

transformative  
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theory

# TSI- NARRATIVES: Time Banking



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## About TRANSIT:

TRANSIT is an international research project that aims to develop a theory of Transformative Social Innovation that is useful to both research and practice. It is co-funded by the European Commission and runs for four years, from 2014 until 2017. The TRANSIT consortium consists of 12 partners across Europe and Latin America. For more information, please visit our website: <http://www.transitsocialinnovation.eu/>.

## About this Document/ Disclaimer:

This report provides a very short summary of a full case-study report that includes in-depth case-studies of Timebanking. Both, the full case reports and this summary, were guided by four empirical research questions based upon a preliminary [conceptual framework](#) of the TRANSIT-project. The four questions concern:

- 1 the overall development of the local cases and the transnational network(ing);
- 2 how they relate to different types of change and innovation (incl. social innovation, system innovation, game- changers, narratives of change and societal transformation);
- 3 how actors are empowered and/or disempowered in and by the local cases and the transnational network(ing), including topics such as governance, learning, resourcing and monitoring;
- 4 what are other relevant emergent issues with regard to understanding the dynamics of transformative social innovation.

This summary document focuses on the first three questions. It presents – in a highly reduced and generalised format – the interpretations of the researchers, and does not necessarily reflect the views and nuances of the initiatives and respondents themselves. For a full account of each transnational network and local case, including interview quotes and expressed nuances by respondents, we refer to the full case report, which is available via [communication.transit@ihs.nl](mailto:communication.transit@ihs.nl). Both the full case report, as well as this summary document, are the basis for future research activities and publications.

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## 1. Development of the transnational network(ing)/local manifestation

This case looks at time banking, which is a system of reciprocal service exchange. It explores the transnational time banking network organization (hOurworld) and local manifestations of time banking organizations both in the UK (Timebanking UK) and in Spain (Health & Family). In addition, the Spanish case includes an initiative of the Ser-Hacer NGO, which is labeled a time bank by its proponents, but which time banking purists would consider is not a reciprocal service exchange and would be labeled more correctly as an alternative currency initiative.

There are strong similarities, but also some key differences, in the nature of the organizations and in the dynamics of the three main organizations that we have studied. All three are networking, membership and support organizations for local time banks that hold close to an original definition of time banking. Their leaders recognize the importance of definitional clarity. All three organizations and the time banks they represent are also already institutionally-embedded to a high degree in that they work alongside and with the establishment to embed time banking as a complement, and not a competitor, to mainstream sectors and systems. In the case of time banking in the US and in the UK this includes recognition by the regulatory authorities of time banking as a service exchange system with characteristics that make it distinct from employment and from volunteering and that warrant affording it privileged fiscal treatment. In the UK the arrangements also clarify the status of welfare claimants and job seekers who are active in time banking and they give time banks charitable status. A main difference between the organizations is that hOurworld and Timebanking UK are dedicated to promoting and supporting time banking while Health & Family is an NGO that promotes time banking as one of several mechanisms it uses to promote social justice and equity in access to public goods, which is its primary mission. Both hOurworld and Timebanking UK nevertheless also seek synergy between time banking and other social innovation movements in building strong local communities.

The hOurworld transnational network organization is relatively recent. It was begun in 2010. But its roots go back further, as its founders have been active in the time banking movement in the US for more than 20 years. Initially hOurworld was founded to provide US time banks with an alternative to the dominant TB USA membership organization. Unlike TB USA, hOurworld provides its members with time banking software and many services on a free-to-use basis. Its founders consider this is important for the integrity of the time banking movement. In turn they feel governance integrity is needed if the movement is to grow. From their experience they found that local time banks within the TB USA network often faced difficulties in raising membership dues and software fees and found the requirement to 'pay up' to their membership organization inconsistent with time banking values. The founders of hOurworld felt this requirement had lowered levels of enthusiasm and activity within the US time banking movement, had stymied growth and had deterred some funders from investing in time banking. They therefore founded hOurworld to provide software to US time banks free of charge. Within three years,

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however, they had developed arguably the best available time banking software and they were approached to provide this to time banks in other countries. In 2013 hOurworld entered partnership agreements with Timebanking UK to provide software to UK time banks. hOurworld is working now also with French partners. hOurworld has therefore grown quickly to become a transnational networking organization.

Both Timebanking UK and Health & Family have been operating for 15 years. Timebanking UK is the national level membership organization for UK time banks. Whereas in the UK time banks are united under one national membership organization and there is a relatively even distribution of time banks across the country, time banking in Spain is mostly within three regions, Catalonia, Andalusia and the area around Madrid. In Spain, time banking is mostly an urban phenomenon and the main instigators have been NGOs working closely with local authorities. Health & Family is the regional level organization promoting time banking in Catalonia. There has been a recent attempt by the regional authority of Galicia to seed time banks in this region too, but this was not successful. Most of the nascent time banks failed once seed funding ended. A response by the Ser-Hacer NGO has been to develop its own exchange, which is a bottom-up grassroots initiative that involves exchange of goods as well as services. Ser-Hacer issues a currency. It is labeled a time bank but it is more an alternative currency initiative.

This brings us to important definitional questions: what is a time bank and how can we recognize one? Time banking is a rule-based system of reciprocal service exchange that uses the time spent delivering or receiving service as a form of 'complementary currency.' The rules for service exchanges are based upon a set of core values and principles: inclusion, mutual respect (everyone has something to offer), reciprocity and equality in the value of exchanged services. The services exchanged in time banks range in sophistication from the very simple, such as dog walking and car washing, to more complex arrangements, such as teaching piano or languages, to sometimes sensitive personal services, such as child-minding or providing care and help to elderly people or people with disabilities. In time banking, all services are valued equally whatever their level of sophistication or complexity. The unit of exchange and account for all services is the same. It is simply the hours spent giving or receiving service.

Defining time banking – what it is and what it is not – is not straightforward, however. One source of complication is that several variants of the original time banking model have been developed over the years, some of which break from the pure principles of the original values and/or the original service exchange mechanism; for example some variants allow time credits to be exchanged for rewards or for goods rather than for services from other members. In some countries, systems of exchange developed from time banking but departing significantly from the original values and exchange mechanism are nevertheless labeled as time banks when on a purist definition they are not time banks. In other countries such variants may be labeled differently; for example a variant in the UK that provides rewards in return for credits and that makes use of spare capacity donated by organizations to the initiative for this purpose (for example, in the form of cinema seats, rides on public transport, places on educational course, entries to swimming pools, entries to sporting events, etc.) is labeled 'Spice'.

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Another source of confusion is that not all 'true' time banks – ones that do conform to the original value-based service exchange mechanism – are labeled as time banks. Some time bankers prefer not to use the terms 'bank' or 'banking' to describe the activity, because the terms are perceived to hold negative associations. In Japan the term 'bank' is administratively reserved exclusively for financial organizations and it cannot be used legally to connote a service exchange, so Japanese time banks are typically registered as 'hour exchanges' or 'time exchanges.'

Definition is nevertheless an important issue in time banking. In part this is because there is a well-developed conceptual and theoretical basis for time banking, which was worked out already by the pioneers of time banking several decades ago. This establishes that time banking is deliberately intended to achieve transformational objectives and that the mechanism of transformative change operates through the values that the service exchange mechanism translates into society. Both the original values and the original mechanism therefore need to be preserved for any innovative variant of time banking still to be a time bank. Those adhering to the purist approach in time banking are very conscious that any change in either the basic values that are being translated or in the service exchange translation mechanism will divert or frustrate the transformative change that the activity is intended to support.

Another factor is that in some jurisdictions, such as the US and UK, special external governance arrangements have been established for time banking. In these jurisdictions, time banking is differentiated legally from both employment and from volunteering, which enables special provisions to be established for its fiscal treatment and for how welfare benefits claimants pursuing time banking activities are treated by employment and benefits agencies. These arrangements provide protected niches for time banks and their members who operate along purist lines. Time banks and their membership organizations are therefore often concerned to ensure members operate within the terms of these provisions and, also, that the provisions are not abused or used fraudulently, which could risk the loss of protected status.

There is some dispute – and competing claims – also over the origins of time banking. Early time banks were established in several countries and it is possible that the concept could have been developed independently in several places at different times. Within the context of the case study, evidence was found of time banks originating in Japan, the US and possibly also Italy. Many in the time banking movement credit Edgar Cahn with 'inventing' time banking in the US, but there is clear evidence that the concept of time banking was under development in Japan in the immediate post-war era and was practiced there already as early as 1973, which predates any US development of time banking. In the US, the first time bank was established by the Grace Hill Settlement in St. Louis. In both Japan and the US the initial pioneers of time banking established effectively the same sets of guiding principles for the service exchange mechanisms they established. In the US, the potential for the service exchange concept and its core values to be generalized was seen by Edgar Cahn. His role in the development of time banking was not so much to invent but more to theorize and elaborate on a concept he found operating already at the Grace Hill Settlement, which he branded and promoted. Cahn co-authored books that explained and

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popularized time banking. He also founded TB USA as a membership organization for time banks both in the US and around the world.

Individual time banks are typically local and are established as grassroots initiatives by local activists who become aware of the mechanism and who want to create a time bank to achieve community-related goals. Such initiatives may arise spontaneously or with support from other time banks and/or a membership organization. They may also be initiatives of NGOs, local authorities and similar kinds of organization. There are different reasons for promoting time banks. In principle, time banks generally are intended to help establish stronger relationships between individuals within communities; i.e. to build stronger communities. They are also intended to strengthen individuals by valuing each person as precious and as having something to give. Time banks bestow value on people, roles and activities that are not always recognized and rewarded by mainstream systems. They define people by what they can do and can give, rather than by either their needs or by their employment status.

Through service exchanges time banks build relationships and they translate time banking values into the relationships they build. They therefore hold a potential to impact upon the individuals involved and upon local communities. They also hold a potential to change the relationships between individuals and communities on the one hand and dominant systems of today's society – the market economy and the welfare state – on the other hand. Time banking can accommodate everyone in a community and can embrace a wide range of services among the offered exchanges, but time banking can be designed also to target specific kinds of activity and specific groups and their needs; so time banking is a flexible mechanism. At different times and in different places and contexts, these general capacities of the time banking mechanism have been seen by activists to provide scope to address different kinds of societal challenges. They provide also for a wide diversity of time banks to be developed, ranging from community-based time banks, which are designed for everyone and provide for a wide variety of service exchanges and activities, to thematic time banks, which focus on specific activities, groups, individuals, and needs.

The basic time banking concept is under innovation both at the strategic level and at the grassroots level. One such innovation involves opening time bank membership to organizations as well as to individuals. Services can then be more easily extended to the provision of access to facilities and equipment of time bank members. Involving organizations gives scope for time banks and their members to access a wider set of expertise, including more professional skills. There are moves also to provide for credits earned in one time bank to be transferred across time banks and between members. Such innovations are increasing the diversity and utility of time banking and its appeal to members, as well as extending the range of potentially transformative impacts time banking might achieve.

Time banking is intrinsically a networking activity. Each individual time bank is a network. But individual time banks can also be networked together. Time banks, constituted individually as a network of members, may combine in networks with other time banks at scales varying from local to transnational. Networks can build bottom-up, top-down, middle-out or through combinations of these and from any scale in the hierarchy, including

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by organic growth and by coalition of existing networks. An important role is created at meta-level for membership organizations whose functions involve strategy development, support services, acquiring or creating resources, representation, growing the time banking movement and pursuing the goals of time banking through alliances with like-minded social innovation partners.

A very important function that networks and membership organizations can play lies in developing or acquiring software to facilitate time bank exchanges and to account for and record credits. All time banks need some accounting system to record exchanges and track time credits. Time banks can use paper-based accounting systems (as has been the dominant practice to date in Spain) but software-based accounts (as used in the US and UK) are more efficient and effective and offer capacities to develop functionality beyond simple accounting, such as safeguarding and monitoring. Different time banks and different membership organizations have developed different software systems. But there are efficiencies in pooling resources and working together to develop joint systems. This was the thought behind the approach Timebanking UK made to hOurworld. Rather than continue developing its own software, Timebanking UK now contributes to developing the Time & Talents (TnT) software developed by hOurworld and distributes this in the UK to its members. TnT is hosted on a shared internet-based platform, which means that data from all its users will become a resource that can be interrogated and used to support social learning, monitoring, reporting, etc.

Time banking as a practice has spread across the globe, but developments vary between individual countries. There are several hundred established time banks in the US, the UK and Spain (the cases we have studied). But time banking is not well developed in all countries and progress within individual countries has not been consistently along the lines of smooth growth. Some countries support many more time banks than others and net growth in individual countries has at times been slower or faster, including in our case study countries.

Networking appears to be an important factor in maintaining and building time banking activities and in the diffusion of the concept across space. Time banking was brought to the UK from the US. It was brought to Spain from Italy. Transnational networks have formed among time bank membership organizations. So far these have mostly developed along linguistic and cultural divides, but there is a start of a process of consolidation that is beginning to cross these divides. The transnational networks are identified in part by the time banking software systems they use. TnT has overtaken Community Weaver (CW3) in the US and in several other countries as the most used and fastest-developing software system.



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## 2. Aspects of change and innovation.

Time banking is based on a philosophy of building strong individuals, strong communities, and strong intra-community relations. It provides incentives and rewards to community members for providing community service.

Time banking challenges prevailing paradigms, norms and values concerning the nature and source of wellbeing and security. It challenges the idea that money and financial wealth are the sources of wellbeing and security and, instead, promotes the idea that true wealth, wellbeing and security lie in the abundant resources of people and their skills, their time, and the strength of relationships in communities. Time banking challenges the idea that only paid employment and those in paid employment have value. Instead it stresses the value of domestic work and work in the community and those who perform it as having equivalent value. It challenges the idea that only qualified professionals can contribute useful work and stresses that much useful work can also be done by ordinary people who can meet many of their own and their communities' needs themselves using community-based resources, especially by harnessing and developing people's time and talents.

In time banking, reciprocation – the giving and the receiving of services – is important, since the idea in time banking is that transformation at the level of the individual occurs from reciprocity and occurs as much (if not more) from the vulnerability of receiving services as from the socially-approved act in conventional volunteering of giving charity. Reciprocity is important also for building strong community relationships. Time banking values of inclusion, mutual respect and equality are practiced through reciprocal service exchanges and, thereby, are inculcated into new relationships between community members that the service exchanges entail. These are intended to strengthen intra-community bonds, achieving greater autonomy and self-reliance at the community level through greater interdependence among time bank members and greater use, sharing and development of community-based (human and other) resources to meet individual and community needs. In turn this reduces dependence of individuals and communities on dominant systems, such as the market economy and the professionalized welfare state.

For time banking protagonists the integrity of time banking in terms of its core values, principles and the reciprocal service exchange mechanism is important. It is the combination of the time banking values and principles as operationalized through the reciprocal service exchange mechanism that gives time banking its specific potential for transformative change. The espoused values of time banking stress cooperation, reciprocity, equality, abundance, self-worth and self-reliance rather than those of competition, exploitation, scarcity-value and dependence. Key here is that time banking values and principles are diametric opposites of those of today's dominant systems through which societal relationships are mostly established, i.e. the market and the state (professionalised) welfare system. The market economy values scarcity not abundance and works on competition not cooperation, thus marginalizing many people and excluding them from market benefits. In the understanding of time banking protagonists, the market economy gives rise to 'throwaway people', especially under economic globalization and

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hegemonic neo-liberalism, so the time banking mantra is 'no more throwaway people'. Likewise, the professionalized state-provided welfare system is increasingly overstretched, ineffective and inefficient, and cannot be relied on to secure everyone's welfare. Many public services (e.g. criminal justice) also struggle to achieve their missions, so these are not assured either. Time banking is thus seen by its proponents to be a mechanism for routinizing and institutionalizing the practice of personally- and community-constructive sets of values that can counter the values that are institutionalized in the market and in state welfare systems, which are often seen by time banking protagonists as destructive to the well-being of individuals and communities.

The transformative potential of the generic time banking mechanism is reflected in a set of counter-narratives. The originator of time banking in Japan, Teruko Mizushima, advanced time banking as a response to failures in the money system. She saw weaknesses also in both capitalism and communism as systems of organization and stressed community-based relationships as offering more reliable security throughout the life course. Time banking in both Japan and in Spain has been linked also to the women's movement, both from the perspective of elevating the status of women and of domestic work relative to paid male employment (Japan) and from the perspective of seeking to preserve family-life and the work-life-home balance as women joined the paid labor force (Spain).

In terms of game changers, time banking has at times been framed both in the US and UK as a response to recession, unemployment and exclusion from paid work. In Spain it is currently framed as a response to austerity. In Spain and the UK (both currently experiencing in-migration) it is framed as a means to promote a more inclusive society. In the UK it is framed also as a response to the skills gap and as a response to the failures and retreat of the welfare state. It is tied into discussions about the aging society, to the need to 'rescue' the health service, and to the need more generally to provide a 'preventative infrastructure' in areas such as mental and physical health, education, crime prevention, and employability. Across the studied cases, time banking is presented as a cornerstone in creating a parallel sharing economy and a commons-based economy. It is linked also to the ICT revolution, through the open innovation approach to software development used by some time banking organizations.

The capacity for transformative change at all levels (individual, community, sector, system, society) is a function of the value-based service exchange mechanism, the extent to which this is taken up within society and by which members and communities, and the extent to which synergy with like-minded movements seeking the same transformative impacts is achieved. An important issue for scaling the time banking movement and for scaling societal impact is to understand factors in the growth, activity levels and survival of time banks. Within a country time banking activity can grow by several different mechanisms, including by organic growth of each time bank in terms of members and activity levels, by replication, and by thematic diversification. Studies show that time banking in the UK is growing mostly by replication and thematic diversification. Net growth is a product of births of new time banks and deaths of existing time banks.

The role of brokers is the key to understanding why individual time banks do not grow above a certain threshold (a level of about 250 members) and why some time banks do not

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survive. Brokering a time bank is a time consuming task that requires organizational skills and constant dedication. It has been found that individual brokers cannot handle the workload associated with banks involving more than around 250 members owing to the explosion of exchanges requiring oversight that this entails. Furthermore, time bank survival chances are greater if brokers are paid and their operating costs are covered by sponsors. In Spain, local authorities provide some financial and in kind support to time banks. In the UK, local authorities and other sponsors may provide support, but this is usually short-term and must be renewed. Seeking grants is time consuming and takes resources from the main activity of the broker to oversee exchanges. Time banks are therefore vulnerable to failing for lack of secure, small-scale, base-level funding. This is the case even though some sponsors are emerging who are willing to pay time banks to undertake additional activities that target specific interest groups. The problem of time bank survival attaches less to securing funds to cover costs of additional (optional) activities and more to the need for secure base level support to cover (unavoidable and necessary) fixed costs.

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## 3. Aspects of Dis/empowerment.

The resource requirements of time banks are different from mainstream activities. Time banks deploy mostly non-rival resources, intangibles and resources otherwise going to waste, such as under-used labor. They also produce their own resources, such as software tools and knowledge. However, resources are complementary, so the lack of even small amounts of financial resource can prevent time banks from leveraging significant amounts of idle and wasted resources into productive social uses. This can hinder scaling prospects. Financial resource is needed mostly to cover costs of organizing time banking activities, especially to cover brokers' expenses and to pay small stipends to brokers. Foundations as well as some agencies of government provide financial resources, but these sources are not secure and stable. Payments may be received also from interest organizations, but these are often made for targeted activities. Grants come with often-heavy administrative requirements and sometimes risk compromising the mission and integrity of time banks.

Internal governance integrity is important for maintaining support and activity levels at the grassroots and, therefore, is also important for attracting sponsors. hOurworld seeks to integrate time banking values into its governance. An upcoming governance issue arising from the international extension of hOurworld activities concerns the need for an internationally agreed governance model for the TnT software and the data delivered to the internet platform.

External governance mostly relates to how time banking is defined and treated under fiscal, welfare benefits and employment regulations, but also to how rigidly any regulations (whether general or specific to time banks) are enforced. It relates also to the creation of new funding sources, mechanisms and instruments. Accommodations have been reached in the UK giving time banking fiscal and regulatory protections and privileges, but these can also stifle innovation. There is a need for a flexible approach in extending the envelope of protection while avoiding the risk that protections are exploited fraudulently or abusively; for example by those seeking to avoid tax. Negotiating with external governance authorities may require intermediaries with boundary-spanning skills. In Spain, there appears less concern on the part of the time banking movement or on the part of external regulators to achieve specific fiscal or regulatory accommodations for time banks, but neither do time banks appear to face scrutiny of their activities by authorities.

Time banking was brought to both Spain and the UK from other countries, so in both cases international networking and social learning have been foundationally important. In the case of Spain, time banking was introduced and was first established through an EC project involving international partners in a social learning context. Social learning is an important part of empowering the time banking movement on a continuing basis and is achieved in the hOurworld and Timebanking UK networks through monitoring and impact assessment of activities and by organizing exchanges among brokers to obtain insights and guidance about things to do and things to avoid. Local level and regional level networking and mentoring among time banks is important for experience exchange and social learning and

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is promoted in Spain and the UK by the respective support organizations. National level time banking conferences are also held both in Spain and in the UK.

Increasingly, both monitoring and social learning in the UK are being facilitated also through developing software systems and platforms that provide for more sophisticated data collection that allows the progress and impact of time banking on each member, target group and community to be tracked over time and by inbuilt social media platforms that enable experienced and less experienced brokers to exchange information with each other in real time. Software functionality is being extended currently in the TnT system to provide for simple monitoring and impact assessment reports to be produced automatically.

Through externally-funded research projects and PhD projects, some universities and researchers are helping the time bank movement to develop monitoring systems. Some of the ideas for improved systems are being built into the TnT software. The availability of simple monitoring reports is believed to be an important step toward meeting funders' requirements while not overburdening brokers with time-consuming administrative chores. More sophisticated impact assessments will continue to be needed based on detailed case studies and thematic reviews.

Resourcing, governance, social learning, monitoring and networking are cross-cutting aspects of (dis)empowerment. They also cut across each other. Resourcing, for example, is strongly related to all other cross-cutting aspects. There is a funding gap currently and a need for new, secure, base-level-funding sources, mechanisms, and instruments. Possible future funding avenues being explored include seeing time banking as part of a preventative infrastructure worth funding for its cost-saving potential from, for example, recurrent health, crime prevention, skills training and employability budgets. There may be scope also for time banks to receive support from the EU Structural Fund budget. However, it is important that the design of funding mechanisms does not compromise the integrity of time banks. There is thus a need to consider both external and internal governance issues. Networking is an important strategy for acquiring resources, including for obtaining help with monitoring and impact assessment (e.g. from Universities, Research Groups and Think-Tanks) and for obtaining legal and professional support (e.g. from Private Companies through their CSR initiatives). Networking with like-minded social innovations and actors holding compatible transformation goals is important also for leveraging impact.