (2009) pp.61-75.

<sup>35</sup> Stodder, J. (2009), 'Complementary credit networks and macroeconomic stability: Switzerland's Wirtschaftsring', *Journal of Economic Behavior & Organization*, 72. See also: Studer, T. (1998) 'WIR in Unserer volkswirtschaft', WIR, Basel: WIR. Translation: Beard, P.H. (trans.) (2006) 'WIR and the Swiss National Economy.' Rohnert Park, CA: Sonoma State University.

<sup>36</sup> Stodder, J. (2010) 'The Macro-Stability of Swiss WIR-Bank Spending: Balance versus Velocity Effects.' Hartford, CT: Rensselaer Polytechnic Institute.



## 2.3 Categorization

As indicated above, the key distinction between new kinds of money is between two different kinds of reciprocal exchange, and the different purposes behind them: *social exchange*: designed primarily to motivate people's behaviour, to meet social objectives; and *economic exchange*: designed primarily to circulate in the economy and to meet economic objectives. There is a great deal of overlap, but it is the central purpose that tends to determine the basic design.<sup>37</sup>

Both these categories can be divided into *local* projects, which rely partly on personal relationships to achieve their objectives, and broader *national or international* operations which don't – and which therefore need to be able to motivate users and to generate the kind of belief and loyalty that will create meaningful exchange. All complementary currencies need to find ways of generating the trust they need to give their credits value: time banks normally do so by providing a trusted manager at the heart of the system – other systems rely on a brand or a trusted institution.

Social currencies make their impact on the jobs market by helping people make connections and improve their employability. They also tend to use an equal unit of account, an hour for an hour, which makes it hard to integrate any kind of market pricing. That is why social currencies are primarily about involving people in mutual volunteering rather than changing the structure of the local economy. Economic currencies are designed to provide purchasing power, and economic vitality, where that is lacking – but can also involve people in economic exchange when they were not involved before. They will also tend to use a more negotiable unit of account, because that suits their economic objectives better.

The main thrust of this chapter is about time banks, though the case studies also make comparisons with other experimental money systems, especially those which use the internet or IT in important new ways. In the UK tradition, time banks have traditionally been distinguished according to the relationship between users and the sponsoring organisation, between:<sup>38</sup>

- Person-person time banks, where individuals trade time between (see for example: Fair Shares in Gloucestershire).
- Person-agency time banks, where organisations use time banks to incentivise the time of individuals (see for example: Blaengarw Time Bank in South Wales).
- Agency-to-agency time banks, exchange systems between organisations where existing skills of individuals and resources (like office spaces or means of transport) are shared (see for example: Kings Cross Time Bank in London).

I am not using this distinction in this chapter, because surviving time banks are increasingly using a mixture of these styles, or even all three, to fit in with what funders require. As the examples imply, this is also a UK-centric way of looking at time banks. As will become clear, the research for this paper suggests that the following broad categories might be more useful, based on the origins and tradition from which the time banks have sprung:

1. *Co-production time banks*: this is the UK model, based on the principles originally set out by Edgar Cahn, designed primarily to build social networks and to change the relationship between professionals (doctors, social care workers, housing professionals, etc.) and service users. They are usually organised by a charitable or public service institution to build mutual support, and

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<sup>37</sup> Boyle (2011), op cit.

<sup>38</sup> See for example: Ryan-Collins, J. et al (2008), *The New Wealth of Time*, New Economics Foundation, London.

work by facilitating the exchange of time as money in return for neighbourly support (for example: Fair Shares, based in rural areas in the Cotswolds).

2. *Municipal time banks*: this is the Spanish and Italian model, which emerged separately, originally out of the feminist movement (Spain), and is used for a range of purposes sponsored by local government. Because of the involvement of local government, the scope of the Spanish *bancos de tiempo* is often broader than it is in the UK and includes basic economic exchanges. The role of local government has been to adopt, fund and promote this method of mutual support. It is also the prevailing model used by the Italian *banche del tempo*, and there have been attempts to spread from there to Bulgaria and Greece.<sup>39</sup> The Italian time banks claim descent from the UK time banks, but there is evidence that it is the philosophy which came from the UK and that *banche del tempo* emerged independently.<sup>40</sup> Like the co-production time banks, these facilitate the exchange of time as money between members, but often do so independently of any particular institution, and often for economic as well as social exchanges (for example: Banco del Tiempo del Escorial which provides for mutual support in the town).
3. *Insurance credits*: this is the Japanese model, designed as a series of integrated national systems to revitalise retirement and social care. It tends to mix ordinary cash with other credit systems and focuses primarily on the care of old people. They are often run by old people's support organisations, especially in Japan, or health centres – but the intention is that they should be adopted by insurance companies too.<sup>41</sup> These pay credits for time given, with the intention that they can be saved up as insurance – often for long periods – until people need them themselves (for example the Fureai Kippu schemes of volunteering to support older people).
4. *Reciprocal volunteering*: this is the online model developed by the UK consultancy Slivers of Time and others, which allows people who are volunteering to exchange credits directly over the internet.<sup>42</sup> These are time credits that recognise the efforts of volunteers and can be used to pay for support, but which may be exchanged entirely online (for example: Cronobank, the online volunteering facilitator).
5. *Time-based currencies*: this is where economic exchange meets social exchange. It includes LETS-style currencies (Local Exchange and Trading Systems), including the German and Austrian *Tauschring*, which were designed originally to revitalise the local economy, to use skills and resources better.<sup>43</sup> These are usually mutual credit systems which create the currency, based on time, which can be used to facilitate social or economic exchanges (for example: Talente Tauschkreis Wien, the Talente system based in Vienna in Austria).
6. *Reward points*: this is the Frequent Flyer points model, a national or local system providing rewards for certain designated behaviour, which can be traded in for something more tangible (for example: Blue Dot, the youth website, or the original green behaviour card in Rotterdam, NuSpaarpas).

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<sup>39</sup> Sicily Region Department of Labour (2012), 'Monitoring and evaluation report on Banca Tempo Services in Bulgaria and in Greece', SolidarityCity.

<sup>40</sup> Interviews and conversations in the course of this project.

<sup>41</sup> The first time bank in the USA, which still runs, is Member to Member which was started by the insurance company Elderplan.

<sup>42</sup> See also TimeRepublik, Shmoney and others.

<sup>43</sup> LETS are mutual credit currencies, originating in Canada, and now spread quite widely across Europe (SEL in France).

The following table looks at some of the different groups and categories of time banks and related currencies, and makes an attempt from the various literature and internet sources to estimate how many projects there are.

**Table 4: Types of time banks**

<b>Time bank nationalities</b>	<b>Type of time bank</b>	<b>Country</b>	<b>Social or economic purpose</b>	<b>Example</b>	<b>Number of projects</b>
<b>Time banks (UK)</b>	Co-production	UK, etc	Social	Rushey Green	150+
<b>Time centres (Spice)</b>	Co-production/ Reward points	UK, etc	Social	Blaengarw	100?
<b>Time banks (USA)</b>	Co-production	USA, Australia, New Zealand, Ukraine, the Netherlands, etc.	Social	Maine	276
<b>Banche del tempo</b>	Municipal	Italy, Bulgaria, Greece, etc	Social	Palermo	400
<b>Bancos de tiempo</b>	Municipal	Spain, Portugal, etc	Social	Barcelona	325
<b>Fureai kippu</b>	Insurance credits	Japan, China	Social	Sawayaka	390?
<b>Care banks</b>	Insurance credits	USA, etc	Social	Vermont	3?
<b>Seniorengenossen-schaften</b>	Insurance credits	Germany, etc	Social	Wurttemberg	50?
<b>Slivers of Time</b>	Reciprocal volunteering	UK, etc	Social	Watford	10?
<b>Internet time banks</b>	Reciprocal volunteering	USA, Spain, etc.	Social	Friendly Favours	30?
<b>Tauschring/Talente</b>	Time-based currencies	Germany, Austria, Switzerland	Both	Vienna	350
<b>LETS</b>	Time-based currencies	UK, South Africa, etc	Both	Leighton Buzzard	150?
<b>SEL</b>	Time-based currencies	France, etc	Both	Bordeaux	168
<b>Various</b>	Reward points	USA, UK, etc.	Social	Young Scot	25?
<b>Totals</b>					2,373?

As I explained above, there are other kinds of complementary currency also being pioneered in Europe, and I will be making comparisons with these as well. There are also other countries with time banks including China, New Zealand, Australia, Chile, Bulgaria, Greece, Israel and Turkey.

Strictly speaking, the last two categories (5 and 6) might also fit into different kinds of complementary currency, but there are overlaps – not the least of which is that ‘time bank’ or similar is a common name for this kind of endeavour.

The case studies in the Appendix look at traditional time banks, and some long-established systems elsewhere in the world, but also include case studies of parallel currency models designed to shift people into productive enterprises, including Banco Palmas in Brazil and the Nantes project in France.

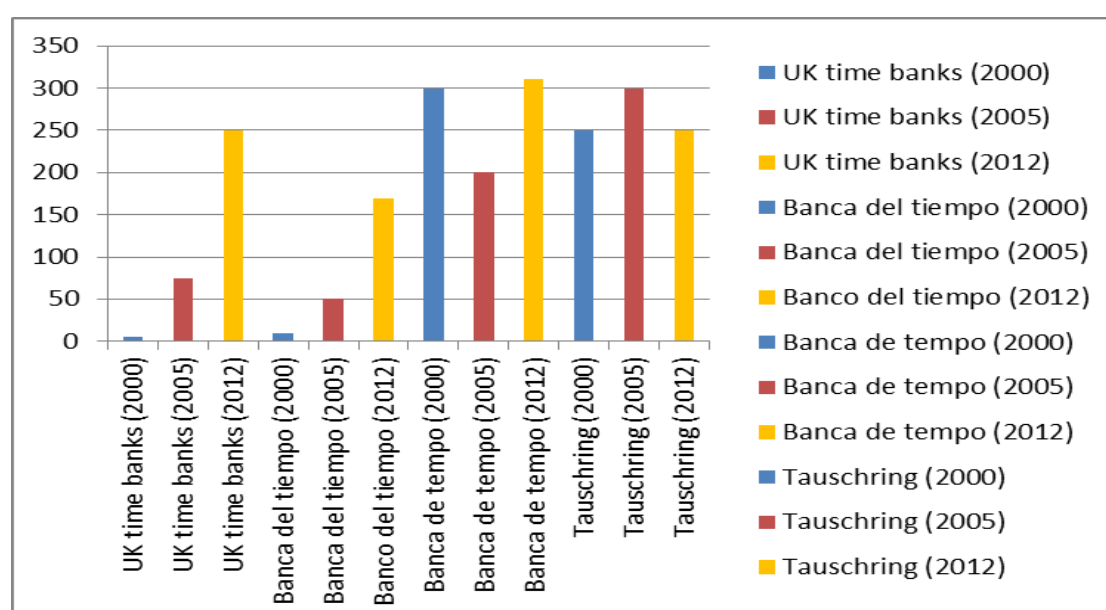
## 2.4 Scale and scope

### 2.4.1 Introduction

This section tries to identify the scale and scope of time banks and related projects in Europe.

Time banks are probably the most numerous of all the online currency experiments across Europe, though no detailed research has been done on this. This is partly because of the large numbers in the UK, but even in the UK there are fewer than 250 (with perhaps 400 in Italy). There is evidence that the rise of complementary currencies tends to be counter-cyclical to economic growth.<sup>44</sup> This implies that there will be rising interest in the field during the continuing crisis, and there is evidence that this is happening in the nations that are struggling the most.<sup>45</sup>

The following table gives examples of the recent growth of different kinds of time banks, estimated from interviews during the course of this project.



**Figure 3: Graph of numbers of time-bank-style institutions (anecdotal figures).**

There is evidence here that overall, time banks are growing, though bald numbers may simply represent a high turnover and high failure rate. My impression is that some time banks have survived for more than a decade and that this may indicate that they have learned how to do so, but there is plenty of anecdotal evidence the other way. Again, there is very little definitive research to draw on, but we can identify the following trends:

### 2.4.2 Types of time banks, their scale and diffusion trajectories

#### 2.4.2.1 Co-production time banks

This model (mainly found in the UK) has grown rapidly since the first time bank opened in 1998, though the trend has been – mainly for reasons of funding – to embed time banks in charitable or public service operations, as a practical way to encourage service users to be equal participants in

<sup>44</sup> Stodder, J. (1998), 'Corporate Barter and Economic Stabilisation', The Lally School of Management and Technology, Rensselaer at Hartford, *International Journal of Community Currency Research*, Vol 2.

<sup>45</sup> *The Guardian* (2013), 2 Jan.

the delivery of services, as set out by Edgar Cahn.<sup>46</sup> This model has spread to the Netherlands and Sweden, and – via Edgar Cahn’s Time Dollar Institute – has made links with the people organising the Spanish model (see below). There are tax and welfare regulatory reasons why these time banks are unable to stray far from their original role of building reciprocal social networks (see below).

#### 2.4.2.2 Municipal time banks

The Spanish time banks grew out of the feminist movement separately from Edgar Cahn’s model, though there are now links and parallels between them. They were taken up by local government and have benefited from municipal support. During the Spanish financial crisis, the scope has been extended to cover the exchange of goods, and there are said to be 325 in Spain now, which is perhaps not surprising given that the unemployment rate is so high there (other estimates put the figure at less than 200).<sup>47</sup> They have recently spread to Portugal. The Italian time banks are close cousins, in their success with women in particular, and their links to local or regional government.<sup>48</sup> There are emerging links with the protest movements in southern Europe, and also with the sustainable purchasing and consumption trends.<sup>49</sup>

#### 2.4.2.3 Insurance credits

There are parallels between this Japanese model and the Edgar Cahn model. It emerged in at least four different forms after the Kyoto earthquake of 1994, which led to a revival of interest in mutual support, and tends to use a combination of time and money.<sup>50</sup> The growth of *Fureai Kippu* (ticket for a caring relationship) currencies declined over the past ten years, though have been showing some signs of revival.<sup>51</sup> A related amalgam of time and money in eldercare insurance has been developed by Cahn as ‘Care Banks’.<sup>52</sup>

These have not yet emerged in Europe, but the German *Senioren-genossenschaften* (old people’s co-operative) have some similar features since the first one emerged in April Riedlingen in Württemberg in 1991. These use a parallel credit system which allows people to pay the fee in time. Some of these have abandoned the credit system and just use mutual support, which may be why it has been so difficult to estimate numbers.<sup>53</sup>

#### 2.4.2.4 Reciprocal volunteering

This is the model was developed by the UK consultancy Slivers of Time, and emerged out of the work of Wingham Rowan on Guaranteed Electronic Markets, and his development on online ways of

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<sup>46</sup> See Ryan-Collins et al (2008), op cit.

<sup>47</sup> Ariana Eunjung Cha (2012), ‘Pain’s crisis spawns alternative economy that doesn’t rely on the euro’, *Guardian Weekly*, 4 Sept.

<sup>48</sup> See for example: Amorevole, R. (1999), *Banco del Tempo: Istruzione per l’uso*, Bologna, Editrice Missionaria Italiana; Coluccia, P. (2001), *La Banca del Tempo: Un’azione di reciprocity e di solidarietà*, Bollati Boringhieri, Turin.

<sup>49</sup> Papaiconomou, E. Et al (2013), ‘Estudio a usuarios de banco de tiempo’, Universidad Rovira i virgili, Universidad de Comillas.

<sup>50</sup> Hirota, Y. (2004) ‘Complementary Currencies in Japan: Is this East-Asian country really a CC laboratory?’, Working paper.

<sup>51</sup> Something similar has just emerged in Switzerland as Zeitforsorge, see [www.stadt.sg.ch](http://www.stadt.sg.ch).

<sup>52</sup> See [www.carebanks.org](http://www.carebanks.org)

<sup>53</sup> Köstler, U. (2006). *Senioren-genossenschaften - Stabilitätseigenschaften und Entwicklungsperspektiven. Eine empirische Studie zu Sozialgebilden des Dritten Sektors auf Grundlage der Gegenseitigkeitsökonomik*. Berlin: LIT Verlag.

selling very small amounts of working time in the market, for Tesco and others.<sup>54</sup> It differs from the Cahn model because there is no local organiser, and matching can be done entirely online, which arguably makes this more difficult for excluded groups. It was backed by the UK government in a number of Big Society pilots, for example those now being rolled out by Windsor and Maidenhead Borough Council and Hertfordshire County Council. There are also more global versions of this, notably Friendly Favors (emerging from the USA) and Cronobank (emerging from Spain).<sup>55</sup>

#### 2.4.2.5 Time-based currencies

The German and Austrian Tauschring systems are similar, but these have been overshadowed by the success of the ambitious regional printed currencies like Chiemgauer. These are related to the LETS model (Local Exchange and Trading Systems) developed originally in Canada and which was at one stage very numerous across the UK. Regiogeld systems started in 2002 and have grown to around 70 in the German-speaking world. There were approximately 300-350 Tauschring systems operating in the German-speaking world by 2009.<sup>56</sup> Neither Regiogeld nor Chiemgauer are time-based currencies.

The French SEL website lists 168 organisations, though it is not clear how many are active.<sup>57</sup> The UK LETS website seems to have been hardly updated since 2006 so it is not clear how many LETS remain active.<sup>58</sup>

#### 2.4.2.6 Reward points

These have emerged in various different forms, usually unrelated to each other – from Brazil's Bolsa Escuela scheme to the Karrots reward scheme run by London's Metropolitan Police or the Young Scot points scheme. I have already referred to the Time Dollar Youth Court project in Washington DC (see above). These are all single innovative projects which are hard to group together, and designed for different reasons and in different context, to motivate those involved into different kinds of behaviour. Good examples in Europe are the Young Scot programme and Blue Dot.<sup>59</sup>

#### 2.4.2.7 Other currencies

There is much less evidence out there about the economic effects of economic currencies. There is certainly evidence that the German Regiogeld and Chiemgauer currencies are able to increase the local velocity of money.<sup>60</sup> The new currencies in Latin America are hardly researched, but there is some research about the explosive growth of complementary currencies in Argentina a decade ago, and the rapid growth of the Global Barter Clubs there – and their rapid collapse faced with too much success without adequate safeguards. There were then predictions that there would be five million similar currencies in Brazil alone by 2007; this has not taken place but there certainly have

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<sup>54</sup> Wingham Rowan (1999), *Guaranteed Electronic Markets*, Demos, London.

<sup>55</sup> See [www.favors.org](http://www.favors.org) and [www.cronobank.org](http://www.cronobank.org)

<sup>56</sup> Wagner, S. (2009b). *Lokale Tauschnetze: Untersuchungen zu einem alternativen Wirtschaftssystem*. Wiesbaden: VS Verlag für Sozialwissenschaften.

<sup>57</sup> [www.selidaire.org](http://www.selidaire.org)

<sup>58</sup> [www.letslinkuk.net](http://www.letslinkuk.net)

<sup>59</sup> See for example: <https://rewards.youngscot.org/> and <http://bluedotworld.com/>

<sup>60</sup> Thiel, C. (2012) 'Moral Money – The action guiding Impact of Complementary Currencies: A Case Study at the Chiemgauer Regional money' *International Journal of Community Currency Research* 16 (D) 91-96.

been developments.<sup>61</sup> Nor has there been any research, as far as I can tell, about the economic and social implications of the new internet currencies like Bitcoin.<sup>62</sup>

### 2.4.3 Scale

One reason the simple geographical spread may be misleading is that time banks have a wide variety of members, and those members may be active or inactive. The Visiting Nurse Service of New York (see case studies) has around 3,000 members, which makes it one of the biggest of its kind in the world. Evidence from the Rushey Green Time Bank (see case studies) suggests that successful time banks normally find that 200 members is the most they can deal with when they have a handful of staff, but the average membership of the UK time banks is between 60-100.<sup>63</sup>

There is no umbrella research about the number of currency systems in Europe, or any other region of the world. The internet lists which purport to count them are extremely unreliable or out of date. If there are about 1,000 time banks (see graph above), there may be a similar number of time-based currencies or similar in the German and French speaking nations, and elsewhere.<sup>64</sup> If we assume an average membership of 100, that would imply around 200,000 members in the European Union. But this is a very rough estimate and may have little value.

There are two other reasons why these figures may be misleading. The first is that the emergence of hubs and sub-time banks make it difficult to work out which time banks to count in the totals.

The second reason is that there is also a tendency for the statistics about scale to over-emphasise start-ups. Start-up costs for time banks and similar systems are now low.<sup>65</sup> But the costs of providing them with support by central bodies is more difficult and funding is elusive. Also, although start-up costs are low, there is a continuing need for central organising and marketing staff – if the currencies are to reach the groups in society who would benefit most – and that suggests that currency systems will thrive increasingly inside partner organisations, rather than funded separately outside. This is the lesson of the Visiting Nurses Service of New York (see The Appendix) and of the King's Cross Time Bank in London, which is now completely integrated into the work of its hosts at the Holy Cross Centre. Most time bank budgets have to cover one or two salaries, IT systems, software (usually free) and space. Even so, the idea of partnering with other organisations remains controversial outside the co-production time banks.

### 2.4.4 Scope

Of course, membership numbers may also be misleading, because some are active and some are not. Very little research has been done about the activity rates of some of these systems, and the activity rates are as important as the number of members. What studies there have been are sometimes out of date, and they can go out of date very quickly. We know that the German Tauschringen have an average membership of between 80-100.<sup>66</sup> The Seniorengenossenschaften

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<sup>61</sup> Powell, J. (2002), 'Petty Capitalism, Perfecting Capitalism or Post-Capitalism? Lessons from the Argentinian Barter Network', *Review of International Political Economy*, 9, Vol. 4, 619–649.

<sup>62</sup> There has been one: Jansen, M. (2013), 'Bitcoin: the political virtual of an intangible material currency', *International Journal of Community Currency Research*, 17 (A) 8–18.

<sup>63</sup> Seyfang and Smith, K. (2002) put it at 61 but that was a decade ago.

<sup>64</sup> These figures are derived from estimates by interviewees for this project.

<sup>65</sup> Sicily Region Department of Labour (2012), 'Monitoring and evaluation report on Banca Tempo Services in Bulgaria and in Greece', *SolidarCity*.

<sup>66</sup> Wagner, S. (2009), *Lokale Tauschnetze: Untersuchungen zu einem alternativen Wirtschaftssystem*. Wiesbaden: VS Verlag für Sozialwissenschaften.

have an average membership of 405, with some as big as 1,720.<sup>67</sup> Case studies suggest that less than half those members are regularly active.

It seems likely that most of these systems share the characteristics of the Rushey Green Time Bank in London, where about a third of the membership carry out most of the activity. Tauschringen activity is around 4.4 hours a month per member on average. We know that time banks in the UK have average exchanges of about 7 hours per month or one to two a week.<sup>68</sup> But to achieve the outcomes they do (see above), time banks must involve their core membership much more intensively.

There is also a tendency for successful time credit systems to give up the credits and become simply mutual volunteering organisations. This is what has been happening in Japan and to the German Seniorengenossenschaften, and it has happened previously to big medical time banks in the USA.<sup>69</sup> This is not necessarily a sign of failure – it may be a sign of success – but it implies that isolated people need to progress through involvement in a time bank and perhaps to graduate on to something else. This may make statistics about scope misleading.

## **2.4.5 Regulatory issues**

Most time banks do not have ambitions to be economic currencies, though there are exceptions to this. Consequently, there is little interest from bank regulators or central banks. But one potential hurdle for time banks in Europe is tax.

Tax authorities are beginning to regard time banks as their legitimate concern, as they do in Scandinavia. Most tax authorities reserve the right to tax economic currencies in the legal tender of the country, though most also do not do this for local currencies – though they do for B2B barter exchanges. In the UK and USA, time banks have been defined as volunteering by the tax authorities, but that means that they must stick to this definition. In the UK this means, in practice, that time banks should not be exchanging goods (though many do).

This issue has been raised in Sweden, for instance, where exchanges between members risk losing their income-related benefits and they may have to pay taxes as “each hour of work completed would be calculated against the price that this service would cost on the ordinary labour market”.<sup>70</sup> Finland has recently announced that they will be making time exchanges liable for tax, which will be a major problem if this happens and is likely to further limit what time banks are able to do – and force them to remain unambiguously neighbourly and charitable.<sup>71</sup>

In Germany, the Bundestag clarified in a *Kleine Anfrage* (a minor interpellation) of the tax regulations with regard to exchange rings and connected work conducted under regulations of marginal employment. As long as work does not go above a value of 450 euros (2013), workers can be exempt from social security contributions.

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<sup>67</sup> Köstler (2006)

<sup>68</sup> Cambridge Centre for Housing and Planning Research (2013) ‘Time banks interim evaluation’, Cambridge; and Warne T., and Lawrence, K. (2009), ‘The Salford Time Banking Evaluation: A report for Unlimited Potential, formerly known as the Community Health Action Partnership (CHAP)’ University of Salford.

<sup>69</sup> Boyle, D. (1999), *Angels and Health: Time dollars and health objectives*, Time Dollar Institute, Washington DC.

<sup>70</sup> Molnar, S., (2011), ‘Time is of the essence: the challenges and achievements of a Swedish time banking initiative’, *International Journal of Community Currency Research*, Vol 15 (2011) Section A 13-22.

<sup>71</sup> [http://yle.fi/uutiset/verottaja\\_aikoo\\_puuttua\\_aikapankkien\\_toimintaan/6692800](http://yle.fi/uutiset/verottaja_aikoo_puuttua_aikapankkien_toimintaan/6692800)



In the UK, time banks are treated as a group of friends doing each other favours. The UK government agreed in 2000 to ignore time credits from time banks for tax and benefits (except for those who were on Incapacity Benefit and in the case of goods). Local currencies, however, are taxable in national currency. In the Netherlands, members can earn up to 3,000 units of local currency without it affecting either benefits or income tax.<sup>72</sup>

The tax issue is different for time banks compared to complementary currencies which have an economic role. Taxing volunteering through time banks would only make sense if there is significant blurring between social and economic roles, and – if this happens – we might assume that the two models will drift further apart (other trends point in the other direction).

## **2.5 Organisations promoting and supporting time bank development**

This section looks at the current state and future trajectory of organisations developing time banks or similar, and the exchange of good practice, national and international organisations and similar.

### **2.5.1 National and international organisations**

There are no international organisations dedicated to the development of time banks or complementary currencies, but there are a series of overlapping organisations that develop research, run conferences and facilitate discussion. These include:

- Asociación para el desarrollo de los Bancos de Tiempo (ADBT) based in Spain and developing time banks in the Spanish speaking world.
- Associazione Nazionale Banche del Tempo Italiane, based in Italy, and developing Italian-style time banks.
- BATT, the annual meeting of the regional Tauschring across Germany, which began in 2012.<sup>73</sup>
- International Journal of Community Currency Research (IJCCR), the online journal, based at the University of East Anglia in Norwich.
- Japan National Council of Social Welfare and the Sawayaki Institute, both the key organisations involved in the Japanese Fureai Kippu schemes, beginning in the 1990s.
- New Economics Foundation, the London-based think-tank, currently organising an Interreg complementary currency project which involves four EU nations and multiple partner organisations.
- Regiogeld Association, based in Germany, and co-ordinating the development of Reiogeld and Chiemgauer systems.
- Salut y Família, the time bank agency in Barcelona, which has played a leading role co-ordinating time banks in Spain with those in Portugal and Italy.
- Spice, a London-based consultancy offering support to starting new kinds of time banks in the UK and other countries.
- STRO, the Dutch consultancy, which is particularly active in Latin America, and Qoin, the related consultancy that has built up an expertise in reward points as well, also based in the Netherlands.
- Slivers of Time, Wingham Rowan's London-based consultancy, offering support and software for internet-based time banks.

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<sup>72</sup> Boyle, D. (2011), *More than Money*, Nesta, London.

<sup>73</sup> <http://www.batt-aktiv.de/>

- Transition Towns UK, which has become a centre for the development of the printed Transition currencies, borrowed from the Schumacher Centre for the New Economics, based in Great Barrington, Massachusetts.
- Time Banking UK, based in Stroud in the UK, and shortly to become part of the volunteering agency Community Service Volunteers. They have affiliates in Scotland (part of Volunteer Development Scotland) and Wales (Timebanking Wales, formally the Wales Institute for Community Currencies).
- Time Banks USA, which has provided an international platform for the development of time banks, via Edgar Cahn's original Time Dollar Institute.
- Zart, the exchange clearing house for German-speaking currency systems.
- Zeta, the Swiss clearing house for time exchange systems.

This is not a comprehensive list, but these are the main players. The key actors as far as time banks are concerned is Spice (26 staff based in London), which has contracts across Europe for time bank development work, and the Barcelona-based Salut y Familia. Time Banks USA continues to watch over international developments. The academic network of which IJCCR is the centre is vital as well. So are the two time bank organisations in Italy and Spain. For wider currency work, the alliance that now includes Qoin and the New Economics Foundation is now extremely influential, under the banner of CCIA.<sup>74</sup> This list does not include the well-organised and well-federated German-speaking time-based LETS systems.

Individual members of staff tend to have links with more than one group and organisers sometimes have a parallel role as practitioners and as researchers. The difficulty is that funding for these organisations is difficult to sustain, except for time-limited projects, so the organisations themselves are not powerful players.

The time bank world is not well connected with the complementary currency world, but does not normally suffer from the same internal disputes as some of the complementary currency organisations do. There have been disputes between Regiogeld and Tauschring systems, between time banks and LETS, and between different kinds of time banks.<sup>75</sup> There is also tension between social currencies and economic currencies, notably in the argument between those involved in LETS in 1997 and the new LETSgo system pioneered on a much wider scale by Michael Linton, the originator of LETS. These are often personality-based disputes, though there are sometimes real disagreements of principle that lie behind them, but they have often prevented sustainable roll-out and mainstreaming of these models.

## 2.6 Development and Use of ICTs within time banks

When some of these ideas were first tested out in practice in the 1930s, and for time banks in the 1970s, IT was not available and various kinds of notes and paperwork was involved, which put a major strain on organisers of the early LETS schemes. Since then, various kinds of software have been developed, and online systems adopted to facilitate the functions and functioning of time banks. The way that IT can be used to support different functions of time banks has not been described in the literature, and will be addressed in this report though an analysis of the cases. In this section, the development and use of different software is described.

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<sup>74</sup> <http://communitycurrenciesinaction.eu/>

<sup>75</sup> These disputes are barely covered in the academic literature but are very obvious to those closely involved.

### 2.6.1 Time bank IT systems

The original service credit software was not online, and could be quite expensive.<sup>76</sup> Time Banks USA then developed the Time Keeper programme which could be used less expensively. This could be downloaded for free from the internet.<sup>77</sup> It could produce personalised bank statements for each member, supply information to make sure that no volunteer goes too long without a new assignment, help to monitor performance systematically, and follow-up on assignments. It supported the planning of new initiatives that can help strengthen the community and target resources to meet special needs.<sup>78</sup>

Time bank IT systems are now online and there are rival approaches:

- Community Forge, developed in Switzerland with the help of Time Banks USA and used also in some of the French SEL systems. It is based on Drupal.<sup>79</sup>
- Community Weaver, developed with the help of Edgar Cahn and used mainly in the USA.<sup>80</sup>
- Sharetribe, developed in Finland and used across various different kinds of currency.<sup>81</sup>
- Slivers-of-time, online time bank software developed by Slivers of Time in the UK and increasingly used for big local government time banks.<sup>82</sup>
- Tauschring Online, the German Tauschring system.<sup>83</sup>
- Time-Online, developed by Time Banking UK.<sup>84</sup>
- Time and Talent, developed by Stephen Beckett for Hourworld in the USA.<sup>85</sup>

As far as European time banks are concerned, Community Weaver, Time and Talent and Slivers of Time seem now to provide the most sophisticated software solutions, because they allow people to make individual matches and to search on maps where matches might be made. The CES system (see below) is increasingly used as well, especially by some of the Spanish time banks.

They are also increasingly using social media as a way of keeping in touch with members, mainly but not exclusively Facebook. In fact, there is a blurring of time banking software and social media, as people sign up online in the Spanish time banks with the skills they are offering. There is no research I have been able to find about whether the use of social media makes time banking more attractive to younger people.

### 2.6.2 Economic currency IT systems

The most common software system, and often used as a basis for others is Cyclos, developed by STRO and open source.<sup>86</sup> Other systems include:

- CES, developed in South Africa by Tim Jenkins, but also used in Europe.<sup>87</sup>

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<sup>76</sup> See description in Boyle, D. (1999) *Funny Money: In search of alternative cash*, HarperCollins, London.

<sup>77</sup> At [www.timekeeper.org](http://www.timekeeper.org)

<sup>78</sup> See the Community Toolbox website: <http://ctb.ku.edu/en/default.aspx>

<sup>79</sup> [www.communityforge.net](http://www.communityforge.net)

<sup>80</sup> <http://community.timebanks.org/>

<sup>81</sup> [www.sharetribe.com](http://www.sharetribe.com)

<sup>82</sup> [www.slivers.com/voluntary-sector/timebanking/](http://www.slivers.com/voluntary-sector/timebanking/)

<sup>83</sup> [www.tauschringonline.de](http://www.tauschringonline.de)

<sup>84</sup> [www.timebanking.org/?resource=using-it](http://www.timebanking.org/?resource=using-it)

<sup>85</sup> [www.hourworld.org](http://www.hourworld.org)

<sup>86</sup> See <http://projectcyclos.org>

<sup>87</sup> [www.community-exchange.org](http://www.community-exchange.org)

- Community Way, developed by Michael Linton, an ingenious method of increasing the circulation of money in a local economy.<sup>88</sup>
- GETS developed in the USA by Richard Logie.<sup>89</sup>
- Life Currency, developed by Francis Ayley in the USA.<sup>90</sup>
- OS Currency, used in the USA and based on a social networking platform.<sup>91</sup>
- SEL, the French LETS-style programme and used widely across France.<sup>92</sup>
- Zumbara, a social media site developed in Turkey, which combines a currency with other kinds of social interaction.<sup>93</sup>
- Community Forge (see above), which is providing a Drupal basis increasingly for SEL and other economic currencies.

### 2.6.3 Other online systems

There are a range of other online systems now available. These fall into three categories.

1. The first are home-made systems that suit particular needs, like the MIS system written by Banco Palmas, the community bank in Brazil, for its combination of loans in two parallel currencies. Another one is the mobile phone application that is used by the Brixton pound in London.
2. The second are the new online time banks, the first of which was Friendly Favors, but now including Cronobank (based on the Spanish time bank model) and there are a range of others like Inclusion North's Skills Bank.<sup>94</sup> There is no evidence that these are widely used at present, though Friendly Favors claims 63,000 participants in nearly 200 countries.<sup>95</sup>
3. The third category is those which are creating umbrella links using existing social media sites like Facebook. One new Wikipedia portal *Tauschwiki* allows all *Tauschring* to exchange ideas and developments and arrange for meetings. Many local *Tauschring* use the same currency and are connected on Facebook or similar social media websites.<sup>96</sup>

### 2.6.4 Technology conclusions

There is clearly a division for currencies: the time banks tend to use specialist IT solutions which have developed with them in mind; the other currencies tend to use IT solutions based on Cyclos. The reasons for this may be, though there is no research to base this on, that the kind of exchanges are different and that this is recognised by the software. Otherwise, we have to assume that the technological differences reflect the different traditions involved.

For the time banks, there is a dilemma. On one hand they need to retain the 'human element', a theme that is repeated in research in the UK, Spain and Italy.<sup>97</sup> On the other hand, they need to expand with their limited resources – often managing hubs in different neighbourhoods – and this

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<sup>88</sup> [www.communityway.ca](http://www.communityway.ca)

<sup>89</sup> [www.getsglobal.com](http://www.getsglobal.com)

<sup>90</sup> [www.lifecurrency.org](http://www.lifecurrency.org)

<sup>91</sup> [www.shareable.net/blog/just-in-time](http://www.shareable.net/blog/just-in-time)

<sup>92</sup> [www.seliweb.org](http://www.seliweb.org)

<sup>93</sup> [www.Zumbara.com](http://www.Zumbara.com)

<sup>94</sup> <http://inclusionnorth.org/skills-bank/>

<sup>95</sup> [www.favors.org/FF](http://www.favors.org/FF)

<sup>96</sup> See for example [www.tauschen-ohne-geld.de](http://www.tauschen-ohne-geld.de)

<sup>97</sup> Lucia del Moral (2013), presentation to ICT4EMPL seminar in Brussels, 11 June.

requires software that can allow them to do so. It may also be true that new generations and populations may find the ‘human element’ could be made more available by using online systems.

## 2.7 Time banks and the future of work

There has been little or no research about the effects of time bank membership on people’s fitness for work, though there is anecdotal evidence of people finding work after being involved in time banks, particularly in Spain, Italy and Wales (see Appendix).<sup>98</sup> But the SolidarCity project which took Italian Banche del Tempo to Bulgaria and Greece did so under the rubric to “prevent inactivity”. Time banks may also provide people with other support – like childcare – which makes it easier for them to work, though this proved difficult to organise in the UK because of regulation.

There is no doubt also that those joining time banks in the UK tend to be people who are more economically inactive, especially those who suffer from mental or physical difficulties.<sup>99</sup> These are often not people who can be slotted easily into the working world and time banks seem to provide a means of being active, living in a community, a kind of pre-employability process that is vital – but insufficient – to get those involved back to work. On the other hand, this is not so of time banks in other parts of Europe, and especially not in Italy.

The overwhelming involvement of women, which was part of the original design in Spain and Italy, also suggests a deeper critique of the way that work is currently organised, and the need to support women who are struggling with unpaid tasks that are traditionally the role of women. It suggests a gendered edge to the co-production critique which might imply a deeper time bank role.<sup>100</sup>

There is also the question of whether the economic currencies, which are in some ways beyond the remit of this report, might eventually be able to gear up to providing people with sustainable incomes or the basic means of living (see for example section 4.1.4 below). The following table shows the variety of ways in which these currency systems might help people in the world of work. It does not apply to all the time banks in each category, but where you can find those approaches:

**Table 5: Different approaches that time banks can take to helping people with work.**

	Healthy recovery	Employability support	Training	Job finding	Loans	Economic betterment	Spending money
<b>Time banks (UK)</b>	X	X	X	X			
<b>Bancos de tiempo (Spain etc)</b>	X	X	X	X			
<b>Banche del tempo (Italy etc)</b>	X	X	X				
<b>Fureai Kippu</b>	X	X					
<b>Internet-based time banks</b>		X	X				
<b>Tauschring/LETS</b>		X				X	
<b>B2B barter</b>					X	X	
<b>Community banks (Brazil)</b>		X			X	X	
<b>Rigac etc</b>		X			X	X	X

<sup>98</sup> Sicily Region Department of Labour (2012).

<sup>99</sup> Garcia, I. (2002) ‘Keeping the GP Away: An evaluation of the Rushey Green Time Bank’, New Economics Foundation, London.

<sup>100</sup> Carrasco, C., et al (2011), El Trabajo de cuidado. Historia, Teoría y Políticas, Madrid, Catarata.

## 2.8 Conclusions

Time banks have been emerging, broadly from two sources – the complementary currency movements around Europe, and from the reciprocal volunteering systems in the USA and Japan. They also seem to be accelerating: the numbers of time banks or time banking-style organisations has doubled in the UK, USA and Spain over the past five years, though they seem to have stayed steady in Italy, France, Germany and Japan. Bald numbers of institutions, and bald numbers of members, does not give a very good guide to how active people are, but there are anecdotal reasons to suggest this is growing too.

There is also very little evidence, except anecdotal, how much the current figures of time banks represent a churn where time banks lose funding and disappear quickly, only to be replaced by others. What is clear that time banks have a track record of rebuilding social networks effectively, improving physical and mental well-being and improving employability.

The links between the different kinds of systems are obscure and confused. They clearly exist, because time banks – like the Italian ones – demonstrate influences from various different places. There is also evidence that European time banks are spreading quite quickly to the peripheries of Europe and to other continents. But the communications between them across Europe are very informal and often non-existent.

Other findings from the literature include:

- There is even less research evidence about other kinds of complementary currency, but there are signs that the social and economic objectives do not sit easily with each other (though this is controversial).
- Time banks are using a variety of different technological platforms, often originating in the USA (and different from the Cyclos-based systems that the complementary currencies use), but chosen for their ability to deal with the difficulties of expanding to cover wider areas.
- There is evidence that time banks help people feel able to work in the economy again, following some crisis, but fewer examples so far of them actually getting help to find jobs through the time banks – except perhaps indirectly by providing them with childcare or training.

The next section looks at these themes in the light of the ten case studies (see the Appendix) and draws some conclusions about future research and policy opportunities.

### 3 ANALYSIS OF CASES AND LITERATURE

#### 3.1 Introduction

This chapter explores new data from ten short case studies that are presented in the Appendix, highlighting the challenges barriers and success factors, and addressing issues raised in the literature review. The case studies included five established time banking organisations and also five case studies relating to currencies with a broader application, even though they may use time as a medium of exchange:

**Table 6: The case studies covered in this report.**

<b>Name</b>	<b>Goal</b>	<b>Stakeholders</b>	<b>Location</b>	<b>Classification</b>
<b>Sawayaka Organisation</b>	Disaster recovery	Local people	Tokyo and beyond, Japan	Insurance credits
<b>Salut y Familia</b>	Mutual support	Women, etc	Barcelona, Spain	Municipal
<b>Rushey Green Time Bank</b>	Mutual support and health	Patients and neighbours	Lewisham, London, UK	Co-production
<b>Garw Timecentre</b>	Mutual support and community	Local people	Blaengarw, Wales	Co-production
<b>Visiting Nurse Service of New York</b>	Mutual support and social care	Care receivers and neighbours	New York City, USA	Co-production
<b>Talente</b>	Mutual support and economic recovery	Local people	Austria	Time-based currency
<b>Palermo Time Bank</b>	Mutual support and economic recovery	Local people	Sicily, Italy	Municipal
<b>Banco Palmas</b>	Enterprise	Women, etc	Palmas, Brazil	Parallel currency
<b>SoNantes</b>	Enterprise	Local entrepreneurs	Nantes, France	Parallel currency
<b>Rigac</b>	Economic recovery	Local people	Hungary	Parallel currency

##### 3.1.1 Methodology

The ten case studies were chosen in discussion with the commissioners of this report, and chosen to provide a cross-section of some of the main kinds of time bank – and to compare them with other complementary currencies in Europe and beyond.

The case studies were written using published material where available, and interviews were carried out over the telephone directly with key organisers or founders where possible. Where this was not possible, for language reasons, the interviews were carried out via an intermediary in the native language of the project. Interviews were conducted using a set questionnaire, based on similar interviews carried out in this project. They were then written up and checked with the subject of the interview, where possible, or with the intermediary, to ensure accuracy and appropriate changes made.

The gaps in knowledge, and questions, set out in Sections 1 and 2 are as follows:

- What evidence is there about which time banks are growing most successfully?
- What is the best way of judging their success, given that neither numbers of time banks nor numbers of members are well-suited to this?
- What links do the various projects have with each other?

- What are the distinctions between successful time banks and successful complementary currencies?
- What kind of technological needs to the time banks have?
- What role do time banks have in the future of work?

These informed the interviews for the case studies below.

### **3.2 Summary of the case study findings**

This report is about time banks, though some of the case studies look at other models using complementary currencies. I have shown in the literature review that time banks are, in some respects, distinct from other kinds of complementary currency, because they are systems designed for creating regenerative connections between people, or between people and organisations – capable of reaching out into damaged or at-risk communities and helping them work more effectively. This does not imply that the other economic currencies have no purpose in social inclusion, but that is not their primary purpose.

The case studies confirm this, describing the core objective of time banks as creating a supportive and healing community (Rushey Green Time Bank), tackling apathy in a former mining community (Garw Timecentre), or creating mutual networks among older or infirm people (VNSNY, Palermo Time Bank and Sawayaka).

For the UK time banks, though not necessarily the Spanish and Italian ones, there is no ambition among them to regenerate the local economy, and – as explained in the Section 2 – they are not designed to do so. Their economic impact is in helping people feel ready for employment or by training them for jobs, so the research which accuses time banks of failure to make a direct economic impact is off the mark.<sup>101</sup> That is not their purpose, though clearly the Italian and Spanish time banks do use the same system also to exchange goods and services. The German-speaking time-based currency systems do have an economic objective.

Yet time banks do have a broader purpose of changing the definition of work.<sup>102</sup> Many time banks have as a secondary objective to broaden the definition of work, persuading people that their human skills – their time and their ability to care – are also required as well as their marketable skills. Indeed, the rhetoric of time banks is that, without these skills being used, society would unravel.<sup>103</sup>

Time banks operate with the idea that helping people understand that they can play a useful role, despite incapacities, age or unemployment, can make people feel differently about themselves and is an important part of becoming ready for paid employment. That explains the Italian time bank injunction that “time banking is an opportunity offered to be socially active and agent of development.”<sup>104</sup>

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<sup>101</sup> Dittmer, K. (2013), ‘Local currencies for purposive degrowth? A quality check of some proposals for changing money-as-usual’, *Journal of Cleaner Production*, Apr.

<sup>102</sup> Cahn, E. (2001), *No More Throwaway People: The co-production imperative*, Essential Books, Washington.

<sup>103</sup> Boyle, D., and Harris, M. (2009), *The Challenge of Co-production*, Nesta/New Economics Foundation, London.

<sup>104</sup> Sicily Region Department of Labour (2012), ‘Monitoring and evaluation report on Banca Tempo Services in Bulgaria and in Greece’, *SolidarCity*.



The non-time bank currencies looked at more closely in the case studies in the Appendix are all innovative attempts to intervene more directly in the local economy by providing credit in parallel currencies.

This is a new departure for complementary currencies, though based on an old model. It is what the Swiss Wir system has done since its foundation in 1934, and this may provide an effective new direction for complementary currencies in Europe.<sup>105</sup>

The following sums up some of the findings in the case studies:

**Table 7: Summary of case studies on time banks.**

<b>Time banks</b>	<b>Sawayaka (Japan)</b>	<b>Salut y Familia (Spain)</b>	<b>Rushey Green (UK)</b>	<b>Garw (UK)</b>	<b>VNSNY (USA)</b>
<b>Purpose (social or economic?)</b>	Social (disasters)	Social (deprivation)	Social (medical)	Social (deprivation)	Social (USA)
<b>Is it growing?</b>	Re-designing	Yes	Yes, but...	Yes	Yes
<b>Users mainly</b>	Women, etc	Women, etc	Medical	Women, etc	Social care
<b>Technology used</b>	None	Developing their own	Time and Talent	Excel	In-house
<b>Has there been evaluation?</b>	N/A	Little	Yes	Yes	Yes
<b>Involvement in work</b>	N/A	Training	Recovery	Training, etc	Recovery
<b>Challenges</b>	Broadening the membership	Co-ordination, tax	Expansion without losing human	Technology	Expanding cost-effectively
<b>Transferability.</b>	?	Yes	Yes via hubs	Yes	Yes via hubs
<b>Vision for the future</b>	Time-limited	Networking	Integration with services	Partnership with business	Expanding out of city
<b>Links to other countries</b>	Few	Italy, Chile, Turkey, Portugal	UK	UK, etc	USA, etc

<sup>105</sup> Stodder, J. (2009), 'Complementary credit networks and macroeconomic stability: Switzerland's Wirtschaftsring, *Journal of Economic Behavior & Organization*, 72. See also: Studer, T. (1998) 'WIR in Unserer volkswirtschaft', WIR, Basel: WIR. Translation: Beard, P.H. (trans.) (2006) 'WIR and the Swiss National Economy.' Rohnert Park, CA: Sonoma State University.

**Table 8: Summary of case studies for other currency projects.**

<b>Other currencies</b>	<b>Talente (Austria)</b>	<b>Palermo (Italy)</b>	<b>Banco Palmas (Brazil)</b>	<b>SoNantes (France)</b>	<b>Rigac (Hungary)</b>
<b>Purpose (social or economic?)</b>	Social/econ	Social/econ	Economic	Economic	Economic
<b>Is it growing?</b>	Steady	Yes	Yes	Too soon	Yes
<b>Users mainly</b>	Women, etc	Middle classes	Women, etc	B2B	Very local
<b>Technology used</b>	Cyclos	Excel	MIS	Cyclos, etc	N/A
<b>Has there been evaluation?</b>	Benchmarking	Not yet	Yes	N/A	N/A
<b>Involvement in work</b>	Adding to income	Mutual support	Training, loans	Loans	Skills
<b>Challenges</b>	Need more demand	Distrust	Regulation	Regulation	Manipulation
<b>Transferability.</b>	Maybe not	Yes	Yes	?	?
<b>Vision for the future</b>	Growth	Economic impact	Franchising	Economic impact	Economic impact
<b>Links to other countries</b>	Germany, etc.	Greece, Bulgaria, Spain	Latin America, etc	Yes, via CCIA, etc.	Few

These tables confirm some of the general information provided in the case studies. It confirms the distinctive roles of the time banks, compared to some of the complementary currencies. It also reveals the role that women overwhelmingly play, not just in the time bank (that was already clear) but in most of the economic currencies too. It also confirms the variety of different IT systems that are in use – and the different roles played by the different kinds of currency. The wider findings are set out below.

### **3.3 Specific findings**

#### **3.3.1 Success factors**

The literature on time banks consistently shows that staff are key to the success. Interviews with time banks for this report reinforce this conclusion. Rushey Green Time Bank, VNSNY, Garw and Salut y Familia all report that the loyalty of members to particular members of staff has been a huge factor in their success. It is also, of course, a threat – though Rushey Green has actually turned over staff completely at least three times since their foundation without losing momentum.

The support of local authorities and professionals is also important. This has always been the case for the Spanish time banks, which emerged out of municipal support. This is increasingly important in the UK too – Rushey Green now has a strategic agreement with its own local authority, and Spice (the consultancy behind Garw) is working closely with municipalities. It is less important for some of the time-based currencies – Talente has always been determined to stay independent, but then it serves a different customer base.

#### **3.3.2 Users**

One of the unexpected aspects of this research was the way that the users of time banks are overwhelmingly women, often women on the margins of society. This is true of all the time bank studies, perhaps not surprisingly for the Spanish time banks, which were originally organised for women – but it also confirms the research about the original time bank in Brooklyn which has

struggled, though sometimes successfully, to involve men.<sup>106</sup> This implies that the critique of conventional work that time banks represent, in different ways, also has a deeper feminist edge to it.<sup>107</sup>

What is interesting is that the same applies to at least some of the economic currencies. Banco Palmas in Brazil also concentrates their efforts on women, and especially on entrepreneurial local women and providing them with the loans and the support they need to be more enterprising, defined as the individuals choose. Whether that will apply to similar projects in Europe like SoNantes remains to be seen.

### 3.3.3 Technology

There may have been very little research about the technological needs of time banks. But the case studies show that there is a distinction between the technological needs of the time banks compared to the other currencies. The following needs emerged:

**Table 9: ICT requirements and usage of time banks**

<b>Requirement</b>	<b>Comments</b>
<b>Record-keeping</b>	This is a basic function of every currency.
<b>Keeping track of accounts securely</b>	From an early stage, this was a function of the time bank software, including sending out regular statements.
<b>Sending out statements</b>	These have always been a key element in the motivation of members.
<b>Counting episodes of care</b>	This is often a requirement of funders and has been part of more recent time bank software.
<b>Searching and matching members needs and offers</b>	This is a basic database function, and has become increasingly sophisticated in the way it can categorise different offers, etc.
<b>Matching times and places</b>	This used to be organised by a co-ordinator but are increasingly carried out between members online. The key issue for time banks is how much IT can replace the work of the co-ordinator (the answer appears to be: to some extent).
<b>Provide mobile or hub access to basic time bank data</b>	This is a need that has emerged out of the trend to expand using time bank hubs, and may provide a way that the time banks can expand at lower cost.
<b>Pinpoint geographical locations</b>	This is only recently possible, and is therefore a new development, and especially important for mobile staff.
<b>Keep in touch with members</b>	This includes publicising events, and most time banks normally use social media.
<b>Creating a sense of community</b>	This is normally something that happens offline in time banks; I am not aware of most time banks going beyond Facebook.

Some time banks simply use Excel as the accountancy tool, especially when printed tokens and notes are used, but the others (Rushey Green and VNSNY) need technologies that allow them to expand by creating hubs in new areas and neighbourhoods.

There is clearly a debate to be had about the way that time banks are best organised. If they are mainstream innovations for the whole population, then clearly internet-based self-service strategies apply, like those developed in the UK by Wingham Rowan or in the USA Sergio Lub and his Friendly

<sup>106</sup> Metropolitan Jewish Health System (2003): An Evaluation of Elderplan's Time Dollar Model, New York.

<sup>107</sup> Carrasco, C., et al (2011), El Trabajo de cuidado. Historia, Teoría y Políticas, Madrid, Catarata.

Favors website. If, on the other hand, time banks are tools which – to a greater or lesser extent – are embedded in charities or public services to involve and invigorate hard-to-reach sections of the population, then different technologies apply.

There will need to be human beings at the heart of this time bank infrastructure, even if they are actually employed on outreach. That would mean that the direction of travel would be internet-based programmes, increasingly mobile, to allow core staff to service more members.

Mobile also seems to be the direction of travel for the economic currencies. The Brixton pound has developed its own mobile phone application, and Banco Palmas has developed its own mobile applications to help support local small enterprises.<sup>108</sup> This also seems to be the direction that the UK and Spanish time banks are going in, just as it is true of VNSNY. Software is also being deployed that allows members to self-manage, but also allows different sites and mobile members of staff to manage accounts and matchings. Both Salut y Familia and VNSNY have developed their own, but the time banks and the other currencies – often developing separately – now have much more flexible, internet-based programmes that allow this (see Section 2). There is also evidence of increasing use of social media, used by time banks to involve members (Rushey Green Time Bank keeps in touch that way).

### **3.4 Barriers and Challenges**

The challenges for time banks seem to be widely shared, and the case studies confirm some of the research findings in Chapter 2. The most important challenge seems to be: how do you embed the time bank so completely in the work of its public service or charity host organisation that it no longer needs funding as a separate entity? The King's Cross Time Bank in London is the only one of its kind that has done this completely, but others have almost done so – but they are often nervous of setting out precisely what their operations cost to run, in case that speeds the process of internalisation.<sup>109</sup>

The obvious alternative, which is to make the time bank infrastructure entirely online, means that it is unlikely to be used by the very hard-to-reach or isolated groups who would benefit most. The two approaches are designed to meet the needs of very different segments of the population. Most time banks seem to exist between these two extremes (Rushey Green and Garw, for example). Sawayaka manages to get by without using IT at all.

Behind this dilemma is another question. Are time banks an alternative to old-fashioned volunteering, or are they a specialist kind of volunteering which people need only in crisis periods in their lives – recovering from illness, during depression or during other kinds of social isolation or social or economic exclusion?

The answer has to be that they can potentially be both, but different IT arrangements are going to be needed for each objective. If time banks are at their most powerful in moments of social or mental crisis, then it implies that people might move on from community time banks and perhaps use online time banks – or perhaps do without them altogether, because they are now successfully embedded in a supportive social network. If that is the future, then a major barrier is going to be the failure of professionals to understand the role of time banking and co-production in supporting their institutions. It is interesting that the development of the *fureai kippu* time banks emerging

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<sup>108</sup> See <http://brixtonpound.org/b-e-currency/be-for-customers/>

<sup>109</sup> For King's Cross, see [www.hcct.org.uk/what-we-do/timebanking/](http://www.hcct.org.uk/what-we-do/timebanking/)

from Sawayaki are time-limited institutions, that are designed to wind up when people need them less.

VNSNY confirms that only a tiny fraction of the hours exchanged are logged. This would be a failure for an economic currency, but it is a sign of success for a time bank. The implication is, again, that time banks work best when people use them at crisis moments in their lives, and then – when they are recovered – they can move on to old-fashioned friendship.

There are other challenges too:

- How can time banks expand to support more members when they are limited by the number of staff who can service them?
- What kind of relationship should they have with other kinds of complementary currency?
- What kind of technology will allow them to expand and keep a human connection at their heart at the same time?

### **3.4.1 Transferability**

There is little evidence about transferability in the published research, except what it might be possible to infer from the growth of different models, and clearly the UK and Spanish models are now expanding fastest. On the other hand, there are consistent findings that the individuals at the heart of the time banks are critical to their success, which might imply that transferability may be more difficult.

The main finding here is that the objectives of the UK, Italian, Spanish and Austrian examples are so different, and their socio-economic settings so varied, that – although there are clear parallels about what they are doing and how – there is a great deal of scope for them to learn from each other. This seems to imply that time banks could exist anywhere, but it is hard to be clear – without further research and facilitating conversations between organisers in different countries – what are national differences that would have to be taken into account and what are just different socio-economic uses.

There is evidence (see section 3.4.2) that the particular welfare systems of each country will shape the time banks, and that would certainly have to be taken into account. But, beyond that, there seems to be no reason – given that time banks are spreading in most European countries – why they should not continue to do so. But there is huge potential for the different national time banks to learn from each other. UK cities could learn from the Spanish approach. It may be that other public services could learn from the UK approach. The result might not be an amalgam of all of them, but a toolbox of different time banking ideas to be put into effect where they might be most useful either by public service professionals, community development workers, enterprise agencies or others.

### **3.4.2 Future Challenges**

Future challenges are hard to discern from the existing time banks research. The case studies reveal a consistent need for more reliable strategies for expansion, and finding technology that will allow them to do this without losing the human contact that has made them so successful. All the time banks in the Appendix are wrestling with this issue, and have strategies to deal with it, and they are actually very similar – involving local hubs and technology platforms that allow more flexibility. The precise details of the relationships between central and local – between the central hubs and the outlying mini-time banks – are likely to be a challenge later.

This need for human contact does not apply to economic currencies, where the challenges are around regulation and partnership, and finding the right partners to expand with. The question of who to work with is crucial for all kinds of complementary currency. With the exception of Talente and the various Tauschring currencies, and the French SEL systems, most currencies do not start now as free-standing entities: it may be more important now for them to work alongside, or work embedded, in partner organisations, which might be banking partners or might perhaps be media partners, or to work closely with local government agencies to provide the security, the trust, the funding and the reach that is necessary.

In the end, partners will only borrow these techniques – and people will only take part – if these currencies are seen to be effective in what they are trying to do. This is difficult for economic currency projects because they can only achieve their social objectives indirectly: building community, or rebuilding economies, is difficult to do directly. It is like making friends: you achieve this by doing effective and useful things together.

There is also a regulatory challenge. Economic currencies have been adept at negotiating the limits set by regulators, though none have achieved what Banco Palmas has in Brazil – the enthusiastic backing of the central bank. For time banks, the key regulatory challenges are around welfare rules, which are different from country to country, but especially where welfare regulations discourage volunteering or economic activity for people on welfare support of some kind. In the UK, this seems set to change because the new *universal credit* will positively encourage small earnings and voluntary activity.

**Table 10: A summary of barriers and challenges from the case studies**

	Sawayaka	Talente	Salut	Rushey Green	Garw	VNSNY	Palermo	Palmas	So Nantes	Rigac
<b>Core costs</b>	X			X	X					
<b>Extending membership</b>	X	X					X			X
<b>Involving local retailers or businesses, etc.</b>	X	X							X	
<b>Demand (supply OK)</b>		X					X			
<b>Tax and regulation</b>		X	X						X	
<b>Professional support</b>				X						
<b>Expansion to hubs</b>				X		X		X		
<b>Technology</b>					X			X		
<b>Exchange rate manipulation</b>										X

## 4 POLICY RELEVANCE AND RESEARCH GAPS

This section looks at where these currencies, and time banks in particular, would seem to open opportunities in a range of areas of public policy interest. The review of research literature suggests that the main policy relevance of time banking lies in where they have a proven track record – in improving employability, physical and mental well-being and rebuilding social networks. The existing literature is ambiguous about the track record of the economic currencies. The new up-to-date information from the case studies allows us to identify a number of areas where policy can have relevance, and the following conclusions. This chapter also identifies a number of areas of future research that may be necessary in order to better understand how time banks operate and are successful, and how they could have further impact in areas of policy concern.

### 4.1 Policy Relevance

#### 4.1.1 Health

As was set out in the literature review, time banks have a proven record in successfully helping people improve their health, especially when they are isolated and have one or more chronic health conditions.<sup>110</sup> This is particularly confirmed by the research into the impact at Rushey Green, and they do so in three ways:

- By providing volunteer support when people are recovering and coming out of direct professional care.
- By providing people with new social networks.
- By encouraging people on the margins to understand that they have important roles to play in those networks.

The main barrier here appears to be that health professionals have been slow to understand the significance of what is possible. Recent research in the UK by Nesta has set out possible savings of £4.4 billion in the UK alone from informal mutual support, but their report accepts that health professionals may need more than just statistics to challenge their professional view of their unchallenged role.<sup>111</sup>

#### 4.1.2 Employability

The literature suggests that there is little evidence about the role of time banking in preparing people for the job market, but the case studies provides more insight here. There are examples in the case studies of time banks making training available for people and finding them jobs. The Garw Timecentre is experimenting with this and there was a long record of time bank training at the Grace Hill Settlement in St Louis.<sup>112</sup> But it is still largely experimental, although there are examples where people have found paid work as a result. The main role of time banks appears to be earlier in the process of preparing people for employment – supporting people when they have been though depression or other disability or chronic problems, or when they have become isolated. Time

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<sup>110</sup> Jay, J. (2011), *More Than Money: Literature review of the evidence base on Reciprocal Exchange Systems*, Nesta, London.

<sup>111</sup> Nesta (2013), *The business case for people-powered health*, London.

<sup>112</sup> The Member Organised Resource Exchange (MORE), see for example Boyle, D. (1999), *Angels and Health*, Time Dollar Institute, Washington.

banks have a record of helping people get into the position where they might think about employment again, in particular after episodes of mental ill-health.

Salut y Familia appears to be leading the way to integrate this approach into other job readiness programmes, especially for young people, and with training.

#### **4.1.3 Public sector effectiveness**

The literature suggests there is relevant research, mainly in the UK, about co-production and the role of mutual support in public services. The case studies allow us to be more precise about the issues here. The UK time banks in particular are increasingly integrated locally with charities or public services – limited only by the fear that public sector management may be too constrained and risk-averse to allow themselves the innovative freedom they need to do their jobs (that was the advice given to Rushey Green after debating whether to be fully integrated with their host doctors). This is largely driven by the need for core funding, if time banks are going to succeed in reaching their target audience in the hard-to-reach sectors.

But the lesson here, and repeated in other examples (VSNNY and Salut y Familia) is that time banks can help public services achieve their objectives by providing supportive social networks and mutual support around them, and by extending the services which professionals can deliver (friendship, lifts, shopping, small repairs etc). This is a challenge for services and the way they account for their own money and achievements. It is also controversial in some national time banking organisations.

#### **4.1.4 Resilient neighbourhoods**

This is the other side of the same issue, and the research evidence in Chapter A suggests that time banks have a role rebuilding mutual support – but there is little evidence about how this might help neighbourhoods survive economic collapse, though clearly the Italian and Spanish time banks also aspire to doing this. The case studies make it clear that time banks also have a proven record of building supportive communities where they had been too isolated (VNSNY) or too economically deprived (Garw) to create those for themselves. This is confirmed in the other examples in Italy and Spain. And in all these cases, they do so primarily by motivating local women, and through them eventually by reaching the men. The difficulty for policy-makers is that they can't do this directly – the resilient communities emerge by doing useful activities together, which the time banks can accelerate.

The evidence of VNSNY is that nearly three quarters of the poorest members were financially better off because of the time bank. They believed it had saved them money. Mutual support is a critical factor in building a set of policies to create resilience in hard-hit neighbourhoods.

This is a different issue for the economic currencies, and there is some doubt about whether they have had a major economic impact so far.<sup>113</sup> My reason for concentrating on the new wave of currencies which lend parallel money at very low rates of interest (or sometimes no interest) is that – if they turn out to be as effective as they are in Banco Palmas – this could be a critical factor in building economic resilience.

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<sup>113</sup> Dittmer (2013), *op cit*.



#### **4.1.5 Women's entrepreneurship**

The research evidence does not cover this, though there has been academic attention paid to the role of women in the Spanish and Italian time banks.<sup>114</sup> But the implication of the success of Banco Palmas is that the focus on women is not just a feature of time banks; it also works effectively for the economic currencies. This works partly because Brazilian policy has been focused on rebuilding impoverished communities via women, thanks to the Bolsa programme, which pays women for various social activities – like sending children to school. But it also works because of the experience in development, for example in micro-credit and the Grameen Bank, which is that women are the critical factor.

The implication is that this is an important area for policy-makers to look at – and that building supportive communities of women in particular can underpin policies supporting poverty reduction and enterprise. That might mean that the design of currencies needs to be less gender-neutral and to target women more convincingly from the start, as the Spanish time banks have done, or like the pioneering Womanshare system did in New York City in the 1990s.<sup>115</sup> No research that I am aware of yet has also studied the impact of using social media on particular groups of prospective members, and whether that is particularly encouraging or discouraging to others.

#### **4.1.6 Small business credit**

Again, this goes beyond the existing research evidence. The purpose of the economic currencies is to help people use their marketable skills locally and to earn spending power from that. That is the idea behind Banco Palmas and it is the driving force behind SoNantes and other economic currencies. They are interesting because they put the need for low- or no-interest credit at the heart of what they are trying to do. The new Hungarian currency featured in the Appendix also has credit at its heart.

Previous currencies have done that: LETS-style currencies (Talente for example) have no need for separate credit lines because they provide credit automatically, and often the challenge is to get people to go into debt in order to make the exchanges possible at all – though this is sometimes treated as a disincentive (they could feature it as an advantage). What is interesting about Banco Palmas is that it puts credit for small enterprise at the centre of their purpose, rather than an added benefit.

This is not a new idea for Europe. The Great Depression created many currencies along these lines, notably the Swiss Wir, but it is little known or understood even in Europe. The implication of Banco Palmas for Europe is that it may be that successful currencies specialise more than they have done previously.

### **4.2 The challenges facing the actors, and opportunities for policy action to support them.**

The key challenges identified in the research literature review includes the difficulties involved in sustaining the time bank infrastructure, where time banking projects have to hobble along between grants which are increasingly scarce. The research evidence suggests a successful track record for time banks achieving their main objectives, but by implication a lack of understanding about their

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<sup>114</sup> Amorevole (2005), *op cit*.

<sup>115</sup> See description in D. Boyle (1999), *Funny Money: In search of alternative cash*, London, HarperCollins.

potential among professionals. This section sets out some of the key policy challenges that need to be solved, emerging out of the case studies in the Appendix.

#### **4.2.1 Sustainable funding and accounting**

The research confirms that a key problem for time banks is sustainable funding, though the case studies of well-established time banks are mainly (but not all) examples which have faced down this problem so far. The case studies imply that the way this seems to be developing is that time banks are increasingly becoming part of their host organisations – but there are barriers to this. One is the reluctance of both sides to subject time banks to the kind of risk-averse management that would undermine their effectiveness. The other is that public service professionals have often not grasped the key role that building supportive networks play in their own success (see below). This may also be a controversial solution in some time banks.

The key to this may be an accounting problem, that investment in time banks sees the financial savings that result accrue elsewhere in the public budget – so they will find it hard to identify and to draw them down to pay for the time bank infrastructure. This is the basic problem that needs solving: how can institutions like time banks get access to the savings they make possible in public services, and use the money to make those savings possible in the first place?

There are potential ways forward in this – one is a kind of *social bond* which draws forward the savings to make the investment, but a simpler solution would be to localise budgets in such a way that very broad savings from time banks can be captured and put to use. But both of these still rely on monetising savings, which would – if successful – presumably reduce over time. In the longer term, only a broader understanding by public service professionals about the importance of mutual support is going to work.

#### **4.2.2 Public service professionals**

The Literature confirms that time banks have a potential role in the success of professionals in every field, but many professionals are slow to understand that, particularly in health. This problem might perhaps be solved by some kind of public service regulation, forcing service contractors to explain how they will use clients as partners in the delivery of services. Or it may be that every public service needs to have a strategy to build social networks for their users. Time banks are not the only way of doing this, but they have a proven record in doing so in the most difficult areas of poverty and deprivation.

There is considerable research about the cost savings possible when mutual support systems are provided.<sup>116</sup> This evidence seems to point towards a wider education policy to help service professionals understand that they need their clients, and their clients' families and neighbours as much as the other way around – and especially at that point where professional support is inevitably withdrawn.

#### **4.2.3 Support from welfare authorities**

The literature suggests that both time banks and economic currencies may be valuable particularly for unemployed people. In many countries, there are restrictions imposed on the amount of time that out-of-work benefit recipients may spend on volunteering, and some welfare authorities will

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<sup>116</sup> Nesta (2012), *People-Powered Health Co-production Catalogue*, Nesta, London; see also David Boyle et al (2010), *Public Services Inside Out*, Nesta/New Economics Foundation, London.

interpret parallel currency earnings and dock them from welfare payments, leaving members worse off.

The case studies (Italy and Spain) imply that the welfare system in each country will determine the shape of the time banks there.<sup>117</sup> That may be inevitable. But the evidence is that these currencies will potentially make it easier for people to survive economically, and will help them prepare to re-enter the jobs market, and it makes sense then for welfare authorities to find ways to encourage them. It may be that the different welfare regimes in Mediterranean countries are one of the reasons why the Spanish and Italian time banks have developed a distinctively feminist critique.<sup>118</sup>

#### **4.2.4 Support from other economic stakeholders**

Existing research literature is sketchy about the role that time-based currencies might play in economic revival, and what research there is remains ambiguous about their success. For the economic currencies, the role that low-cost credit in parallel currencies (barter) could play in providing circles of mutual trading for small business has not been very widely understood. The emergence of SoNantes and other similar initiatives provides an opportunity to see how far this kind of system can support enterprise and the case study of Banco Palmas suggests another way forward.

But this kind of system will not emerge by itself or separately from existing government agencies and financial institutions. Banco Palmas has a partnership with the central bank. SoNantes has a partnership with the *credit municipale*. Currencies will need partners in every area, back office banking partners, enterprise partners, local government partners and media partners. Who those partners are, and whether they are primarily interested in technology or enterprise, will make these various initiatives distinctive and innovative.

Yet it is agencies charged with encouraging enterprise which could potentially make the best use in practice of some of these techniques and patterns.

#### **4.2.5 Support from regulators**

The review of the literature suggests that regulators are not generally a problem for time banks, except at their most innovative, because they do not aspire to a role that is directly intervening in the economy – though there is a problem of definition in Scandinavia, where tax authorities are reserving the right to tax time exchanges. If this spreads, it seems likely to limit time bank activities to tasks that are obviously neighbourly or charitable, and speed the division between social and economic currencies.

But the case studies suggest that regulation is very much a challenge for the economic currencies. The difference that the support the Brazilian Central Bank has given the Banco Palmas model has been vital in their expansion. Banking and payment regulation in Europe is mainly designed for huge players, not small ones, and regulators need to find easy paths for innovative new projects to emerge. These opportunities exist under the European e-money directive, but they are hard to navigate and complex – and support from central bankers and regulators is paradoxically crucial.

There is a counter-argument to this, which is the determination that the Tauschring and Talente systems have to stay absolutely independent of the authorities. That is fine and can be successful,

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<sup>117</sup> I'm very grateful to Lucia del Moral for articulating this thought.

<sup>118</sup> See for example: Gálvez, L., Rodríguez, P. and Domínguez, M. (2011), 'Work and time use by gender: A new clustering of European welfare systems', *Feminist Economics* 17 (4): 125-157.

as long as they are thriving as part of the counter-culture, but it will mean that there is bound to be a limit to their expansion.

### **4.3 Areas of future research**

This section draws on the evidence in both Chapters 2 and 3 to set out proposals for new areas of research in this field. Research across the Europe confirms the benefits of time banks, and does so consistently. But there are areas and gaps in knowledge, mainly practical, where research and action research is badly needed, which include:

- Sustainable funding.
- The needs of women.
- Technological needs and their relationship with the human connection.
- Employability and the relationship with job markets and economies.
- The relationship with public services, and whether social and economic currencies are merging or moving further apart.
- Sharing best practice and evaluation.

Taken together, the following topics suggest themselves for research:

#### **4.3.1 How to benefit from public service savings**

This is the key challenge for some time banks (see Chapter A), and may provide the key to sustainable funding for time banking – by making services more effective. Research needs to demonstrate ways in which it might be possible for the real savings in public budgets made possible by time banks to be transparent, and then how they might be made available to run the time bank. This is not an easy area and there is a range of different approaches that need to be taken, and they are often controversial, but this is a fertile area for future research.

#### **4.3.2 Researching the role of women**

The consistent targeting of women – by time banks and economic currencies – is one of the less predictable aspects of this report. It may have implications for the best way of designing these systems, and the best way of running and marketing them. What we need to know is what the implications are of this and whether, for example, mutual support systems of women – provided with credit for enterprise – might be an effective anti-poverty strategy in Europe, as it is in Brazil.

There is also a need to look at the use of social media by time banks and other currencies and whether this successfully broadens, or narrows, the groups who are otherwise attracted to becoming members.

#### **4.3.3 Choosing the most appropriate technology**

There is a technological challenge for time banks caught on the horns of the dilemma about how much they should be making self-managed internet-driven accounts available to members, and how much their target audience requires at least some face-to-face support beyond that provided by other members.

The presence of a central figure in the time bank to build loyalty and trust has been identified as important in many of the time banks in the UK, Italy and Spain. Even those using the Slivers of

Time internet system in Watford and Stevenage have a geographical base and a friendly face.<sup>119</sup> What they need to know is the best way of combining the two to achieve the scale needed for time banks to be effective locally, while retaining a human being on the ground to co-ordinate and inspire.

#### **4.3.4 The potential for employability and job creation**

There are various ways in which time banks, and the other currency systems, try to intervene in the job market, from training to small scale credit. We need to know more about what is possible and what is most effective.

In particular, we need to know about the role currencies might play in providing new kinds of credit for enterprise. The Swiss Wir system has been offering low-cost credit in parallel currency successfully since 1934, but almost nothing similar has replicated it elsewhere in Europe. The launch of SoNantes makes it possible to see whether this is an effective model in other European city regions, but one project does not make an experiment and there needs to be others.

Also linked to the economic crisis are the emerging links with protest or environmental movements, especially in hard-pressed countries like Greece, which are very little understood.

#### **4.3.5 The broader relationship between time banks and public services**

This emerged as a trend both from the research and the case studies, but very little is known about what works best and how this relates to the emergence of successful co-production in services, and what best practice might help services develop better. It is also fair to say that closer relationships with public services remain controversial outside the UK (and sometimes inside).

Behind this is the question of whether time banks (social currencies) and economic currencies are getting closer or further apart. One scenario, driven by regulation – and because time-based currencies are not designed for economic regeneration – sees them becoming further apart. That might mean a new relationship between time banks and public services. The other scenario sees them driven together by economic need, which might mean less involvement with formal services. There is some suggestion here that they may be driven apart in northern Europe and together in southern Europe, but actually there is little evidence so far.

#### **4.3.6 Sharing best practice and evaluation**

One of the consistent themes of time bank success in the case studies is that the message is spread by word of mouth alone. This is also true of Banco Palmas. The implication of this may be that time banks and other currency schemes are at their most effective when they are very local – which may not suit more ambitious credit schemes like SoNantes. Research is needed about the most effective way to engage communities of mutual interest around these currency systems, and whether the time bank trend – central administration and local hubs – provides a better combination, and whether social media can help.

But there are also very few opportunities for time bank organisers to meet across Europe and to share experience and ideas. There are also very few opportunities for the local authorities and mayors involved in all kinds of new kinds of credit system in Europe to meet those who have pioneered these approaches in Latin America. That may be an obvious area for collaboration and action research.

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<sup>119</sup> <http://mywatford.net/about/Lists/Posts/Post.aspx?ID=8>

Behind this is the question of how it might be possible to judge the success of time banks using comparable measures. The variety of different objectives suggests that this will be difficult. More research is needed to find out what, if anything, holds them together and can be measured.

## 5 CONCLUSIONS

The basic effectiveness of time banks in building supportive neighbourhoods, especially for older people, people with health difficulties and in poorer or immigrant communities, seems to be confirmed in a range of different projects. So is their ability to save money, both for their members and for their partners in the public services, by increasing the effectiveness of services (though not necessarily by allowing them to cut services).

Their big challenge is how to use these successes to build a sustainable future for themselves, perhaps partly inside a range of different host organisations – which require mutual social networks around them if they are going to be more effective. The future of time banks may be as a technique for institutions, more than as standalone projects, though this debate continues across Europe and the outcome is not yet clear.

In any case, to achieve that, public service professionals need to understand more about the potential of time banking. There also needs to be more understanding of how best to balance the technological needs and the need for a human being at the heart of time banks if they are to reach their target markets. Those issues remain unresolved. These key ideas also stand out:

- Time banks and complementary currencies are a growing phenomenon, not only in number of experiences but also in their variety. The diversity of welfare system not only implies different welfare rules but also different social needs as well as work and time use patterns that influence the objectives, membership and use of time banks.
- Time bank and complementary currencies have potential to improve well-being and mental health, to enhance the effectiveness of public services, and to promote entrepreneurship and self-employed business ventures.
- The high rate of women promoting and participating in these initiatives is an opportunity, but also a question: do they really make the most of this participation?

It is clear from the growth in some countries of the time bank technique, and rising interest in all parallel currencies, that this is an issue worth pursuing.

## 6 APPENDIX: CASE STUDIES

The Appendix presents ten case studies from Europe and beyond. Seven of them are time banks or related to time banks in some way. The final three are innovative parallel currency schemes.

### 6.1 Sawayaka

A network of time banks, designed to support older people, which is now being changed into a time bank designed to support communities which have been hit by disasters – in this case the massive tsunami which hit the Japanese coast in 2011.

<b>Website:</b>	<a href="http://www.sawayakazaidan.or.jp">www.sawayakazaidan.or.jp</a>
<b>Region(s)/Country:</b>	Japan
<b>Start date:</b>	1995
<b>Date of data collection:</b>	5 June 2013
<b>Thanks to:</b>	Hitomi Matsumoto

#### 6.1.1 What is the service trying to do

The Sawayaka Organisation is a charity and think tank dedicated particularly to tackling the problems caused by Japan's ageing population. They were among the organisations which pioneered the *fureai kippu* currency systems which began across Japan in the 1990s, in this case after the upsurge of volunteering that followed the Kobe earthquake of 1995. But they are now running their *fureai kippu* schemes down and turning them into currencies designed to tackle the social problems following disasters.

*Fureai kippu* means 'ticket for a caring relationship'. Sawayaka's pioneering work led to these systems spreading across Japan very rapidly, though there was considerable mutual volunteering activity before that, dating back to 1973. At their height, each one of the groups had on average about 300 members, each one co-ordinated by a committee of local people. There were no websites used: *fureai kippu* spread almost entirely by word of mouth.

The system worked by issuing pieces of paper (the 'tickets') which were worth about the cost of a home-cooked meal, but which only became valid when the older person who had received help wrote down the date and details down on the ticket. Once this has happened, the ticket can be used in one of two ways:

- Taken to the local *fureai kippu* office and redeemed for yen.
- Kept by the volunteer to redeem for help when they themselves are old.

Tickets were sponsored by companies and organisations to pay the cost, and sometimes funded by individuals.

But Sawayaka's *fureai kippu* schemes have been running down now for about a decade, since the 2000 law which provided many of these homecare services through the state. There are similar schemes still running all over Japan (about 390 of them). Some of them charge small amounts for services and there are various different models.



Instead, Sawayaka has decided to use their system as the basis for something more targeted, following the devastation caused by the 2011 tsunami. The disaster has destroyed fixed communities, sending neighbours off in different directions where they know nobody, in temporary accommodation, and without their cars (which had often been destroyed). There is also a problem in the worst-hit towns that the shopping centres, and local shops, have been very badly hit as their suddenly impoverished and temporary populations have been unable to afford shopping as they did before.

Sawayaka has appealed across Japan for people to contribute money for a new system covering five different towns on the tsunami-hit coast. The new system is due for launch in August, but it continues the *fureai kippu* pattern. If someone helps someone locally, often by giving them a lift, they write down what they did on the back of the ticket, and can then bring it to the local shopping centre, where they can buy things with it. Each ticket is worth about 500 yen. Shops will have to join the scheme and advertise the fact with a sign in the window. The shops can then redeem the cost from the local currency committee – but they will normally provide heavy discounts for tickets. People will help fund the tickets by buying them for 500 yen as well, and finding that they can buy more than that with them.

Sawayaka is paying for the cost of the system, mainly out of the national contributions.

#### **6.1.2 Users**

Sawayaka's *fureai kippu* schemes attracted mainly middle-aged women. There were also older men, but the system did not appeal so much to young people. One of the main differences with the European and North American time banks is that the system is not usually mutual. Middle-aged people help older people and earn a ticket for doing so. The older people are not necessarily involved as earners.

#### **6.1.3 Technologies**

Local operation committees in each of the five towns for the disaster relief currency (Otsu, Kamaish City, Ofunatosh City, Minami Sanriku, Shiogama City) will be able to decide this separately. But *fureai kippu* do not usually use IT at all. They are not online, have no web presence, and the tickets are physical.

#### **6.1.4 Outcomes**

The fact that *fureai kippu* schemes have begun to revive in recent years, after restrictions to the Long Term Care Insurance system (there are now around 391 schemes running), shows that they were succeeding in meeting a need. But the movement is hard to track because there is very little research or information, and especially after 2000.

#### **6.1.5 Success factors and barriers overcome**

The key barrier has not in fact been overcome. It is that the nursing care insurance system introduced in 2000 has formalised many of the informal services that *fureai kippu* was able to provide. There are still schemes like this running, and there have been signs of revival. But Sawayaka has taken their system and are now re-launching it against another problem.

Yet the organisers are aware of lessons learned so far – including the importance of publicising how people are using their tickets and of having regular social gatherings and events, so that people can meet face to face.

### **6.1.6 Future challenges**

The challenge now is to persuade people in fragmented communities to accept this system which has been used hitherto for older people. That means different kinds of tasks are going to be rewarded, and these will inevitably more mutual – older people are included, but not just older people.

There is also a challenge around the new objective: to revive the struggling shopping centres, and this task borrows from the so-called transition currencies, like the one in Great Barrington, Massachusetts, providing a local currency that is backed by the national currency but which is used by local shops to market themselves. There is some experience of similar ideas in Japan (like the Love Currency) but this combination remains untried.

There are other challenges about recruiting younger volunteers, and the usual challenge – familiar everywhere for time banks – about raising money to cover the core costs.

### **6.1.7 Transferability and scalability**

What makes the disaster recovery currency particularly interesting is that it will be time limited. If it helps to build cohesive communities in the five chosen areas, then the experiment will end. They are not intended as permanent systems. But there has been a demand from other tsunami-hit towns and the idea is to start there as well, if possible.

### **6.1.8 Visions of the future**

The vision for the disaster relief currency is a system that can be used to knit neighbourhoods back together after any kind of stress, economic or physical. The model that Sawayaka has set out is to be a time-limited system, using relief donations in a way that can rebuild social ties – which are often undermined by conventional donations. The possibility is that this is a kind of outside donation that does not disempower.

In the short-term, the idea is to extend the currency quickly into the sale of used goods – a combination of time bank and Freecycle.

### **6.1.9 Sources**

Boyle, D. (1999), *Virtual Currencies*, Financial Times Business Reports, London.

Hayashi, M. (2012) 'Japan's *Fureai Kippu* Time-banking in Elderly Care: Origins, Development, Challenges and Impact' *International Journal of Community Currency Research* 16 (A) 30-44

Lietaer, B. (2004), 'Complementary currencies in Japan today: History, originality and relevance', *International Journal of Community Currency Research*, Vol 8.

## 6.2 Talente, Austria

A Local Exchange and Trading Scheme (LETS) based in the region of Vorarlberg, which allows people to exchange time, goods and services between individuals and small businesses – and linked to a business currency based on euros.

<b>Website:</b>	<a href="http://www.talente.cc">www.talente.cc</a>
<b>Region(s)/Country:</b>	Austria
<b>Start date:</b>	1996
<b>Date of data collection:</b>	25 May 2013
<b>Thanks to:</b>	Rolf Schilling

### 6.2.1 What is the service trying to do

Talente's primary service is to provide an alternative currency for the neighbourhood so that less affluent people can use *talents* as a complementary currency to buy goods. Its secondary purpose is educational: to show people that there are systems outside of the official financial structure and to promote the idea of exchanging goods instead of buying them by providing a complementary currency to do so.

The geographical scope of Talente's activity is state-wide in the federal state of Vorarlberg which has 350,000 inhabitants. Talente has 10 regions within the state but all of them work in different organisational structures in order to find the best organisational solution for each region.

Their scope of activities are therefore three-tier: local, regional and outside of the region. The latter level means a clearing system which operates within the German-speaking countries. They also have a lobby association which is active in Germany, Austria and Switzerland with a mandate to promote the successes of these systems.

LETS has developed differently in Austria compared to Germany, where they are usually very local. In Austria, they tend to operate on a state-wide level such as in Tyrol for example, where one cohesive organisation, a regional exchange trade system, provides its services for the state. In Germany, there are 350 different development models, so it is difficult to generalise about them.

The system was started by the head of the Catholic Church's educational organisation. He was inspired by the English-speaking initiatives of LETS but, instead of the local focus, wanted to build up a regional system. He invited 30 people with different expertise and skills from all parts of the state. The decision was made to set up the system by the end of the year and to double the number of members from 30 to 60 by the end of this nine-month-period. But the initiative proved to be so successful that, by the end of the year, they already had 100 members. This had increased up to 350 by the year 2000 when the membership system had been changed from individual to household accounts.

Today, Talente has 750 accounts. Each account stands for a household, so the 750 accounts aggregate to an estimated 2,000 people. One third of the account holders are considered very

active, one third “moderately active” and one third “inactive”. Some of the members are organisations like churches, or those providing social services.

The membership has developed organically through the already existing network which means an average 10-15% annual growth (last year saw a small decrease but that was due to conscious efforts to clear inactive accounts from the system). They have recently updated their brand and moved to a new website, aware that the image needed modernising.

Talente works on a time based system, the currency’s name is *talent*, and 100 talents account for one hour of work. Today, Talente’s annual turnover is 30,000 hours which values for an estimated 600,000 euros. The ideal of the founders was to be absolutely independent, so Talente has never received any funds but has been financed only from membership fees from the very beginning. Membership fee is currently 24 euros/year plus 3.6 hours/year.

Besides the LETS system of Talente, a linked regional co-operative has been built up with a separate currency called V-taler in order to have two parallel systems, one time-based and one euro-based. V-taler is the regional currency for about 300 companies based on the euro-system. V-Taler has a 1.5 million euros annual turnover and the plan is to increase it. V-taler can be used within the Talente-system, which means that you can buy time with the V-Taler but the law doesn’t allow you to do it the other way around.

The funding of the V-taler system is a bit different from Talente’s because it is starting up and funded from the European Regional Fund for the first three. But since 2012, it has become completely self-funding.

The board consist of five members, and meets every four weeks. The system is run by 24 employees who meet every six weeks. Employees are partly paid which means that about half their work time is compensated by talent, whereas half their work is voluntary. Only travel and office costs are reimbursed in euros.

### **6.2.2 Users**

Two thirds of members are women. Their age ranges from 35 to 70, so the average age is about 48 years. Most of the members are people from local families who were born and raised here therefore have a very strong bond to the region and the community. They are typically self-sustaining and independent-thinking people, often open to alternative lifestyles. The founder deliberately began by asking people to join because they were politically active, and the vast majority of the members have been recruited through personal networks. Often whole circles of friends join together.

This means that trust is not a serious issue. For many of the members, being in Talente is also a way to self-development. To work actively for an alternative system is an important part of their self-identification.

### **6.2.3 Technologies**

Talente uses the open source Cyclos software, and has done since 2007. It has been developed by a Dutch organization and is very popular in the German-speaking area where about 100 systems use it. It is basically an online banking system with additional features such as personal profiles for members, advertisement boards, internal email scheme, and a very good search engine. There is a demand alert scheme too which works like a waiting list: members can subscribe to what service they are looking for and receive an alert when it appears in the system.

Talente uses a smartphone application too, and members can make payments through their smartphone in *talents*.

Before switching to Cyclos, the system ran on an offline Austrian software called Black Cat.

#### **6.2.4 Outcomes**

Although the primary function of the Talente-system is to provide means to exchange local goods and services, it is also designed to have a positive effect on the community. Through trading with local businesses and networks, people are becoming increasingly aware of what is available in the place they live about their vicinities which enhances social bonds within the community and raises social capital.

Meanwhile its complementary regional system, the V-taler, is designed to give access to people to good quality local products. V-taler boosts the regional economy, contributes to a cleaner environment by reducing food miles, and provides a transparent and traceable food safety system.

#### **6.2.5 Success factors and barriers overcome**

Organisers are very aware that they are one of the biggest systems in Europe, and they want to make sure that the system runs in a very stable and smooth way. To make sure this happens, they use a Quality Management System which allows them to do regular benchmarking with other German-speaking LETS in order to share experiences and to learn from each other. They exchange all data and benchmark things such as turnover, how many talents circle per year, how many complaints they receive, how many members leave without paying their debts, etc.

#### **6.2.6 Future challenges**

There has been an issue that the supply is much higher than the demand. Supply includes food from farmers and elsewhere, homemade food products, arts and crafts, and plenty of services like piano lessons, languages lessons, hairdressers, originally designed and tailored clothes, office services, mobility services, etc. Typically, there are about 3,000 permanent different offers in their booklet, and about 150-250 in addition come in monthly. The high supply is due to the fact that the majority of the membership is relatively affluent. There remains a challenge to make a difference for poor people as well, but there may be a nervousness among them that they will be seen as taking too much.

#### **6.2.7 Transferability and scalability**

The organisers of Talente are extremely aware of their special regional needs. They think that the key to the success of such an initiative is that it is designed to meet the special attitudes and social conditions of their region. Just as much as a Spanish or Finnish initiative could not be implemented there without significant alternations, they believe theirs may not work anywhere else either.

#### **6.2.8 Visions of the future**

Talente is keen on grow. They have three competing concepts of development for the future at the moment, but the decision which direction to choose is yet to be made:

- *Plan 1: Sharp growth in membership:* Based on consultations with a Zurich-based expert of complementary currencies, Talente expects that the ongoing euro-crisis may have a serious effect on their membership in the middle and long-term. According to some calculations, if the euro crisis escalates, their activity may expand as much as to reach a quarter of the

local population (at the moment it is only 0.5%). Talente is now trying to prepare for such a high rise in membership but it would require fundamental organizational restructuring. For the moment, the organisers and employees of Talente are mostly highly dedicated and enthusiastic, yet untutored people who would need serious training of up to three years to become competent for running such a large network and to be able to provide sufficient leadership. The other problem of such a rapid growth would be its effects on the community which is now almost one big network of friends where everyone knows each other. This type of community spirit can only be maintained with an organic increase of up to 10% a year, and how the influx of a high number of new members should be addressed is yet to be seen.

- *Plan 2: Expansion in the regional economy:* Plan 2 would aim at radically increasing the number of local businesses in V-taler. Currently 350-400 local businesses participate in the system, and the plan would be to attract 50-60% of all of them. But this plan might be set back by the Financial Market Authority, which has stated that such growth on a regional basis would be against the law as it would have a too high influence on the normal euro-based economy of the state, though the number of participating local businesses is not capped on the local level (in the Langenegg municipality, 80% of all local business participate in the system). Hence V-taler is now lobbying the federal government for intervention, with the active support of their state government.
- *Plan 3: Implementation of a Fureai Kippu system:* This is a system in which younger people can earn or save time by providing care for elderly people, a complementary pension scheme, or an cross-generation time bank. The first European one was implemented in Switzerland in 2012, but the experiences are yet to be seen. Talente/V-taler is now, with the help of the state-government, lobbying the federal government to consider how the problems of older generations can be solved.

### 6.2.9 Sources

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### 6.3 Salud y Familia

A network of time banks and time bank training across Barcelona, with a particular interest in employability.

<b>Website:</b>	<a href="http://www.saludyfamilia.es/es/banc-del-temps">www.saludyfamilia.es/es/banc-del-temps</a>
<b>Region(s)/Country:</b>	Cataluna, Spain
<b>Start date:</b>	1998
<b>Date of data collection:</b>	28 May 2013
<b>Thanks to:</b>	Josefina Altes Campo

#### 6.3.1 What is the service trying to do

The association Salud y Familia (Health and Family) is a non-profit private initiative based in Barcelona. It has diverse activities including a time banking and social cohesion project. The other projects focus largely on women: maternity risk, fight against gender-based violence, promotion of access to healthcare of immigrants and general assistance to mothers in vulnerable situation and families.

The main element of the time banking project of Salud y Familia is to co-ordinate a network of existing time banks and promote the creation of new ones. The organisation also operates as a base of know-how on time banking and as a training centre for time bank facilitation and management. The association organises a time-banking 'fair' (*jornadas*) every year, where all time banks from around the country and internationally can meet. They also produce regular newsletters of the activities of time banks.

Their time banking activities are one the one hand focusing on Barcelona and Cataluna mainly, but some of their activities, especially the training and consultation activity, is nationwide.

The main organising principle of the time banking promoted by Salud y Familia is that time is the medium of exchange and time is worth the same value to all participants, which means that the accounting unit of the bank is the hour. The time banks are independent from Salud y Familia and receive different levels of support and involvement from the association, depending on their geographic location and origin.

Time banking activities include:

**(a) Co-ordinating a time banking network in Barcelona:** The municipality of Barcelona has been supporting these financially, and with free usage of office space, with technical assistance and via communication. Barcelona is a key city for time banking with a constantly developing network and innovation on forms of time banks, including the following:

- **Citizen's neighbourhood networks:** These time banks are formed mainly by neighbourhood associations and all those who live in the area are free to join them once they are 16 or above and agree to the rules of the bank. Salud y Familia provides training for those who would like to start a time bank, the software for the accounting, free publicity via the municipality and advice to those who facilitate the time banks.

Most of the offices of these time banks are in spaces owned by the local administration and given especially for this purpose to the managers of the time banks in civil houses or social centres. The rest of the administrations are in the offices of the local association the time bank is linked to.

- **Time banking in schools:** Schools in Barcelona are founding time banks for their students as an educational project. There is special training for teachers, and the time bank also includes parents of the children. The purpose is also to familiarise and involve parents to a larger extent in the activities of the school.
- **New models under construction:** These include time banking at the University of Barcelona and enterprise time banks, creating of time banks by linking together employees of larger companies in the Barcelona region.

**(b) Promotion of time banking outside Barcelona:** A second looser network of time banks is linked to Salud y Familia in Cataluna, especially in the communities around Barcelona. Cambrils, El Venreils and Santa Cristina de Aro are reference time banks in the region. This loose network promotes exchange between the time banks in Cataluna including the time banks of Barcelona. Salud y Famila also offers expertise to all Spanish municipalities who want to support the creation of a time bank.

**(c) Training:** The association has a two level training programme for facilitators and active volunteers in time banks: an introductory course dealing with the basics of time banking, and an advanced version.<sup>120</sup> The introductory training is usually financed by the municipalities interested in setting up time banks on their territories and thus free of charge for potential facilitators.

The time banks are changing. What began as a system primarily for exchanging domestic services is increasingly about the swapping of knowledge (what is known in other parts of Europe as 'skill swap').

Salud y Familia started their first time bank as a pilot project to promote self-help of women and citizen participation. The first bank was founded as a pilot project with EU funding in 1998 in the Guinardó neighbourhood by Judith Ibáñez in the context of a project trying to reconcile work and family life and empower women through self-help networks. The main objective was to promote exchange between women living in the same neighbourhood and to offer an alternative to classical voluntary work that is reciprocal.

There are 16 Salud y Familia time bank offices open in Barcelona and another three due to open. They now have a co-operation agreement with Italian time banks and with Portugal in 2010. They are also working closely with the Chilean time banks.

The organisation gets regular financial support from the municipality of Barcelona. In 2012, this was 44,000 Euros, covering three quarters of the costs of the project and the training in Barcelona. Many of the activities are services that are bought by other municipalities (training and advising). The latest training of facilitators in Malaga, part of a European project, cost the municipality of Malaga cost 5,000 Euros. The annual fairs have been financed by special grants from the involved municipalities, the equal opportunities ministry of Spain. The schooling project is partly financed by the municipality, and partly by a sponsoring bank.

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<sup>120</sup> See: [www.saludyfamilia.es/sites/default/files/Recomendaciones%20finales%20formacin%20de%20gestores%20de%20BdT\\_cast\\_fr\\_ing\\_it\\_pt.pdf](http://www.saludyfamilia.es/sites/default/files/Recomendaciones%20finales%20formacin%20de%20gestores%20de%20BdT_cast_fr_ing_it_pt.pdf)



### **6.3.2 Users**

Information about the time banking project is widely circulated in all local newspapers, present at the local fiestas, on the flea markets, in local libraries and family centres. This wide accessibility of the information, and the commitment of the municipality for promotion, has been key to the success of the project – but the most common introduction of members is encountering people from time banks personally.

### **6.3.3 Technologies**

The project has pages on the Salud y Familia website, divided between the time banks and schooling time banking, available in Catalan and Spanish. They use a simple current accounting IT tool that is free of charge and downloadable from their webpage. This allows for the facilitators to keep the accounts, and lets users see their own account.

Normally, members have to go to the physical office in order to credit their current account with the services they did – this is so that people have to meet face to face. But they are now developing a new IT system that would allow the real time connection of all time banks linked together in the Barcelona area, financed by the municipality of Barcelona. This will also allow for detailed statistics about the members and the services that have been exchanged.

### **6.3.4 Outcomes**

They do not count participants, though they believe that time banks have about 2,000 active users in Barcelona. They are more interested in the kinds of services that are exchanged, and the kind of communities that emerge around the time banks – and the connection with events and other projects, like collaborative consumption.

### **6.3.5 Success factors and barriers overcome**

The organisation has learned about what makes for successful time banks and the factors include:

- The sense of ownership among members.
- Knowing when each time bank has grown far enough (about 400 members) and needs to be divided.
- Local administration, technical as well as financial and moral.
- Overcoming the problem of replacing the key employee when they leave.

Salud y Familia has also now become a training centre and a centre of thinking about the future of time banks, and that has meant increasing involvement with the alternative economic movements. As time banking is based on the principle of exchange of services, and a new role helping integrate immigrants and keeping unemployed people linked to social networks. The Salud y Familia time banks also help students just arriving to Barcelona to find accommodation.

### **6.3.6 Future challenges**

Time banks do provide many social services, but they cannot be seen as a substitute to family care or to the welfare state, and there is a challenge to make sure they are not used in that way – though it can be a complement to welfare institutions.

As well as developing new IT systems for the Barcelona time banks, they are actively working in an international project on the legal aspects of time banking. Sooner or later, they believe that projects of this kind will face problems with national authorities, especially tax authorities. This can

be seen as non-paid professional work and thus as a taxable activity. Their LEVOLEX network is working on how to face this issue once the authorities raise it.

They also have a challenge raising money to continue their international work.

### **6.3.7 Transferability and scalability**

The evidence of Salud y Familia is that their time banks are extremely scalable, and they have considerable experience of how to do this best – by keeping each hub small and by involving the municipalities. In fact, the involvement of municipalities has been crucial to the growth of the banco de tiempo model.

### **6.3.8 Visions of the future**

Salud y Familia see themselves at the heart of an emerging European network of time banks, building links with Italy, Portugal and Chile to start with. There are also links with Turkey, because the first time bank has been launched there by a former time bank member from Barcelona.

### **6.3.9 Sources**

The Grundvig project on training facilitators

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The pedagogical guide of the training and other training materials

<http://bdtescolarsalutifamilia.wordpress.com/>

The annual fairs programme:

[www.saludfamilia.es/es/banc-del-temps/banc-del-temps-jornades](http://www.saludfamilia.es/es/banc-del-temps/banc-del-temps-jornades)

Salud y Familia newsletters:

[www.saludfamilia.es/sites/default/files/32.%20%20BUTLLETI%20BDT%20%20GENER%202013\\_cast.pdf](http://www.saludfamilia.es/sites/default/files/32.%20%20BUTLLETI%20BDT%20%20GENER%202013_cast.pdf)

## 6.4 Rushey Green Time Bank

A time bank based around a doctor's surgery in Catford in South London, encouraging people to support each other in a range of small, neighbourly and human ways, and measuring and rewarding the effort they make.

<b>Website:</b>	<a href="http://www.rgtb.org">www.rgtb.org</a>
<b>Region(s)/Country:</b>	UK
<b>Start date:</b>	1999
<b>Date of data collection:</b>	3 May 2013
<b>Thanks to:</b>	Phillipe Grainger

### 6.4.1 What is the service trying to do

The Rushey Green Time Bank was founded in 1999, a joint project by the doctors at the Rushey Green Group Practice and the London-based think-tank the New Economics Foundation. It was designed as a demonstration project to show how time banking might work in a health context in the UK.

Time banking was understood at the time as a community development tool and works by facilitating the exchange of skills and experience within a community, rebuilding family and community by valuing and rewarding the work done there. It is important that everyone's time is valued equally: for every hour you spend helping someone in your community, you are entitled to an hour of help in return. All skills are recognised from walking with someone to baking a cake.

The original idea was that doctors would be able to prescribe social solutions, like friendly visits or lifts, but in practice the time bank rapidly became an alternative prescription for people whose isolation was affecting their health. The time bank has been replicated in other health settings and now covers the whole of Catford, rather than just the patients in that one practice.

The time bank is not now funded, though it gets its premises free from the surgery. There has been an effort as a result to reduce costs, using IT and mobile telephony more and avoiding costly filing systems, at the same time as improving reliability. This is not an ideal situation because, although it is in no danger of closure, the lack of core funding is compromising, especially when they are dealing with people who have fallen through the mental health safety net.

The time bank has recently been funded by the local council, Lewisham, to help plant a series of five community hubs acting as 'mini' time bank initiatives, linked together across in the borough, serviced centrally. These will be embedded in the social care system as part of a solution that has some prospect of relieving some of the pressure on social care services by encouraging mutual support.

They have deliberately kept membership at around 200, with 80 of those who are very active, aware that allowing the membership to expand without extra capacity would undermine the service. Core staff consist of a part time co-ordinator and a development manager who led a recent 18 month experiment to run the time bank with no external funding. Currently, two extra full staff are in post until March 2014 to develop the community hubs initiative.

#### **6.4.2 Users**

The time bank deliberately targets isolated people and people with multiple needs. Members have tended so far to be older people, especially women. An experiment in 2003 allowed the time bank to launch a DIY scheme to attract men as well, on the same basis that the Member to Member time bank had done so successfully in Brooklyn.

Most members are attracted by referrals from their doctor, by picking up a leaflet locally or by word of mouth. The time bank has deliberately refrained from promoting themselves to new members, aware that they could not meet the demand, especially now that the number of patients at the surgery has doubled.

Many members join after life-changing events like broken relationships, illnesses and bereavement. There is also a high proportion suffering from long-term mental difficulties. Members often join when they are very isolated and feeling miserable, convinced that they have no skills to offer. Some of them take up to six months to get properly involved.

Other projects that have been based inside the time bank have included a regular drop-in session, parent and babies groups, a poetry-writing group, a walking group, a 'friend on the phone', a repair scheme, and a chair-based exercise group. Members also earn 'time credits' by helping the practice in practical ways – mailings, putting new patient welcome packs together, participating in the Patients Forum group and picking up rubbish outside the building.

#### **6.4.3 Technologies used**

When the time bank began, managed by a part-time member of staff, they used paper records. Later they used emails and the Time Online system provided by Time Banking UK. This has required the need for a broker to manage the information and record the members' service exchanges. However, as there is demand for faster ways to communicate and post members' offers and request themselves directly online, the time bank is trialling the 'Time and Talent' system used in the USA. It allows members to detail requests, see where they are on a map and what services are available nearby, share news and events, post calendars, and create special interest groups with facilities to restrict or expand mail messages and SMS texts to specific groups and people. Together this technology has allowed them to service around 1,000 members throughout their history.

#### **6.4.4 Outcomes**

Total number of hours exchanged since foundation in 1999 is around 70,000 (14,000 hours in the last 18 months and a total of 1,687 different activities. It has been evaluated on various occasions and a proven record of improving mental and physical well-being. Members suffering from physical and mental health problems find the informality of the Time Bank attractive and conducive to getting involved. They report a greater sense of well-being and belonging.

#### **6.4.5 Success factors and barriers overcome**

The time bank argues that their main success factor, apart from the support of the GPs at the surgery, has been their ability to build a sense of inclusivity, to make sure that everybody is valued and nobody is pressured – members can 'dip in and dip out' of the time bank as they are allowed to involve themselves at their own pace.

There is no doubt that Rushey Green has also benefited from excellent staff and management since its inception. The presence of a trusted individual at the heart of the time bank has been important in involving vulnerable people. This can be a challenge when staff move on. But the time bank's continued success over a period of 14 years suggests that they have been able to overcome this, also due to members encouraged to coproduce the time bank and being involved in its sustainability.

#### **6.4.6 Future challenges**

The time bank has had to overcome the barriers of suspicion from professionals, both in the local medical establishment and the local authority. They tackled this by understanding that confining their activities to the surgery made them appear insular. The recent grant of money to expand to other hubs is testament to their acceptance by the local council.

There remains some suspicion from old-style volunteering organisations who believe that the mutual elements undermine its claims to be involving people in volunteering. There remain the failures of the medical funders to understand the potential of what they are doing.

The time bank has resisted the temptation to become part of the NHS, aware that it would then risk being overwhelmed by the bureaucracy and risk-averse culture. But the long-term objective, to be funded by local health funders as part of the basic health infrastructure, has yet to be achieved.

#### **6.4.7 Transferability and scalability**

Although Rushey Green has been given widespread publicity in the health media, it has been very rarely copied, though there are exceptions to this – Paxton Green Time Bank, also in south London, is similarly attached to an innovative GP surgery. So the model can be transferred successfully. Whether and how it is scalable remains to be seen. It requires the will to invest in time banking in a consistent way, a buy in from health managers and leadership to make it happen at strategic level, understanding the costs benefits and avoiding the bureaucracy that saps resources.

#### **6.4.8 Vision of future**

The vision is largely conceptual. They want to break out of the idea that time banks are specific infrastructure, sometimes attached to institutions, and to make it possible to 'do' time banking across the local borough. They hope the new hubs will make this possible.

#### **6.4.9 Sources**

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## 6.5 Garw Timecentre

A time bank integrated into an ambitious regeneration scheme in the Welsh Valleys, and designed to involve local people in community building activities, learning, cultural and enterprising experiences.

<b>Website:</b>	<a href="http://www.creation.me.uk">www.creation.me.uk</a>
<b>Region(s)/Country:</b>	Wales, UK
<b>Start date:</b>	2004
<b>Date of data collection:</b>	18 May 2013
<b>Thanks to:</b>	Dawn Davies, Becky Booth

### 6.5.1 What is the service trying to do

The central purpose of the Timecentre in the Garw Valley is to help the Creation Development Trust to create social energy to tackle apathy that tends to infect former industrial areas, and to encourage people into community-building or entrepreneurial activity.

Creation began in 2000 after the closure of the mines in the South Wales coalfields, when the area was facing extreme levels of deprivation and yet – paradoxically – there was remarkably little take up or community involvement in the centres started by the Coalfields Communities Campaign, charged with spending money from central government on alleviating the side-effects of de-industrialisation.

Creation took over former the former miner's hall with the aim of recreating the miners' vision of a centre for learning, entertainment, cultural development and enterprise. At that time, there remained a problem about inspiring people to get involved in new voluntary activity. Dawn Davies met the time banks originator Edgar Cahn at a talk in the Rhondda and started the Timecentre in response in 2004.

The Timecentre was launched with the support of the Wales Centre for Community Currencies at the University of Wales in Newport, and together they developed a variation on the usual time bank model. Instead of software to match people and keep track of credits and debits, they printed credits in the form of paper notes and issued them in return for participation in voluntary activities. They redeemed them in return for a series of group rewards, including day trips, theatre shows, room hire, training courses or food in their local cafe.

The model has been extremely successful and they now have 1,925 active members, making up over half the population of Blaengarw and others in nine local communities. They spread word about the Timecentre via their time banking network and their network of over 300 street ambassadors who are rewarded in time credits and are rooted in the local neighbourhoods.

The original launch was funded with money from the European Commission. Continuing funding is from the Big Lottery, Convergence and Interreg which covers the costs which runs at around £100,000 a year but this includes money to run courses and other add-on projects.

Among the first organisations taking part in the link with local businesses, donating rewards for time credits, was Wales Rugby League, which offered 400 seats to Timecentre members to watch Wales

play Ireland in Neath. All 400 seats were filled by members paying with time credits rather than cash.

### **6.5.2 Users**

Like other time banks and currency schemes, the Timecentre has overwhelmingly attracted women, though there are also men who are members. Men seem to use time credits three times a month on average, half as much as women.<sup>121</sup>

Outreach is very local and via the staff team and Street Ambassadors, and is done face-to-face. The task of the staff – the ‘Timebroker’ – is primarily to help potential members understand that, although they might not have marketable skills, they have abilities that would help other people and could be useful. People tend to stay members because they are passionate about something or because there is something they want to change.

Over time, the Timecentre has become increasingly involved in training and have run successful courses recently on first aid, arts and crafts, youth and community work, food hygiene and other skills. More recently, they teamed up with the local university to run two courses: one in community development and another in preparing members to teach adult learners. They now run around 30 courses a year and six of those taking part in recent months have found work as a result, mainly in youth work or childcare. The recent evaluation found that 10% of those interviewed in the local community had got a job through the Timecentre.<sup>122</sup>

### **6.5.3 Technologies used**

The Timecentre has avoided technology, shunning the time banking software because they believed it was important in this neighbourhood to make the system as simple as possible to be able to cope with the mass recruitment. The record how many time credit notes are spent using a simple paperwork based system to record currency exchanges which are then entered onto an Excel spreadsheet.

### **6.5.4 Outcomes**

They measure their success primarily in informal ways (is the Timecentre being talked about locally?) and also on other measures, including the people using time credits to buy places on courses and trips, complaints and cafe visits.

A recent independent evaluation found that the Timecentre had been instrumental in a range of local achievements, including projects which had successfully started five new youth time banks on local communities, helped 300 local people get new qualifications and helped a number of them into jobs.<sup>123</sup> They had also:

- Created employment
- Enhanced the environment
- Created learning opportunities
- Re engaged the community

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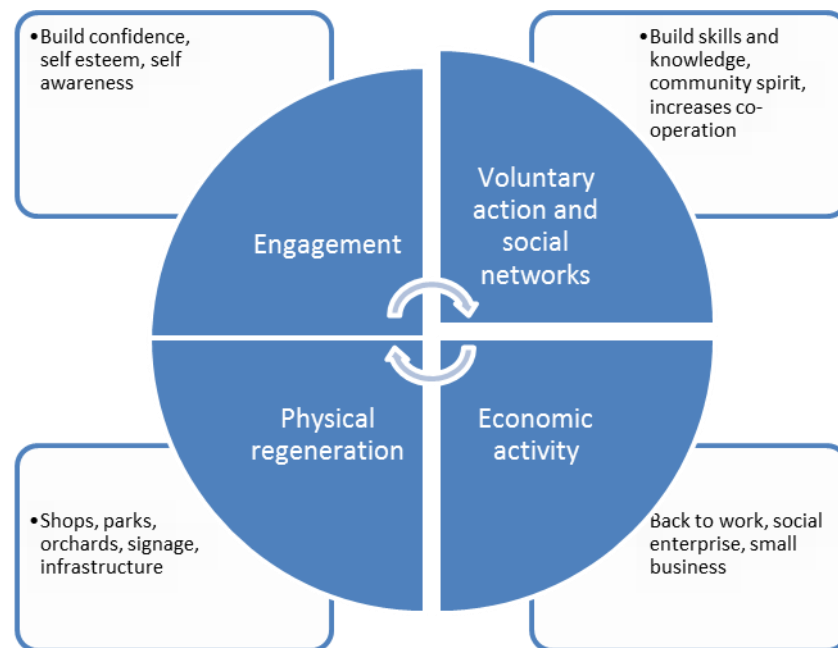
<sup>121</sup> Enliff-Larsen Research and Consulting (2012), *Creation Time Banking Evaluation*, Bridgend.

<sup>122</sup> Enliff-Larsen (2012).

<sup>123</sup> Enliff-Larsen (2012).

- Improved eating habits
- Added to the basis for support for those suffering mental health issues
- Improved and initiated social networks in Blaengarw
- Established new clubs and activities
- Forged links with schools and young people
- Learned new skills and developed new interests
- Connected with hard to reach people
- Created social enterprises
- Resurrected large scale annual events.

The same evaluation listed 36 local organisations which had been set up as a result of the Timecentre's work. This is a diagram of their model of change:



### 6.5.5 Success factors and barriers overcome

The main barrier they have had to overcome is what they call 'people trying to ride on the back of our success'. This is a perennial problem for a successful project in an area of deprivation, where funders, rivals or allied organisations can borrow output measures and unfairly claim them as they own.

'Difficult people' has been another key barrier, and have been dealt with learning how best to channel their energies somewhere more useful. Another barrier has been the vested interests of organisations which have done well out of the failure of regeneration in areas like that: some people do not always welcome change if it means they are no longer the conduit for public funds.



Red tape has been a problem for them, as you might expect in neighbourhood services where a new organisation wants to do things differently and to trust ordinary people to do the work.

Creation Chief Executive Dawn Davies suggests their continuing success is down to being entrepreneurial and tenacious. It is also a tribute to the leadership and commitment of their staff.

### **6.5.6 Challenges**

Technology is now a challenge, because they have not used it so far. The other challenge remains: making the necessary changes to reduce costs as funding becomes increasingly scarce.

### **6.5.7 Transferability and Scalability**

Future challenges include the need to expand relationships and alliances with other bodies, and in an entrepreneurial way. They are on the cusp of launching a new company called Natural Energy Wales which is a coalition of social care and regeneration partners, to get involved in rolling out energy efficiency improvements to local homes, and are looking at potential link-ups with the UK government's Green Deal, Eco and NEST (Welsh Government) programmes.

There is another area of expansion around local food. The valley is surrounded by food producers, but no mechanisms for them to sell their food locally. Creation has recently set up a food shop and an infrastructure capable of distributing the sale of local food products.

### **6.5.8 Vision of future**

The Timecentre's plan is to carry on growing, using technology to do so, and to expand into entrepreneurial and potentially enterprising projects of local benefit. The task of training people to be entrepreneurial, and to find jobs or to set up their own enterprises, is now central to future projects. They have recently merged with a local training company and are looking see how can get funding to help people into work, in a sector that is currently dominated by the big training companies.

### **6.5.9 Sources**

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## 6.6 Visiting Nurse Service of New York (VNSNY)

A time bank which encourages and rewards mutual support is embedded in VNSNY, the biggest non-profit certified home health care agency in the USA, delivering community-based care around New York City and its surrounding areas.

<b>Website:</b>	<a href="http://www.vnsny.org/TimeBank">www.vnsny.org/TimeBank</a>
<b>Region(s)/Country:</b>	USA
<b>Start date:</b>	2006
<b>Date of data collection:</b>	29 May 2013
<b>Thanks to:</b>	Mashi Blech

### 6.6.1 What is the service trying to do

Since 1893, VNSNY has served vulnerable, at-risk, and chronically-ill populations in New York City. It now has over 35,000 patients and members in its care each day through a comprehensive range of short-term or post-acute, long-term and managed care programmes. The VNSNY Community Connections TimeBank is one of the key programs funded by VNSNY's robust community benefit fund.

The TimeBank was started in December 2006, inspired by the success of one of the first time banks tested in the USA in 1987, based in a Brooklyn insurance plan for older adults. The time bank served to greatly extend the formal services for older people offered through their insurance company. VNSNY was interested in building a time bank that could extend their formal care services in the same way, helping people age in their own homes, providing greater support as people were discharged from the hospital – maybe for shopping or other informal services, helping with a wide variety of services that neighbours can reasonably do for one another. The networks of support created reward decency, caring and concern. There are always limits to formal services, both in scope and in time, and the time bank was designed to extend both.

As an agency, VNSNY has a history of responding to those needs through its array of community benefit programmes. In 2012, VNSNY provided \$26.5 million in charitable care and community benefit, including the time bank. Membership of this is open to everyone in the community, not just those who are receiving other services from VNSNY.

### 6.6.2 Users

The TimeBank has experienced rapid growth. The membership is now over 3,000 strong and has a very diverse membership. Half of the members are non-English speaking. The TimeBank hires staff bilingual in English and Spanish and trilingual in English, Mandarin and Cantonese. Over 70% of members were born in another country, and only 17% are Caucasian. Just over 40% are over 60 years old and only half have access to the internet. All members have to be screened before they can join. There are over 140 organizational partners and more than 130 business partners.

Currently, there are six targeted neighbourhoods where most of the members live. Four of these neighbourhoods are in Manhattan and two are in Brooklyn. The closer the members live to each

other, the easier it is for them to trade. Still, some members do live outside these boroughs and travel to participate in time bank activities.

The successful growth of the TimeBank is due in large part due to the dozens of community partners who have joined so that their members can reap the benefits. In order to build capacity in a cost-effective way, the TimeBank is currently piloting satellite sites with select community organisations. VNSNY provides the infrastructure, including access to their web-based system, and provides training and technical assistance for staff at the satellite sites. Satellite staff recruits and screens members, make matches and organise member activities. Their members are also part of the larger VNSNY TimeBank.

### **6.6.3 Technologies used**

In its early years, the Community Connections TimeBank used the UK system Time Online, but after a few years VNSNY decided to develop its own web-based system supported in-house and shared with satellite sites.

### **6.6.4 Outcomes**

The VNSNY TimeBank conducts ongoing evaluation, both qualitative and quantitative. Quantitative indicators tracked include:

- Number of members
- Level of member engagement
- Number of hours exchanged
- Levels of reciprocity (members giving and receiving)
- Participation in member-led groups
- Types of services exchanged

They also believe it is important to find ways to measure the quantitative value of the strong support networks, trust and relationships being built through the TimeBank and the positive impact it has on reducing isolation. The TimeBank was also specifically funded to measure the effects of participating in the time bank on the older adult members.

The time bank members record approximately 50,000 hours of exchange each year but the actual number is much higher since - once members become friends - their exchanges are not always formally recorded. In fact, according to the research results, only 10% of the older adult members recorded their hours regularly, 30% recorded them sometimes and the rest never recorded them. So the actual figure is significantly higher than 50,000 hours a year.

While the members frequently expressed how participation helped reduce their isolation and made them feel better about themselves, the targeted study highlighted that even 80-year-old members believed their physical health was improving as a result of their membership. Those with the lowest self-reported annual income (under \$9,800) and those who took the survey in Spanish reported the highest level of positive impact from time bank membership.

Other key findings from the VNSNY TimeBank's evaluation, a one-off survey of members, include:

- 48% reported improvements in self-rated physical health.
- 72% reported improvements in self-rated mental health.
- 73% of those with an annual income of less than \$9,800 reported that membership helped them save money.

- 82% reported improved quality of life
- 93% reported that they are now exchanged and befriending members of different ages, backgrounds and cultures.
- 79% reported that the time bank will help them to remain in their homes as they age.
- 67% reported increased access to health and other community services.
- 98% reported that, despite their advanced years, they are now able to use their skills to help others.

Many members of the TimeBank reported experiencing shame on a daily basis, primarily because of their inability to communicate in English with others in their communities. VNSNY found that for many members, joining the TimeBank and having the opportunity to share their skills increased their feelings of self-worth and made the members feel less ashamed and more accepted.

#### **6.6.5 Success factors and barriers overcome**

Finding the right staff members, with the right strong community organising skills, as well as proficiency in multiple languages, has been a major challenge. Currently there are ten bilingual and trilingual employees supplemented by member team leaders and staff from organisations at the satellite sites.

Helping members realise that they have something to offer to others has been a major challenge. It has been equally challenging to convince members who are very proud and independent that they can accept help from others in the community, but the evaluations indicate this challenge has been largely overcome.

#### **6.6.6 Future challenges**

Future challenges include continuing to expand in a cost-effective way. Their goal is to identify additional community organisations interested in integrating the TimeBank into their operations and using it as a tool to meet their goals. They see the satellite sites functioning increasingly independently but also as a part of the larger TimeBank membership. That requires the TimeBank to empower the members as team leaders, so that they can help with the day-to-day operations.

#### **6.6.7 Transferability and scalability**

As additional satellite sites are added, more member team leaders will be trained to help with day to day operations. As the TimeBank has grown so rapidly and will continue to do so, it has been important to find strategies to maintain the personal approach that has been so crucial to their success. The abundance of group activities (offered regularly at each site) help members to meet one another and build the trust that is the key to success. The idea of embedding a TimeBank in a health care setting seems to work in New York City, and – although there are particular arrangements which are unique to that city (like the size of the operation) – it does seem to be something that could be tested elsewhere.

#### **6.6.8 Vision of future**

The plan is for the TimeBank is to continue to grow successfully and to expand to more neighbourhoods in the service area of VNSNY, which now extends outside New York City and into Long Island, and Westchester and more recently upstate New York counties. The ultimate vision is for the TimeBank to have a presence in all the VNSNY regions. There is potential for them to partner with existing grass roots time banks on Long Island and in upstate New York. .

Another goal is to continue to play an increasingly central part of life for individuals, families and community organisations, and a cornerstone for how to organise a humane and civilised ageing process.

### 6.6.9 Sources

Community Connections Time Bank web page: [www.vnsny.org/TimeBank](http://www.vnsny.org/TimeBank)

VNSNY Center for Homecare Policy and Research (2009), 'Impact of the time bank on its membership', New York.

## 6.7 Palermo Time Bank, Sicily

Palermo Time Bank is a community time bank based at a regional organisation dedicated to tackling the isolation of older people, and offering mutual support based on time.

<b>Website:</b>	<a href="http://www.anteassicilia.it/it/serviziattivita/banca-del-tempo.html">http://www.anteassicilia.it/it/serviziattivita/banca-del-tempo.html</a>
<b>Region(s)/Country:</b>	Italy
<b>Start date:</b>	2009
<b>Date of data collection:</b>	10 June 2013
<b>Thanks to:</b>	Silvia Longo, Sebastiano Maggio

### 6.7.1 What is the service trying to do?

The Palermo time bank is part of a long-established organisation called Anteas Sicilia, dedicated to supporting older people, especially tackling their isolation. It is one of almost 400 time banks across Italy, which have support from regional and sometimes local government. Most of them borrow some of their systems from the UK LETS of the 1990s, but their philosophy from the US time banks movement.

The Anteas Sicilia website has a section about the time bank which goes beyond mutual support, offering:

- Training activities for young and old: English classes, computer science and even of law, after-school for children and teenagers, Italian lessons for foreigners.
- Consulting medical, psychological, legal and form filling.
- Cultural activities and free time: visits to museums, music lessons, courses and decoupage DIY, cooking classes.
- Various activities, including babysitting, gardening, support and companionship to the elderly.

The time bank is run by retired bank director Sebastiano Maggio and is based in the Anteas Sicilia building in the city, where there is a time bank 'cashier point', or reception, that issues cheques with the amount of hours that members have as credit to encourage them to spend them. Like most time banks, the main challenge is to get the members to spend, and this is exacerbated by the wealth of most of the members.

The time bank is not run as a separate cost centre and the set-up costs have been absorbed in the overall running costs of Anteas Sicilia.

### **6.7.2 Users**

The time bank is still in the start-up phase and now has about 100 members, nearly all from the better-off classes around Palermo. This is a difference from UK time banks, and some of the Spanish ones, and it may make it more difficult to get members to exchange rather than just give.

Equally, it is a response to the way the current economic crisis is affecting the middle and upper classes in Italy. There are, amongst the time bank, lawyers who can provide brief consultations and advice without charge in exchange for a plumbing service (the most requested together with jobs to fix or set up TV antennas). The sons and daughters of lawyers or magistrates, attending higher education, have also been drawn in to do tuition classes.

The main services consist of a small help that would cost a disproportionate amount in the open market and that can be much more easily received through this new network, based on the philosophy of exchange without money.

### **6.7.3 Technologies**

A member of Anteas Sicilia has set up a database, based on Excel, which provides a record of the hours given and the credit of each of the time bank members. Each member has a sheet on the database with a personal record. There is no web address but a facebook contact and an email.

### **6.7.4 Outcomes**

The main evidence for the effectiveness of the time bank is anecdotal, and is the happiness of its members. Two members have decided this year to spend their holidays together (they have met through the time bank). The last day trip has had a record in subscriptions, and a 60-seater bus wasn't enough. Many people who subscribed and had to make their own way.

But there are, so far, no statistics or evaluations of the Palermo Time Bank. Because this has also been an unfunded, internal project, there has been no need to keep more accurate records or to record the time bank statistics.

Yet there is evidence that the time bank has managed to break some of the social isolation of many elderly people who used to spend their day in front of the television and have now found new social activities, promoted by the time bank, to help people get to know each other. A colleague of Sebastiano from the Rome Time Bank confirms the need to get people to socialise before the time bank can expand: she found that dancing evenings were the most successful way.

It has had a slow start but the time bank is now growing. The key to its success is the attention they are able to give and provide to individuals, when they are otherwise lonely and which public services are less able to give in the current financial climate.

### **6.7.5 Success factors and barriers overcome**

One of the greatest challenges for them has been the local attitude of distrust towards official or public initiatives. That is why the organisers have been setting up a series of events, including guided tours of the city, day trips, seminars, creative workshops and talks. Once people had met this way, and started to make personal relationships, they often found the necessary trust to sign up to the time bank.

Another way to overcome the obstacle has been to link with the church and well known religious figures, to win people over. The congregations of S. Luigi and S. Michele have collaborated to the

initiatives. The time bank, in other words, has needed to be 'certified' by the few trusted figures and through personal knowledge – and this was particularly important for older people.

#### **6.7.6 Future challenges**

Members of the time bank are still far more willing to give than to take, and because they are financially secure, many of them are too shy or perhaps too proud, to accept help for themselves. The next challenge is to widen the time bank membership and find ways in which it might be possible to help them get jobs.

#### **6.7.7 Transferability and scalability**

The spread of Italian time banks from Italy to Greece and Bulgaria suggests that there is scope for scalability.

#### **6.7.8 Visions of the future**

There is also suggestion here that the particular problems which beset southern European economies at the moment, and affecting all classes might also be amenable to the kind of mutual infrastructure that is represented here.

#### **6.7.9 Sources**

Sicily Region Department of Labour (2012), 'Monitoring and evaluation report on Banche del Tempo Services in Bulgaria and in Greece', SolidarCity.

### **6.8 Banco Palmas**

A successful community bank in Brazil, which uses small loans and a complementary currency to promote access to capital, local job creation and income generation within impoverished and marginalized Brazilian communities.

<b>Website:</b>	www.bancopalmas.org
<b>Region(s)/Country:</b>	Brazil
<b>Start date:</b>	1998
<b>Date of data collection:</b>	22 April 2013
<b>Thanks to:</b>	Asier Ansorema

#### **6.8.1 What is the service trying to do**

Banco las Palmas was founded in 1998 by João Joaquim from the Instituto Palmas. It is a community bank covering a series of excluded neighbourhoods in the outskirts of Fortaleza, with combined populations of up to 100,000. Fortaleza is capital of Ceara state, the most impoverished of the Brazilian states, in the north east of the country. It is a difficult place to live and work: the fifth most unequal city in the world, and the 13<sup>th</sup> most dangerous. About 5,000 people a year use

its services, most of them within 4 kms of the bank. The main services of the bank are to make two kinds of local loans:

- Loans in *reales* for productive purposes and to help people start businesses or improve their income.
- Emergency loans in a local complementary currency, pegged to the *real*, which are designed for spending – and only within the local economy where it is accepted – not accumulating. Using this also gives users discounts in local shops.

### 6.8.2 The process

The origins of the bank go back to 1973 when the neighbourhood association started that eventually led to the development of banking services. This was the Association of Residents of Conjunto Palmeiras. Banco Palmas itself was founded in 1998. Credit funding came from the national development bank, *BNDES*. Banco Palmas remains a project of the Instituto Palmas and has no separate legal entity, though it has spawned 103 other community banks on the same model around Brazil.

These banks operate as partnerships and can extend credit to each other. Banco Palmas also has a credit line of 3m *reales* (about 1.2m euros) from the central bank. In 2005, their credit line was enormously strengthened after an agreement with the national secretariat of Solidarity Economy (at the Ministry of Labour) and the Banco Popular do Brasil.

Banco Popular pays a small fee under the agreement for accounts opened and other processes undertaken for excluded families.

The complementary currency they use is called *palmas*. It is designed as a local consumption currency, can only be spent within the area and loans usually range from a value of between 20 to 150 euros, for food, clothing or medicine. Describe for a time as ‘emergency loans’, these are also given discounts by local businesses. Some people working for local businesses are paid partly in *reales* and partly in *palmas*.

The central bank was initially suspicious of these activities, and particularly of the complementary currency, and took them to court twice, losing on both occasions. This crisis for the central bank brought about a major change of heart and, in 2010, they became active supporters and funders of the community banking movement. The Ministry of Labour under President Lula da Silva has also been a supporter and a major funder.

The change of policy by the central bank began when they apologized for their legal actions in 2009. Their exclusion study the following year led to the central bank paying more attention to the activities of community banks. A seminar run by the central bank that year included an open plenary discussion with President Lula and Banco Palmas as a representative of the ‘solidarity economy’ movement.

Banco Palmas remains in legal limbo, but it has the wholehearted support of the government.

The bank is now largely self-funding. It now makes loans for productive purposes in *reales* and complementary currency, and offers micro-insurance through a partnership with the Zurich group. They resist the idea that banking revenues should subsidise other social activities for fear that it might make those services too expensive, so raise grants and loans from other foundations for training and other services.



The complementary currency is backed by *reales*, and this limits its expansion. They do not allow themselves to issue more *palmas* than the 40,000 *reales* they have backing it in reserve. The extra cost of administering the complementary currency is the salary of one individual.

### **6.8.3 Users**

Their target users are the local population, and especially those who want to start businesses or to do business on their own account. In particular, this means women from families receiving *Bolsa Familia*, the payments made to excluded families by the government to encourage them to send children to school. Women make up 60% of the client base of Banco Palmas, some of them helped into income-generating activity, some of them helped simply to improve the lives of their families.

Experience has shown that these women are often very isolated and may be unaware of some potential support structures which could help them. Making them aware of these is a major first step to tackling poverty.

The bank provides them with classes in financial education and training and support for starting businesses, helping them to understand how the local economy works and giving them financial survival strategies. They also provide them with loans for productive purposes and deliberately interpret that as broadly as possible – there are stories of women using the money to improve their appearance, because they know this will help them in their work.

The purpose is not to make everyone an entrepreneur – the bank does not believe that micro-credit is the answer to poverty alone – it is to make the local economy more dynamic as a whole. They are also aware that service businesses have a better track record than production businesses, and 60% of their outstanding loans are to small service businesses and start-ups.

### **6.8.4 Technologies used**

The bank uses an IT system of its own called MIS, and has done so since 2011. Before that, they used an Excel spreadsheet for all their transactions. But at that stage, their loans portfolio was growing at 200% a year, and they needed something more sophisticated to keep track of certain indicators. They also have their own internal team producing IT solutions for financial services for community banks, and other IT systems which local entrepreneurs can use without having to use expensive commercial software. This dovetails with their training programme for local young people.

They have developed their own mobile-based application which maps where people are spending money in the local economy, and spots consumption trends, and is available to their clients to use. It can also map potholes, street violence, school trends and map them using mobile phones in ways that suit their own community.

Their other development has been an IT platform that allows community banks can stay in contact with each other, and can send reminders for loans and other administrative tasks.

### **6.8.5 Outcomes**

The bank measures its success in terms of the number of people who return as customers, loans repaid and jobs created, as well as more conventional financial indicators. They now have 62 indicators which are being collated for the first time by Columbia University and the University of Sao Paulo and will be available in May 2013.

### **6.8.6 Success factors, barriers and challenges**

The agreement with Banco Popular makes low-cost credit available which can be lent on, and the existence of this kind of development bank is absolutely crucial to the development of community banks. At the very least, low cost credit lines must be available.

The bank reports the following barriers have been largely overcome:

- The suspicions of the Brazilian financial elite.
- Explaining to public officials why this approach is important.
- Attracting and keeping talented staff to depressed areas.
- Creating the IT systems they need for themselves.

This last one remains a challenge, but their success so far in building their own IT systems suggests that it will be overcome.

### **6.8.7 Transferability and scalability**

In 2003, the Conjunto Palmeiras decided to create Instituto Palmas de Desenvolvimento e Socioeconomia Solidaria (IP). Instituto Palmas is an NGO that manages a network of other community development banks throughout ten states of Brazil.

The fact that over 100 other community banks across Brazil have now emerged based on the same basic ideas suggests that community banks are transferable. There is no evidence so far about how much they can be scaled up. Word of mouth is clearly important in their development, but the backing of the central bank also now suggests that these issues will be confronted and the model will develop further. That is the stated objective of the Brazilian government as well.

### **6.8.8 Vision of future**

The future direction seems to be to experiment with what functions can be centralized for community banks and what has to be local. This is the idea they describe as a 'Bank of the Periphery', which means an integrated system of banks that centralise some parts of decision-making process, but which remain community banks rooted in the local economy as Banco Las Palmas is. The new MIS system can also allow for more franchising of the model, providing back office support while local bankers are skilled up to deal with local issues.

The Palmas currency is now printed on paper. Their next stage of development will involve making the currency electronic and useable with mobile phones and smart cards.

### **6.8.9 Sources**

Olympia de Castro et al (2010), *Monitoring the Impact of an Innovative Community Banking Network in Brazil*, Instituto Palmas, Brazil.

João Joaquim de Melo Neto (2002), *Community Banks Microcredit: The case of Brazil*, Instituto Banco Palmas.

Judith Tendler (2001), *Transforming Local Economies: Lessons from the Northeast Brazilian Experience*, Massachusetts Institute of Technology/ Bank of Northeast).

## 6.9 SoNantes

SoNantes is a business-to-business mutual credit system, capable of providing no-interest credit to small businesses in the Nantes region. It has created a network of mutually supportive businesses in the area.

<b>Website:</b>	<a href="http://www.uneMonnaiePourNantes.fr">www.uneMonnaiePourNantes.fr</a>
<b>Region(s)/Country:</b>	France
<b>Start date:</b>	2008
<b>Date of data collection:</b>	22 May 2013
<b>Thanks to:</b>	Etienne Hayem

### 6.9.1 What is the service trying to do

The service was due to launch in the spring of 2013 but has been delayed for a year because the IT system has been delayed. SoNantes is a barter system, designed for small businesses, which will use it to provide each other with mutual credit in a parallel currency called *SoNantes*. Despite the delay, the scheme has been in preparation since 2008 and was the brainchild of the current French Prime Minister Jean-Marc Ayrault. The *SoNantes* is equal in value to the euro, and is not intended to replace it but to run alongside providing credit to small businesses for a fee, which is yet to be set.

The purpose is to provide credit for small companies in the Nantes area, to maximise the use of local products, and to provide some protection from international financial excesses and downturns. The initial phase will see 3-400 businesses as members, but the idea is to extend beyond that quite rapidly.

The project was based on the long-established Swiss parallel currency Wir, started in 1934 and now with 60,000 small business members, but Wir is a bank providing very low interest credit. It is no longer a mutual credit system, though it was originally, so SoNantes has already departed from the Wir model.

Despite this, and despite the original plan emerging from the Nantes municipality – a personal project of Mayor Ayrault – the central institution is the Crédit Municipale, one of a 200-year-old network of municipal banks across France. SoNantes organisers are based there and have also worked closely with the organisers of the Sol currency, based in Toulouse. It is more like some of the American small business commercial barter companies, but will be charging lower fees.

Nantes is well-known as a highly innovative city and the SoNantes project emerged originally in 2005 from the Local Agenda 21 project. It is also the European Green Capital this year, and is the political base of the French prime minister, whose project SoNantes is.

Development began in 2008, and organisers began talks in 2011 with the Bank de France. The mayor was determined that the project would only go ahead with the enthusiastic backing of all the chambers of commerce, so the announcement of SoNantes was only made with their agreement in February 2012.

The plan is for the project to be self-funding within three years. Before then, the main investment is coming from the Credit Municipale.

### **6.9.2 Users**

Small businesses are the target users, and in and around Nantes itself. The big companies in the area are not being invited to join. A key part of that target market is social enterprises and green businesses, known together in France as the *economie solidaire* (solidarity economy). The president of the Credit Municipal is also president of the specialist chamber of commerce for the solidarity economy.

The clients will be recruited by sophisticated public relations. There is also a short advertisement explaining the system online. As many as 700 people took part in a competition to name the currency last year. The main challenge is to explain to the target market why the SoNantes currency might help them, because that is not widely understood.

Credit Municipale are in the process of recruiting a sales force of there to spread the word among small businesses on a face to face basis.

### **6.9.3 Technologies**

The Dutch consultancy Qoin are developing a software system to keep track of payments, based on Cyclos, the original complementary currency system developed by the Dutch consultancy STRO and which is used widely in Latin America. This is called community currency 2.0.

### **6.9.4 Outcomes**

It is not yet clear how SoNantes will measure success, except for the obvious factors of the number of members and the value of SoNantes traded.

### **6.9.5 Success factors and barriers overcome**

In many ways, SoNantes has the opposite barriers to most other currency projects. Most of them need high-level political backing, but have widespread local backing. For SoNantes, it is the other way around. The high profile mayor has made the project his own, and he is now prime minister. All the chambers of commerce are partners in the project and a long-established bank is supporting the project and investing in it.

On the other hand, small business barter is not widely understood in Europe as it is in North America for example. The possibilities, and potential perils of it for a small business – it can undermine cashflow – are not known and there is an education job to be done before there is an obvious demand for the service. The main barrier is still to be overcome, though the resources are in place to tackle it.

### **6.9.6 Future challenges**

As well as the barrier of creating demand for SoNantes, there are regulatory barriers to overcome – though these seem to be in the process of resolution. The discussions with the Bank de France will end with a special agreement which could be a blueprint for other organisations – so far complementary currencies have gone ahead in France without authorisation (in fact, France has been almost the only EU country to prosecute people taking part).<sup>124</sup> SoNantes will be established as a payment system under the European e-money directive.

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<sup>124</sup> Three participants in a SEL scheme in Ariege were prosecuted for tax evasion. The UK also prosecuted the Isle of Wight County Council for minting coins called *ecus* in 1997.

### 6.9.7 Transferability and scalability

The arrangement with the Credit Municipale and the agreement with the Bank of France provide a potential blueprint for similar projects, if SoNantes can prove itself. There are 10 credit municipals in France and SoNantes are already talking to interested people in Toulouse and Lyons.

### 6.9.8 Vision of future

The idea is that SoNantes should become a key part of the city's economy, with local people paid partly in the currency. The idea is that the system should straddle the B2B currency exchanges like RES (Belgium) and Sardex (Italy), as well as the Swiss Wir, and try also to individuals.

### 6.9.9 Sources

Official website [www.unemonnaiepournantes.fr](http://www.unemonnaiepournantes.fr)

## 6.10 Rigac

A local currency named 'Rigac' has been introduced in the small Hungarian village, Alsomocsolad, with 373 inhabitants. Issued and administered by the local municipality, its aim is to invigorate local economy in the village.

<b>Website:</b>	<a href="http://www.alsomocsolad.hu/">www.alsomocsolad.hu/</a>
<b>Region(s)/Country:</b>	Hungary
<b>Start date:</b>	2013
<b>Date of data collection:</b>	4 June 2013
<b>Thanks to:</b>	Flora Hevesi

### 6.10.1 What is the service trying to do?

Rigac - named after a notorious outlaw of the region in the 19<sup>th</sup> century - is a local currency that has been introduced in order to invigorate local economy in Alsómcsolád, a typical small Hungarian village suffering from lack of jobs and economy, with a steady unemployment rate of 17%. Apart from the local council as the main employer with its 55-60 employees, the only local business worth a mention in the village is a meat factory which provides job for about 22-23 inhabitants. About 10 locals commute daily to work to a nearby village.

### 6.10.2 How does it work?

Rigac is issued, administered and traded by the municipality of Alsomocsolad. The re-exchange rate is 80% in order to ensure that as much Rigac is kept out and flowing as possible. Rigac's purchasing power equals that of Hungarian Forint (10 Rigacs = 10 HUF = 30 cents (euros)). The size of the notes is the double of a credit card, and they look like any notes money with images of landmark local buildings on the back. Rigac is available in 100, 500, 1000, 2000 and 5000 notes. The name and the design of Rigac was consulted and decided by the village forum.

In 2013, the municipality of Alsomocsolad launched a comprehensive programme targeting a number of problems, such as low income and absence of part-time jobs that could serve as source

of complementary income for people. The programme called Our Own Bread (Magunk Kenyerén) has been developed in close collaboration with the villagers through a number of public consultations, and provides various opportunities for locals to find activities that fit their needs, interests, physical and mental state the best.

Mainly, it provides help to start small-scale farming activities, such as backyard stock-raising and vegetable gardening.

The introduction of the local currency is part of this programme, because the municipality realised that, despite increased supply in locally produced goods, there is still serious shortage of cash in the village which poses an obstacle for these goods to be sold. Yet, with a local currency that cannot be spent anywhere else, a demand for local goods and services can be generated.

May 1 was the official introduction of Rigac. On the day (which is the Workers' Day and a bank holiday in Hungary), the municipality organised a local fair and festival where they gave out an initial amount of free Rigac to every local inhabitant (1,600 to adults and 600 to minors). They also made an agreement with a handful of local producers to sell their goods on the fair for Rigac only, therefore making sure the money starts flowing.

There are a number of ways through which the municipality is encouraging the distribution of Rigac in the village:

- To provide opportunity to earn Rigac, the municipality organised two occasions for public work. These were two afternoons with a three-hour shift each and the payment was made in Rigac.
- All the municipality's own services (such as daily public lunch from the local school) are now payable in Rigac and so is local tax.
- Another programme will be launched by the municipality soon to provide financial support for house renewals. The maximum funding available per citizen is a relatively small amount, 400,000 HUF and consists of three parts: 25% of it is a grant in HUF, 25% is a grant in Rigac, and 50% of it is interest-free loan in HUF. The Rigac part of the package (maximum 100,000) can be only spent on local services which will hopefully give another boost to local economy.
- The municipality also offers a Rigac-based loan. The maximum amount of this is 10,000 Rigac and, in exchange, the borrower agrees that in case a demand in the village appears for the kind of service they provide, they have to undertake it for Rigac. One hour of work is worth 600 Rigac (this rate has also been consulted and agreed by the village forum).
- In another programme, the municipality provides financial and other assistance to encourage people to raise livestock. Livestock bought by the municipality is given out to people who are ready to raise it. The price of the livestock is counted in Rigac therefore which means people are indebted in Rigac. Besides the livestock, people get cash in hand to cover the forage costs for six months. This cash is also in Rigac which means it can only be spent locally. When the livestock is ready for slaughter, half of it has to be given to the municipality as a compensation for the loan while the other half of it remains at the person who is free to decide whether to consume it or sell it. The municipality then makes products out of the livestock which it also sells for Rigac.

The municipality issued 7.5 million HUF worth of Rigac out of which it has handed out about 1.5 million so far. A further 2.5 million will be distributed soon while 3.5m remains at the municipality

for now. The backing for this 7.5 million is saved on a separate account in HUF. The printing cost of the notes was minimal, around 300,000 HUF.

### **6.10.3 Users**

The aim is to involve all 373 inhabitants in the programme in one way or the other, but it is too early to see whether or not this will be achieved.

### **6.10.4 Technologies**

No IT-system is used, because the currency is printed. Rigac is issued and administered by the municipality which also serves as the central exchange office.

### **6.10.5 Success factors**

Success will be measured according to whether the circulation of Rigac in local economy expands. Another success would be if tourists would also exchange their HUF to Rigac when they arrive in the village.

So far, the launch has been very successful. As many as 95% of inhabitants picked up the initial amount granted by the municipality on the 1 May and started using it instantly. More will be given out at another village festival in July.

### **6.10.6 Future challenges**

Since the whole project has been developed in close consultation with the locals, there is a high level of ownership and enthusiasm in the village towards Rigac. But clearly the main risk is that, because the villagers are limited in what they can buy with it, they may lose faith in it.

Another risk would be if too many people started manipulating with Rigac. It has already been reported that some people re-exchange Rigac on a 90% rate (instead of the official 80% rate offered by the municipality).

There has also been news about a few recipients of the livestock council-grant who have re-exchanged the Rigac for HUF instantly. But the municipality does not want to intervene: their philosophy is that there must be a process of learning through which people, who have been suffering from serious shortage of money for many years, experience how is it to possess large sums. "We treat them as adults and look forward to seeing how they will manage the situation," says the mayor.

### **6.10.7 Future vision**

Although the introduction of Rigac proved to be hugely successful, the first real results are expected in a year when it can be seen whether Rigac truly became a trusted and used local currency. The hope is that people will start to prefer Rigac over HUF when buying and selling local goods and services.

The hope is that it will help people, who have been partly or fully inactive for a long time, to re-activate their skills and to re-discover the power of self-maintenance.

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#### Abstract

Time banks are systems which measure and reward the effort people make in their neighbourhoods, supporting other people – often in very informal ways – and which allows people also to draw down informal support when they need it. In different ways, they use time as a kind of ‘money’ to reward people who help out in their neighbourhoods or beyond, and which then acts as a medium of exchange, whereby they can draw down help from the system themselves – or spend the time on more concrete rewards, like entry to sports clubs, training or even food.

This report explores the development of different a diversity of time banks and parallel currencies from across the world to understand their potential to help combat social exclusion and support employability. Using 10 case studies, it identifies the factors that make for successful time banks, and the challenges building sustainability in different welfare and socio-economic contexts. The report finds evidence to suggest that they have the potential to improve well-being and mental health, to enhance the effectiveness of public services, and even to promote entrepreneurship and self-employed business ventures. It draws lessons for policy and identifies research challenges.

This report is one of a series produced by the JRC-IPTS Information Society Unit as part of the ICT4EMPL Future Work study, that explores four novel forms of internet-mediated work activity, both paid and unpaid: online work exchanges, crowdfunding, online volunteering and internet-mediated work exchanges (time banks).

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