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Tackling social exclusion with community currencies: learning from LETS to Time Banks

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

Blair (2000)

INTRODUCTION

Inequality, relative poverty, and social exclusion are growing in the UK at the dawn of the third millennium (Hills, 1998). The economic and social effects of global economic restructuring have been disastrous for many localities, and increasing labour market casualisation and flexibilisation has reduced job security for many (Crompton et al, 1996). Social inclusion and neighbourhood renewal have become policy buzz-words of the UKís New Labour government at the dawn of the 21st century. Social inclusion is here understood to refer to the ability to exercise social, economic and political citizenship rights, and social exclusion is the denial of those rights. Economic citizenship refers to the ability and opportunity to earn income from engaging in productive work, to have oneís needs met, and to build links with the formal economy. Social citizenship is the ability to take part in community-building and social networks for friendships and mutual support, and bridging social divides. Finally, political citizenship is the ability and opportunity to influence decisions which affect oneís life, and to join in collective effort to challenge inequitable social structures

(Allen *et al*, 1998).

In the discourse of contemporary UK government policy, social inclusion is assumed to derive primarily from formal employment ñ hence the drive towards formal employment for all who are able. But at the same time, social cohesion and social capital ñ the trust and reciprocal relationships that hold communities together ñ require investment of time and money in community self-help and other forms of ëactive citizenshipí (SEU, 2000).

Community currencies have been put forward as a grassroots response to both of these imperatives (DETR, 1998; PAT 9, 1999; SEU, 2000). These are local money systems which are used for trading between local people, to complement national currency, and their objectives frequently combine economic, social, community, ethical and environmental goals. There are many different types of community currencies in use across the world, ranging from the Argentinean barter clubs which have emerged to fill the gaps in local economies left by a collapsing national currency, to Time Dollars in the USA which aim to rebuild communities and social capital where neighbourhoods have become fractured and people isolated by rewarding the time people spend helping others. The contexts and forms of community currencies vary widely across the globe, but what their users share is a belief in the power of local people to affect their local economy, society and environment in a positive way, in response to the sometimes negative consequences of over-dependency upon global economic processes. In addition, they commonly seek to inject social ethics into economic relationships, transforming the frameworks of exchange to embody values normally excluded from such fora. In this way, community currencies are often described as contributing to the ësocial economyí of neighbourhood and community ñ i.e., that economy of household and community exchange which is normally unpaid ñ which underpins the conventional market economy (Seyfang, 2000, 2001b,d; Douthwaite, 1996).

In the UK the most common form of community currency is the Local Exchange Trading Scheme (LETS), which operates as a virtual complementary currency to rebuild local economies in areas suffering from a shortage of cash where untapped capacity is accompanied by unmet needs. In a LETS, members list their skills in a directory and contact each other to arrange trades, notifying the schemeís treasurer of transactions so that accounts can be credited and debited. No money changes hands, and as this is a currency designed exclusively for exchanging rather than storing value, no interest is paid or charged on balances (Croall, 1997). LETS have been identified as a powerful tool for alleviating the worst impacts of recession, for strengthening the local economy, and for developing skills and ëemployabilityí among the unemployed, perhaps providing a stepping stone into formal employment (Williams, 1996). However after 10 years of LETS development in the UK and increasing local government support, a number of obstacles has prevented this potential from being effectively realised. The schemes have remained small in scale, attracting only a small minority of the socially excluded, and limited in scope, being very marginal to their needs (Williams, 2000). It has been argued that LETS falls between two stools: it suffers from trying to be an economic system which embodies many non-commercial, socially-based (and therefore ëinefficientí) values. Consequently, it has been hypothesised that to be more successful at tackling social exclusion, a community currency should concentrate *either* on providing an efficient trading mechanism, *or* on harnessing the social values-driven mutual support form of community exchange within a more appropriate framework for fragile and vulnerable populations (Seyfang, 2001c).

This paper tests that hypothesis by examining new evidence from the first study of the next generation of community currencies in the UK: ëtime banksí[1], which follow the second of these alternative scenarios. Time banks aim to build social capital and engage people ñ the socially excluded in particular ñ in networks of mutual support and community-building by rewarding them for the time they spend giving service in the community, with time credits they can use to buy services for themselves. Unlike LETS, time banks concentrate on strengthening social, rather than economic linkages (and so they are complementary to each other, as well as to the conventional economy). Time banks use a currency based upon time, whereby one hour of service is always worth one time credit, whatever the service (Cahn, 2000). The UK government has been seeking new ways of promoting community self-help and voluntary activities and encouraging participation by groups who do not usually volunteer ñ the young, unemployed, the retired, those on low incomes, ethnic minorities, and women whose volunteering is declining ñ and to find new ways of promoting inter-generational contacts through voluntary activities (PIU, 2000). With this in mind, its Active Community Unit has funded the development of time banks in the UK through a national support network, Time Banks UK. However, time banks have been unresearched until now. This paper addresses that knowledge gap and presents the findings of the first national time banks evaluation, drawing upon a national survey of time bank coordinators and case studies with four individual time banks.

The paper first reviews the existing knowledge of LETS in the UK, summarising the problems it faces in achieving widespread impacts against social exclusion, and the practical and analytical learning gained from this experience. In the second section, the development, growth and impacts of time banks in the UK over the last few years are described, paying particular attention to their ability and potential to meet the needs of people suffering from social exclusion.

Their success at overcoming the problems encountered by LETS is critically appraised. The third section discusses possible future developments for community currencies. Finally, the conclusion makes policy recommendations to enable community currencies to effectively overcome social exclusion and benefit a broad, widespread audience.

THE PIONEERS: LETS IN THE UK

Origins, characteristics and development

The LETS idea was first introduced to the UK in 1985 by Canadian Michael Linton, who had developed the system on Vancouver Island, British Columbia, as a local response to recession and unemployment. He presented the concept at a meeting of alternative economists known as ëThe Other Economic Summití (TOES) which ran parallel to the G7 summit of world leaders (Linton, 1986). A LETS was a local currency which could circulate among members of a local scheme, much like a babysitting circle. It would act as a complementary medium of exchange to be used alongside national currency, but unlike conventional money it could not leave the area, therefore ensuring there was always enough currency to allow people to trade amongst each other, even with a shortage of national currency. It was suggested that the value of LETS currency should equate with national currency, for ease of use. Members listed their needs and what they had to offer in a directory and contacted each other to arrange trades; credits and debits were recorded in a set of accounts, but no cash changed hands. Individuals were responsible for negotiating the prices of what they bought or sold, but no one could be compelled to trade. The LETS currencies often mirror national currency, but in some cases different value regimes hold sway: for example, in some LETS labour is valued equally, and in others, all tasks are worth one credit regardless of the task (Croall, 1997).

The idea immediately caught the attention of environmentalists and proponents of local sustainable development all over the world, as an alternative to the global system of finance which wrought havoc on localitiesí ability to meet their needs. After this summit, TOES became the New Economics Foundation, which began to publicise and promote the LETS idea. The first LETS was set up in Norwich in 1986, but the movement did not really take off for a few years after that: there was a rapid growth of LETS schemes during the 1990s, increasing from 5 schemes in 1992 to an estimated 350 in 1995. By 1999, a national survey of the 303 projects in the UK, found they had an average of 72 members each, and a turnover equivalent to £4,664 (£65 per member). If the survey figures are taken as representative for the UK and extrapolated, it reveals that there are 21,816 LETS members in the UK, with a turnover of about £1.4 million (Williams, 2000; Williams, 1996).

The objectives of LETS organisers are to: strengthen local economies, rebuild communities, and forge social networks. This is usually framed within an environmentalist context of localisation and increasing self-reliance (Douthwaite, 1996). Most LETS are set up by individuals rather than organisations, are unfunded, and are run on a voluntary basis by community activists. In recent years, an increasing number of LETS have been set up and run by local authorities, as an anti-poverty or community economic development tool, but this is a minority. Few LETS have significant commercial involvement from local businesses. The LETS movement as a whole appears to have plateaued in recent years, with a contraction in the number of schemes between 1994 and 1999 from 350 to 303, and the total number of people involved reducing from 30,000 to 21,816 over the same period (Williams, 2000). The LETS movement as a whole seems to have hit a stumbling block whereupon they do not continue to grow in number or in size, but some schemes contract and some others stagnate, with disappointing results for proponents within local authorities and regeneration agencies. These obstacles are summarised below.

Obstacles faced by LETS

A number of studies have examined the impacts and potential of LETS to meet the economic and social needs of socially excluded groups of people. These studies have found that while LETS is a fledgling mechanism for facilitating informal employment, it principally delivers significant social benefits in the form of building social networks, being a forum for meeting people and making friends, and helping people to get out into the community more (Williams, 1996; Seyfang 2001c; Aldridge et al, 2001). They have generally concluded that LETS is a *potentially* powerful tool for community self-help which could transform the lives of its users if adopted on a large enough scale and with a broad-based membership. However, the reality has been somewhat less significant, as a range of obstacles have effectively prevented its widespread adoption by the poor and unemployed.

These are, firstly, that the unfunded and voluntary nature of most projects results in a shoestring operation with a mainly ad hoc, word-of-mouth growth strategy, rather than professional management with widespread publicity and active recruitment. Second, the projects are small in scale and scope, and do not offer the most practical and staple goods or services needed by people. Third, government regulations on activities by benefit recipients deters their participation, as it treats LETS earning as equivalent to money income. Fourth, LETS is populated by a certain type of person ñ generally well educated and with ëgreení liberal beliefs, keen to experiment with alternatives to the mainstream global economy. As a consequence, it is perceived by other types of potential members ñ those on the margins of the conventional economy who could potentially benefit the most from such an initiative ñ as being something for *other* people. Fifth, it has been found to be quite off-putting for LETS members to have to phone people they might not know from the directory to arrange trades, and it is especially frustrating when the people listed are unwilling to do what theyíve advertised ñ disillusionment quickly sets in. Sixth, some people are put off joining LETS because they do not feel that they have a worthwhile skill to offer. Finally, the laissez-faire system of individuals negotiating prices on LETS has been seen as problematic, particularly for services which do not normally have market value, and for people whose labour is not highly valued in the formal labour market. In such cases, market values can predominate within LETS, mirroring the hierarchy of the money economy. The confidence and social skills required to arrange trades, and then successfully negotiate prices, is seen as an obstacle for many (Aldridge et al, 2001; Seyfang, 2001c).

What steps have been taken to overcome these barriers? Over the last few years, more local authorities have funded LETS, giving them a more solid base to work from, but potentially taking the projects out of the hands of local people. The impacts of these projects have not been studied relative to the majority of voluntary schemes set up by community activists. LETS have remained small in scale and scope, and despite nearly 10 years of development, funding and growing public awareness, they have not spread to the mainstream. Lobbying of government to amend the benefit regulations to encourage unemployed people to participate as a form of self-help and skills development has been unsuccessful so far.

THE SECOND WAVE: TIME BANKS IN THE UK

The picture of national LETS development described above has been an important foundation from which time banks have grown and developed, in terms of experience and learning at developing alternative economic structures. In this section the growth and character of time banks is discussed, drawing critical comparisons with LETS to highlight their commonalities and distinctiveness. Particular attention is paid to an analysis of the ways in which time banks attempt to overcome the obstacles faced by LETS in meeting the needs of the socially excluded.

Origins, characteristics and development

Time banks are a new type of community currency which turn unpaid time into a valuable commodity, and aim to build social capital and promote community self-help through *mutual* volunteering (both giving and receiving help in exchange for time credits). An hour spent volunteering earns one time credit, which can be exchanged for help from another member of the time bank, or redeemed for local services such as adult education classes or football tickets. Time banks are commonly targeted at socially excluded groups of people who do not normally participate in volunteering, who are normally excluded from the formal labour market, and those who are often the passive recipients of services. Since an hour of everyoneís time is worth one time credit, this sends a strong message to the targeted groups that their time and everyday skills (keeping families and neighbourhoods together, caring for the vulnerable etc) are as valuable as anyone elseís. Furthermore, as these (normally unpaid) activities are the bedrock of sustainable community development (or the social economy), they are exactly the types of work which time banks value, reward and encourage (Boyle, 1999; TBUK, 2000).

A time bank works like a community-level volunteering agency, but one with a difference. Unlike traditional volunteering, a time bank sets up reciprocal relationships ñ all participants should be willing to *ask* for help as well as *give* it to others. Participants are registered on a local database, along with details of the types of services they wish to offer, and the help they would like in return. The kinds of services exchanged include gardening, car sharing, companionship, help with shopping, computer tuition, literacy skills etc. A ëtime brokerí matches up volunteers with those in need of help, and maintains the records ñ irrespective of the work performed, an hourís service is always worth one time credit. The broker helps even the most vulnerable members to identify their abilities and opportunities for using them. This in itself can bring benefits in terms of increased self-esteem, improved health and well-being, simply from feeling useful and needed in society. Time banks emphasise that it is often peopleís ëeverydayí skills and time input which is most needed, and encourages simple informal volunteering, without the need for specialist training. The objectives of time banks are:

- to engage members of the population who are socially excluded and would not normally be involved with

community volunteering initiatives;
- to enable them to meet their needs through exchanging time, earning and spending time credits, including boosting the skills, self-esteem and confidence of participants;
- to build social capital and foster friendships, reciprocity and trust through participative engagement;
- to encourage community involvement, by valuing and rewarding the (normally unpaid) ëcore economyí work which is essential for healthy, sustainable communities (Cahn, 2000; TBUK, 2001).

Time banks in the UK are based upon the successful Time Dollar idea developed in the USA in the mid-1980s by lawyer Edgar Cahn (2000), which spread throughout the USA for the next decade (where there are now over 200 projects, some with thousands of members), before taking off in the UK, Japan and elsewhere. In the USA, and now in the UK, they have appealed to mainstream public service providers, and have been adopted and funded by health care agencies and schools, youth courts and community development programmes. Since 1997, Cahn, the New Economics Foundation[2] and Fair Shares (a charity set up to establish and run time banks) have promoted the time currency idea in the UK, with workshops and presentations to community development workers, local authorities and health professionals around the country. The first projects were set up in Gloucestershire in 1999, there are currently 35 running, with a further 16 in development, and there are new pilot projects springing up all the time, supported by local and central government, the Community Fund and other bodies. A national survey of the coordinators of the 29 active time banks in July 2002 found that UK time banks varied in size from just 15 members, to 107, with an average of 61 members each. The number of hours exchanged on the time banks varied from 70 to 5635, with a mean of 1771 hours. This equates to each member giving or receiving 29 hours, to date. Extrapolating from the survey indicates that the UKís 29 operational time banks have 1769 members, who have exchanged a total of 51,359 hours (Seyfang and Smith, 2002).

Despite a considerable overlap between LETS and time banks in terms of strategists and key activists ñ including the New Economics Foundation as a principal promoting body ñ time banks have grown up quite separately to LETS, in practice. Only 1 of the 12 time bank coordinators surveyed (8%) had had previous experience of LETS, and the picture emerging of the context in which time banks are developing is strikingly different too. The vast majority of time banks in the UK have been set up by organisations rather than individuals ñ local authorities, regeneration agencies, health action zones etc, have all run projects, and they all received external funding for staff and office facilities. However, even with this ëtop downí approach, time banks offer a more informal and accessible way for people to give time and play a part in their community than formal volunteering, and the aim is to build this kind of participation into the delivery of community services such as health and education. Furthermore, most time bank organisers aim to engage participants in the running of the project to democratise it and create a truly community-owned time bank. Time brokers have stressed the importance of keeping the project close to street-level and accessible, working with existing community groups, and employing local people already known and credible within the community. The coordinator of Sandwell time bank claimed: *"itís very important to have a local person who knows local people and organisations, rather than someone beamed in saying ëthis is good for youí"*, and the Gorbals time bank coordinator remarked that someone not known to local people *"wouldnít get anywhere"* in developing a time bank.

One of the key reasons for this distinction in character and context is the different policy response time banks have prompted. LETS was presented as an alternative money with an economic objective, and was perceived by government primarily as a tool for promoting informal employment. Consequently, benefit regulations treat LETS earnings as equivalent to money (with a small allowable amount each week but still inhibiting participation by benefit-recipients) and LETS income is taxable if it is earned during the course of oneís normal profession (otherwise it is disregarded as ësocial favoursí). In contrast, and quite deliberately, time banking was presented as a social initiative and the time currency aspect was downplayed ñ instead time credits are likened to ëloyalty pointsí for neighbourliness. As a result, time banking has been viewed by government as a tool to encourage volunteering and community self-help, and time credits have been declared exempt from either taxation or benefit calculations. The favourable policy and funding environment for time banks has given this community currency model an opportunity to learn from previous experience with LETS and spread into the mainstream to deliver more widespread benefits.

Who uses time banks and why?

Time banks aim to benefit the socially excluded by involving them in mutual volunteering and community participation. How successful have they been at attracting these groups to join? Comparing the characteristics of time banks members to that of the general population reveals that the schemes attract a disproportionately high number of members of socially excluded groups. Nearly three-quarters (72%) of the participants are not in formal employment (compared to 51% of the wider population and 62% of LETS members), according to the coordinators who responded to the national survey, and 54% receive income support or the Job-Seekers Allowance (19% of the population does so). Furthermore, 58% are living in households with income under £10,000 a year, whereas for the whole country, 38% have an income of under £13,000. While 19% of the population are retired and 13% are disabled or have a long term illness, the corresponding figures for time bank participants is 42% and 20% (OPCS, 1993a, 1993b; ONS 2000; Williams, 2000).

Some time banks have a more skewed membership profile, depending on their setting. For example, Stonehouse Fair Shares in Gloucestershire was strongly biased towards elderly and disabled members, as it was originally based around nursing homes in the town, however they are now recruiting more young and able-bodied members to balance the project more. Rushey Green time bank, based in a GP surgery, is heavily populated by people suffering from mental and physical ill health, as half the participants were referred to the time bank by their GPs. In these cases, the benefits of time banking are extremely significant, representing perhaps the first steps towards independence or sociability for people who may be very isolated and under-confident.

Compared to the demographic profile of formal volunteers uncovered in the 1997 National Survey of Volunteering, time banks are attracting a different constituency of participants ñ notably a higher proportion of women, retired, disabled or sick people, jobless and low-income participants ñ precisely those who participate least in traditional volunteering. For example, while only 16% of traditional volunteers have an annual household income of under £10,000, the proportion of time banks participants is 58% ñ nearly four times as many, and while 40% of traditional volunteers are not in formal employment, the figure for time banks members is 72% ñ nearly double (Davis-Smith, 1998; 2001). Indeed, coordinators estimated that 51% of their members would not otherwise have got involved in volunteering (Seyfang, 2001a). Membership surveys of the participants of two time banks (Rushey Green based in a GP surgery in Lewisham, a deprived area of south London, and Stonehouse Fair Shares in Gloucestershire) found that time bank members were more likely than the public to have been involved in formal volunteering (ie through an organisation), both as giver and recipient. However, they were less likely than average to have given or received informal voluntary assistance. Time banks are therefore providing additional means of support for those with fewer social networks to call upon for help (Seyfang, 2002a,d).

The motivations of time bank members in joining the projects are varied. In Rushey Green time bank[3], the objectives of members were: to help others (78% of participants cited this reason), to get more involved in the community (72%), to improve the neighbourhood (56%), to meet people and/or make friends (44%), to get help for oneself (44%), and finally to earn time credits (17%). Two thirds of the respondents (65%) felt that the time bank had helped them to achieve their objectives, and 56.3% said that their time banking experience had been a good one (31% said it had been neither good nor bad). These motivations cover a broad range of social inclusion goals which can be described as not only economic and social citizenship, but also political citizenship.

Time banking: tackling social exclusion

Having established that the people who join a time bank are overwhelmingly from socially excluded groups, what benefits do they get from taking part? If we understand social exclusion to be the denial of economic, social and citizenship rights, then to what extent do time banks enable people to exercise those rights?

By its very operation, time banks enable members to practise economic citizenship. Time bank members successfully exchanged time ñ gaining reward for the services they provided, and using those credits to purchase services in return. This meant that participants could turn their normally unvalued resource ñ time ñ into something with exchange value, and so access services they could not have afforded otherwise. For example, one woman in Gorbals time bank who had waited for months for social services to fix her bathroom had the work carried out immediately on joining the time bank. This also brought benefits in terms of self-esteem and self-confidence, skills development and an awareness that they had valuable skills and something to contribute to society. A middle-aged man was referred to Rushey Green time bank by his doctor, as he was suffering from depression and isolation, partly due to unemployment. Through the project he learned DIY skills and began to help other members, gaining a sense of purpose and self-esteem, as well as making new friends in the process. Several time banks were integrated with other public services which aimed to help people into training and employment, for example the Gorbals time bank paid people in time credits for attending personal development courses. In some cases, members found employment with community organisations they had previously worked for on the time bank.

Social citizenship benefits were experienced by nearly all time bank members, as they built social networks of support and spanned communities. Time bank participants reported that they had become more involved in community activities as a result of their joining the time bank, and for some this was a significant step towards social engagement. Many reported growing friendships with local people, and ongoing reciprocal exchanges, building trust and confidence in local people and their abilities. An important outcome of this is the improvement in well-being and quality of life which accompanies feeling needed and useful and having friends. In Sandwell in the West Midlands, the time bank is based around three deprived estates, and is funded by the local Health Action Zone, as a tool to improve peopleís health by encouraging them to be active, help others, and develop a positive interest in their community.

The ability of time banks to bridge generations and social groups was an important finding. For example, in Stonehouse, children at a local school joined the time bank as part of their curriculum learning on citizenship, and interacted with elderly people from local nursing homes for the first time. Friendships were struck, and many mutual misconceptions and fears were broken down. In inner-London Rushey Green, where the racial divide was prominent, the time bank brought together people who would not otherwise have met, to forge friendships and mutual respect, and generally improve their experience of the neighbourhood.

There were also indications of political citizenship rights being effectively used: time bank members felt themselves to be part of a group, rather than a collection of individuals. This group formation was reflected in a range of community activities and social events, but also in the fact that the time bank was used as a tool to drive forward activities for the benefit of the wider community. In the Gorbals, the annual Gorbals Fair was helped this year by the time bank which paid volunteers in time credits for their input into making the celebratory event a success, for the whole community (see also Seyfang, 2002c). Time bank members reported becoming involved in wider community activities, with renewed confidence, after joining the time bank. They also placed enormous value on the principle of equality which is the cornerstone of time banks. This was identified as a key element of time banks which made it special, and unlike conventional market exchange. It was perceived as being fairer, especially for those whose work is normally unvalued in the economy. Earning time credits was a way of gaining some tangible reward for work which would otherwise be unvalued and unrecognised ñ for women in particular this is an important function of time banks, to give value to the unpaid social and community work which maintains the social economy, and which is traditionally womenís work, but which is being increasingly crowded out by the demands of the market economy and government social policy (Burns, 2000; Seyfang, 2001d). Thus time banks provide a space for the articulation of values which do not fit into the mainstream economy, they challenge existing values and social structures of work and income, and offer a glimpse of an alternative.

Time Banks: obstacles to meeting the needs of the socially excluded

Time banks address a number of the issues raised by LETS, taking a very different approach in some instances. First, unlike LETS which are usually run by volunteers, time banks rely heavily on external funding for staffing, premises and administration; they therefore have more professional management, image and publicity, but are dependent upon outside sources for their survival. The sustainability of funding is a concern, with short-term funding and short-lived projects undermining the success of initiatives which take some time to establish and consolidate. The projects are still very young ñ in the UK 45% of the 29 operational time banks are less than 6 months old. Their size and scope is still limited, and most projects take up to a year to really ëbed iní to a neighbourhood. However, some projects have closed down after their initial funding ran out, and others have spent a significant amount of time chasing further funding to ensure their survival, reducing the available time spent developing the project.

Second, time banks have a broker to arrange trades, making the process far simpler for members, as they need only make one call to the broker to request a service, and the broker searches through the database of members to find a matching offer. One time bank member with experience of LETS remarked: *ëtime bank is easier to access as the office finds someone to carry out your request, whereas LETS you have to ring other members yourself and it can be a long processí*. This process also provides a greater sense of security and credibility, as members often have references taken up and those working with children undergo police checks.

The size and scope of time banks is still too small to allow members to meet all their social provisioning needs through the schemes, but the projects are still very young. Targeted recruitment of individuals and community groups is widening the range of resources available to participants, and it is expected that as the projects grow, they will attract a wider set of skills, local groups, businesses and service providers. Recruitment, publicity and marketing are important issues which deserve attention, as they will attract members, but will also elevate the time bank in the eyes of the public to a credible organisation.

The people attracted to time banks are a very different constituency to those who join LETS, as we have seen already. The national survey of time bank coordinators found that where organisers had some experience of LETS, they felt that the LETS constituency was generally based in a different, more affluent, part of town, and the time bank was focused upon more deprived areas and serving more fractured and needy populations. The primary differences cited between a LETS and a time bank were the equal valuation of everyoneís time (which was universally felt to represent a fairer system, in contrast to the values of the conventional economy), the benefits of a paid broker, and their greater appeal to isolated and socially excluded people: *ëtime banks are likely to be better suited for the elderly and other vulnerable people who may not feel comfortable with the ënegotiatingí for LETS. A broker also makes time banks feel more secureí.* Concurring with this view, one respondent noted that as time banking activities are exempt from benefits and tax regulations, unlike LETS, they would appeal to local residents from deprived areas more. Responding to another of the problems faced by LETS, another coordinator mentioned that while LETS can appear to be quite ëskills-focusedí and off-putting to people who feel they have nothing to offer, a time bank emphasises the abilities that *everyone* has to offer. Another coordinator felt that a time bank was more inclusive than LETS: *ëLETS is based on a skill for a skill; time bank is based on timeí.*

Participants and members of the steering group of Time 2 Trade, a time bank based on three housing estates in Sandwell, a very deprived area in the West Midlands, had strong opinions on the distinctions between LETS and time banks, having been involved with each model of community currency. The local health authority was funding the AHEaD project, which included running two parallel community currency systems ñ LETS and time banks. They also felt that time banking would be more socially inclusive, and identified the key problem of LETS was that it was confusing having to negotiate price for each trade, especially for people whose skills were not normally valued at all ñ the hierarchy of skills was replicated in the local currency. Their conclusion was that LETS works fine for better off people, but would not work on the estates. They expected their time bank to overcome some of these obstacles.

Third, government regulations are far more favourable towards time banks than LETS, as has been discussed above. Nevertheless there remain obstacles to the participation of unemployed members on time banks which allow the exchange of goods for time credits (refurbished computers, or discounted meals in cafÈs, for instance) and those in receipt of disability allowance, whose participation in time banking is assumed to contradict their claim to be unable to work.

TWO WAYS FORWARD FOR COMMUNITY CURRENCIES

However, the picture shown above is not quite so clearly defined as has been suggested so far. The models of LETS and time banks which have been described are neither monolithic nor immutable, and adapting the model to suit local circumstances is a vital element to success. There are two complementary ways forward for community currencies in the UK. The first is for reciprocal learning and cross-fertilisation between the two movements, to produce hybrid systems which may be better adapted to particular situations. One coordinator remarked that "*some of our members like to set up exchanges between themselves [without going through the broker], so there is a LETS element to the scheme*", giving an indication that the models may blend together synergistically. Principles of time banking have been filtering back through to LETS to overcome the challenges faced there, in particular the importance of brokering and equality in encouraging more vulnerable groups to participate. Some of the lessons learned from 10 years of LETS experience have informed the development of time banks, but there is a need for greater communication and new frameworks for constructive dialogue, learning and sharing experience between the two movements, since the vast majority of time bank organisers have no experience or knowledge of LETS: for instance some time banks are starting to produce directories of services on offer, without any awareness of the LETS experience with such strategies. It is likely that duplication of effort and ëreinventing the wheelí will occur unless time bank coordinators have a good working knowledge of the strengths and weaknesses of other community currency approaches.

The second possible strategy for community currency development is to continue to develop complementary systems, targeted at different social groups and with different objectives: LETS for the local economy, and time banks for the social economy. Such a strategy is promoted by Boyle (1999) and Cahn (2001), and capitalises on the strengths of each model, to produce a range of community currencies in each area, each meeting different needs, and possibly linked in some way. One coordinator remarked "*certain tasks may be more suitable as part of LETS and joining the two can be beneficial to the community*".

CONCLUSIONS AND POLICY IMPLICATIONS

LETS paved the way for community currencies in the UK, but they have not met the expectations made of them by policymakers and practitioners. This paper began by hypothesising that a different model of community currency could meet the needs of socially excluded groups more effectively. The evidence and analysis reviewed here tentatively suggests that this has indeed been the case, but there is still a long way to go. Time banks represent the next generation of community currencies in the UK, providing brokering and equality of labour to overcome many of the obstacles faced by LETS. They have been successful in attracting members from socially excluded groups, and have become established in mainstream health and community development settings. Furthermore, they show the potential to meet a number of policy objectives, notably those encouraging participation in community volunteering, particularly by socially excluded groups and by women and the elderly. But they still need to achieve sustainable long term funding, and grow and widen the range of services on offer, before they can become a mainstream social movement.

Such developments must be accompanied by changes to current policy regimes which view alternative mediums of exchange as a back-door to informal employment ñ the evidence suggests that while time banks attract the socially excluded and engage them in community activities, building social capital and inclusion, they would be more successful if operating within a more supportive policy framework. As a result of this research, there are three specific policy recommendations to be made:

First, more sustainable forms of funding need to be found, to enable time banks to develop to meet their potential. Time bank coordinators believe that statutory bodies ñ education and health authorities, regeneration budgets and social exclusion funds, should be used to fund time banks over a longer time frame, to drive forward civic participation in a range of different settings. In this way, the projects would become integrated with existing organisations and institutions, rather than being standalone community groups, with implications for public policy in general.

Second, time banks are a new tool which could be integrated with public services for the genuine empowerment of users, for the improvement of service delivery and effectiveness, and society in general. Research has shown that when users are actively engaged in producing the services they use, their involvement and ownership results in more effective service delivery. These lessons can usefully be applied to education and health settings, for example, and pilots of these initiatives are already in place and demonstrating that the time bank mechanism is effective at engaging socially excluded people in creating their own health and education outcomes (Boyle et al, 2002). An imaginative and progressive government could take these models forward to develop truly democratic and empowering public services.

Third, the government must remove the barriers to participation faced by benefit recipients wishing to exchange their time credits for goods, and by disabled members whose allowances are threatened by taking part in time banks as it is assumed to demonstrate their ability to work. In both cases, participation in time banks is a valuable form of occupational therapy, contributing to physical and mental well-being, and possibly future employability, with enormous future cost savings to the public purse. Deterring the socially excluded from taking part on these grounds is a short-sighted policy which contradicts the governmentís stated objectives of encouraging widespread participation in community self-help activities.

Time banks therefore show the potential to combat social exclusion through engagement in community networks, generating trust and reciprocal relationships of exchange, and empowering people who would normally be passive recipients of assistance, to help themselves and each other. Time banks provide new channels for mutual support, and give value and recognition to the labour which is normally unpaid and crowded out by the conventional economy, thus challenging the economic imperative of the mainstream market exchange with an alternative based upon a different set of values. It is time to reflect on the lessons learned during the last 10 years of community currency development in the UK and build more effective frameworks for their growth in the future.

ENDNOTES

1. Community time banks, of the type described in this paper, should not be confused with the high-profile BBC TimeBank campaign, also funded by the UK governmentís Active Community Unit, which encourages people to enrol with local volunteer agencies in traditional one-way volunteering. return to text

2. The New Economics Foundation is an economic think-tank, working on reconciling the economy with social justice and environmental sustainability. New Economics is based upon ëa broader understanding of what we mean by wealth, a richer conception of work, new uses of money, and on integrating ethics back into economic lifeí (Boyle, 1993:5). return to text

3. These findings derive from a survey of the members of Rushey Green time bank. Of 64 participants, 18 replied, giving a response rate of 28%. return to text

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