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Time Banks and the Social Economy: Exploring the UK Policy Context

by

Gill Seyfang

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TIME BANKS AND THE SOCIAL ECONOMY:
EXPLORING THE UK POLICY CONTEXT

By

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Abstract:
The ‘social economy’ has become a buzz-word in UK politics over the last decade as the ‘third sector’ is now seen as a source of social inclusion, enterprise, training and employment by all political parties, and a site of alternative economic and social relations, by activists and academics. But how coherent are government efforts to promote the social economy? And is there more to the social economy than this? This paper begins with a discussion of the term ‘social economy’ and identifies the key elements it covers, namely social enterprise, voluntary action, and community organisations. Using this broad conception, it then examines how the social economy is framed in policy terms, and finds a range of positive responses, from official support for social enterprises, to efforts to promote volunteering and involvement in community activities (under the heading ‘active citizenship’). Examining the policy context of one specific social economy initiative, Time Banking in the UK (which promotes community engagement and social capital by using uses time as a form of money), a different, less enabling, range of policies are encountered. Participants in this alternative social economy are pressured to enter full time employment and cease their unpaid activities. The policy implications of this paradox are drawn out, raising questions about how different forms of ‘work’ are valued, who will carry out the vital social-reproduction work in our communities, and the downside of ‘full employment’.

Keywords: Social economy, time banks, community currencies, social policy, voluntary sector, employment
1. INTRODUCTION

The ‘social economy’ has become a buzz-word in UK politics over the last decade as the ‘third sector’ (that realm of economic and social activity between the public and private sectors) is increasingly seen as a source of social inclusion, enterprise, training and employment, as well as public service provision (HM Treasury, 2002a,b; DEFRA, 2005a; DTI, 2002; Blunkett, 2003; Home Office, 1998). Yet despite this surge in interest, the social economy is a little-researched area, and there is a need for more empirical work to develop the evidence base for this agenda. Given the growing prominence of the social economy in UK policy, there is an urgent need to examine the policy effectiveness and coherence of efforts to promote the social economy, and to develop robust understandings of the dynamics, characteristics and potential of the sector itself. This paper begins to address that need.

Defining the social economy is an inexact science: the academic, policy and practitioner literature offers a variety of definitions, but there is a general consensus that it includes the voluntary sector, community organisations, and social enterprise (HM Treasury, 2002a). While originating as a term describing a radical re-embedding of solidarity-based economic relationships (Moulaert and Ailenei, 2005), it is now most commonly used to refer to a complementary set of market relationships; indeed the term sometimes refers exclusively to social enterprises (defined as “businesses with primarily social objectives, whose surpluses are principally reinvested in the business for that purpose, or in the community, rather than being driven by the need to maximise profit for shareholders or owners”, DTI, 2002:7). Existing research has begun to map the contours and dynamics of the social economy, and has identified its potential for reconceptualising economic relationships along more equitable and sustainable lines, but also the limitations and context-specificities of the sector which prevent it easily being scaled up or generalised, and delivering what policy increasingly asks of the sector (Amin et al, 2002; Leyshon et al, 2003; Seyfang, 2004). Indeed, various aspects of policy itself are frequently identified as a major obstacles to the growth of the sector, and a range of policy changes have been recommended, from instituting a basic income scheme or giving credit to active citizens (Williams, 2001, 2004), through to adopting the mechanisms of certain social economy exchanges in mainstream public services institutions (Seyfang and Smith, 2002).

It is apparent then, that despite this growing body of empirical and theoretical work, and a seemingly universal embracing of the social economy across the policy spectrum, there is a need for a systematic review of the range of policy responses to the social economy and their coherence, in order to develop our conceptual understanding of the sector, and improve the effectiveness of efforts to promote the social economy. This paper discusses the full range of policy responses to the social economy in the UK; it identifies and explores the inherent contradictions between policies, and discusses the fundamental reasons for this incoherence.

It achieves this by undertaking a review of UK government policies which are relevant to the social economy and mapping the ways in which the sector is treated in policy. A social economy initiative – time banking – is described. ‘Time banks’ are community-building initiatives which enable people to exchange goods and services using time as money. The specific policy environment of time banks is discussed, in order to identify the ways in which policy is at times enabling of the initiative, and at other times is deeply inhibiting. The reasons for this policy contradiction are discussed, which develops our theoretical understanding of the sector to encourage a more nuanced and sophisticated analysis of the social economy.

The paper proceeds as follows: Section Two discusses the term ‘social economy’ and briefly outlines the way the term has been adopted in policy in recent years, Section Three reviews the ways in which UK policy currently includes the social economy, this is followed in Section
Four by a description of time banking, the case study social economy initiative, and a detailed examination of the policy framework experienced by time banks in the UK. Section Five discusses the underlying causes of the policy incoherence uncovered, and identifies the essential ideological conflict as the heart of this – and arguably many more – social economy initiatives, and Section Six concludes with a brief discussion of the implications of these findings for research and policy.

2. DEFINING THE SOCIAL ECONOMY

The term ‘social economy’ has a long history in Anglo-Saxon and Francophone academic literature, and originates from the French ‘économie sociale’, first used in 1830 to describe bottom-up solidarity economic relations: mutual aid, informal exchange, community self-help etc (Moulaert and Aileni, 2005). In contemporary practice, it is generally understood to refer to the whole of the ‘third sector’ – that realm between the private and public sectors – which is also known as ‘civil society’ and includes the voluntary sector, community organisations, and social enterprises, cooperatives and mutuals (HM Treasury, 2002a), but there are various definitions of the social economy to be found in practice. The European Commission defines elements of the social economy according to the governance structure of the organisations involved, and adopts the ‘CMAF’ model to include cooperatives, mutual societies, associations and voluntary organisations, foundations, and social enterprises (European Commission, 2006). This definition is carried over into EU-funded programmes in the UK to promote the social economy, such as the European Social Fund EQUAL programme which aims to overcome discrimination in the labour market (Ecotec, 2005). However the working definition can often become more narrow, and become a shorthand for those elements of the formal commercial economy which operate with a social purpose: for example Amin et al. define the social economy as “not-for-profit activity geared towards meeting social needs” but add the proviso that the activity comprises the selling of socially-useful goods in the market (Amin et al, 2002:1, i), which reduces the focus to ‘social enterprise’ by excluding non-marketed exchange. Similarly, the Social Economy Network (of Northern Ireland) states that social economy organisations “seek to succeed as businesses by establishing market share and generating income…” (Social Economy Network, 2006).

In academic debate the term ‘social economy’ represents “a wide family of initiatives and organisational forms – ie a hybridisation of market, non-market (redistribution) and non-monetary (reciprocity) economies” (Moulaert and Aileni, 2005: 2044; see also Dobson, 1996). Taking a similarly holistic approach, Williams et. al define social economy initiatives as

“private formal associations for pursuing economically-oriented collective self-help based on not-for-profit and co-operative principles. They frequently occupy the voids that are filled neither by the private or public sectors, nor by the informal networks of the family, kin, neighbourhood and community” (Williams et al, 2003:154).

As such it covers a wide range of activities, from charities and cooperatives which may operate as commercial businesses, through to recycling networks such as Freecycle, and Local Exchange Trading Schemes. The social economy is sometimes portrayed as an alternative to the mainstream economy, a repository for alternative values and practices (Leyshon et al, 2003), but as Amin et al (2003) point out, this alterity can be illusory, as the sector demonstrates ongoing and significant dependent upon the public sector for support, and the private sector for trading success.

The social economy has risen up the political agenda in the last ten years as a new tool to deliver public services and social cohesion, alongside the state and the market (Blair, 1998;
HM Treasury, 2002a). Giddens popularised the ‘Third Way’ agenda in UK politics, which was enthusiastically taken up by New Labour after its election to power in 1997, and since then by opposition parties as well. The Third Way represents a renewal of social democracy or centre-left politics, and proposes that civil society – the social economy – is a valuable but underutilised resource for society, both as a necessary countervailing power between state and market, but also as a source of welfare provision: “Where third sector agencies are not already well-represented, they should play a greater part in providing welfare services. The top-down dispensation of welfare systems should cede place to more localised distribution systems. … the reconstruction of welfare provision has to be integrated with programmes for the active development of civil society” (Giddens, 1998:118). However, this is not to argue for the minimisation of the welfare state, rather for a triumvirate partnership between the three centres of power in modern society: “Without a stable civil society, incorporating norms of trust and social decency, markets cannot flourish and democracy can be undermined” (Giddens, 2000:165).

Rather than being fringe activities at the margins of the formal economy, this amounts to a significant level of activity, as a range of studies indicate. Kendall and Almond (1999) calculate that the UK civil society sector employs the equivalent of 1.4 million full time employees (5% of the economically active population) and benefits from the unpaid efforts of the equivalent of 1.7 million full time volunteers (5.6% of the economically active population), and contributes 6.8% of GDP. A recent study found that social enterprise (defined narrowly as ‘companies limited by guarantee’ and ‘industrial and provident societies’ with greater than 25% of income generated through trading) accounts for at least 1% of the UK’s businesses and achieve £18 billion annual turnover (of which 82% is from trading) (IFF Research Ltd, 2005). Given this significance, it is unsurprising that the social economy has become the subject of increasing political attention, and this is the subject of the next part of the paper.

3. UK POLICY RESPONSES TO THE SOCIAL ECONOMY

Since the inception of the New Labour government in the UK in 1997, the social economy has been targeted and developed as a means of delivering effective public services, and latterly there has been an emphasis on the social economy as a source of innovation for sustainable development. For each of these policy objectives, there are two distinct areas of activity where the social economy is particularly pertinent: mobilising active citizenship, and growing social enterprise. This section discusses this range of policy responses to the social economy in more detail, and maps out graphically in Figure 1.
In 1998 a Compact was published setting out how the government and the voluntary sector should work together (Home Office, 1998), and in 2002 the Treasury published two influential documents identifying the role of third sector organisations in delivering public services (HM Treasury, 2002a,b). These reports identify specific strengths of the third sector as: a strong focus on service users’ needs; specific knowledge and expertise; flexibility and ‘joined-up’ service delivery; building trust; and having experience and independence to innovate. In addition, the sector is also seen as providing wider benefits: involving local people to develop a sense of community ‘ownership’; developing skills and experience of volunteers; building social capital through increased levels of trust within communities (ibid). The reports also highlight a number of barriers which inhibit more extensive third sector involvement in public
service delivery, and subsequent policy measures have sought to overcome these: notably the £215million Home Office-backed Futurebuilders England initiative which aims to build capacity in the voluntary and community sectors (www.futurebuilders-england.org.uk), and Community Investment Tax Relief, which aims to increase the capital available for Community Development Finance Institutions to loan to social economy organisations which traditionally find it difficult to access loan finance and have a more risk-averse approach than traditional businesses (DTI, 2002; The Guild, 2004).

The voluntary and community organisation elements of the social economy are a key focus of the Home Office, which established its Active Citizenship Centre in 2003. In this context, ‘active citizenship’ – a key element of the Third Way – presumes that citizens have both rights and responsibilities towards each other and to society as a whole, and implies being engaged with local community life, giving time to maintain and grow community networks of support through volunteering, and taking part in decision-making processes which can help to shape not only national policy but local action and service delivery, so forming “communities which powerfully embody the values of solidarity, mutuality and democratic self-determination” (Blunkett, 2003:2). Community engagement – meaning the opportunity, capacity and willingness of individuals to work collectively to shape public life – has been found to have beneficial impacts on crime, health, education, employment and prosperity, housing, regeneration and local government (Rogers and Robinson (2004), and increasingly public agencies look to community and voluntary organisations to form partnerships.

Turning to the area of social enterprise, the Department for Trade and Industry (DTI) promotes social enterprise through Social Enterprise Unit (part of the Small Business Service), and in 2002 launched the Strategy for Social Enterprise to develop “the government’s vision ... of dynamic and sustainable social enterprise strengthening an inclusive and growing economy” (DTI, 2002:7). Specifically, the strategy aims to create an enabling policy environment for social enterprise, make social enterprises better businesses, and establish the value of social enterprise, in order that the sector may help to deliver on a range of policy agendas: productivity and competitiveness; contributing to socially-inclusive wealth creation; neighbourhood regeneration; public service reform; and developing an inclusive society and active citizenship (ibid).

In addition to these tightly-focussed policy initiatives to promote the social economy, there is one further major area of cross-cutting policy which aims to develop and work with the third sector: namely sustainable development. The government's strategy for sustainable development specifically highlights community engagement in governance as a key element of a sustainable society (HM Government, 2005), and further looks to community and voluntary groups to lead the way and generate the innovations in governance, behaviour and lifestyle changes – embedded and 'owned' in local communities – necessary for sustainable consumption and production (DEFRA 2005b). In addition, DEFRA is developing its own strategy to support social enterprise because of the ways the sector combines social, economic and increasingly environmental objectives, and contributes directly to its strategic goals of achieving sustainable rural communities, waste reduction, biodiversity enhancement, action on climate change, and so on (DEFRA, 2005a).

In this section we have broadly reviewed UK government policy and found it to be generally enthusiastic in its uptake of the social economy, and shown the relationships between the principal policy areas. In order to examine the impacts of these policies on the social economy, we turn to the experience of a particular social economy initiative – time banks.
4. TIME BANKING: A SOCIAL ECONOMY INITIATIVE

‘Time banks’ are a social economy innovation which reward participation in community activities or helping neighbours, and so aim to nurture social capital and networks of reciprocity. A time bank is a community-based organisation which brings people and local organisations together to help each other, utilising previously untapped resources and skills, valuing work which is normally unrewarded, and valuing people who find themselves marginalised from the conventional economy. It is a framework for giving and receiving services in exchange for time credits: each person’s time is worth exactly the same – one hour equals one time credit, whatever the service given. In this way, volunteer’s hours are ‘banked’ and can be ‘withdrawn’ later when they need help themselves. A time broker manages the project and keeps a database of participants’ needs and abilities. The types of help given are things like gardening, small DIY, giving lifts to the shops or hospital appointments, befriending, dog-walking, etc. These are things that family or friends might normally do for each other, but in the absence of supportive reciprocal networks, the time bank recreates those connections. When a member phones with a request, the broker finds another participant to carry out the task and arranges the service, and records the exchange of ‘hours’. In this way, time credits are exchanged among participants as a form of time-based money or community currency. Participants are facilitated to give as well as receive help, growing reciprocal support networks and challenging assumptions about the capacities of vulnerable and deprived populations: the housebound can make supportive telephone calls to other participants, for example.

Time banks were invented in the mid-1980s by US civil rights lawyer Edgar Cahn as a response to the erosion of social networks and informal neighbourhood support which Cahn perceives as the bedrock of society (Cahn and Rowe, 1998). The idea was brought to the UK in 1996 and the first UK time bank was established in 1998 in Gloucester under the name Fair Shares. In 2002 a national survey of Time Bank coordinators across the UK found that there were 36 active Time Banks with an average of 61 participants each (Seyfang and Smith, 2002). Since then, the idea has grown and by 2005 there were 70 active time banks across the UK with a further 70 being developed. This equates to an estimated 4000 participants, who have exchanged over 210,000 hours (Time Banks UK, 2005).

They have developed in a range of settings where involvement of residents and service users can have beneficial impacts – eg health care, regeneration, education and community development - and this user-based delivery of public services is termed ‘co-production’ (Cahn, 2000; Burns and Smith, 2004). Furthermore, time banks have been successful in attracting participation among the most deprived neighbourhoods, and the participants of time banks are among the most socially-excluded groups in society, and those least-likely to be involved in traditional volunteering. For instance, 58% of time bank participants have an annual household income of under £10,000 a year, compared to only 16% of traditional volunteers. The benefits of time banking include increased self-esteem and confidence, gaining skills, growing social networks and building friendships, getting more involved in the community, and meeting needs – overcoming social exclusion and enabling active citizenship (Seyfang and Smith, 2002; Seyfang, 2003, 2004).

The stated principles of time banking are: recognising people as assets and that everyone has skills to share; redefining work to include the unpaid ‘core economy’ of work in the neighbourhood and community; nurturing reciprocity and exchange rather than dependency;

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1 This is different to the high-profile BBC TimeBank media campaign which aims to attract people to traditional one-way volunteering through volunteer bureaux

2 For more on the strategic development of community currencies in the UK and the learning from LETS to time banks, see Seyfang (2002).
growing social capital; encouraging learning and skills-sharing; involving people in decision-making (Cahn, 2000; Time Banks UK, 2001). In terms of the definitions of social economy discussed above, time banks are formal institutions which enable the non-profit-oriented exchange of non-monetised, services to meet social and economic needs, and which operate according to co-operative, egalitarian principles. Time banks are therefore ‘alternative economic spaces’, but in common with many other social economy initiatives, this alternative space is almost entirely dependent upon public (state) support, being dependent upon grant funding. Indeed, Time Banks UK’s aim is to promote the principles of co-production among mainstream public agencies, in order to meet the needs left unsatisfied by public spending cuts, help government meet its policy objectives for public services provision, and to improve public engagement with civic life. Given this tension between the alternative and the mainstream within time banking, to what extent is time banking enabled or undermined by public policy?

4.1 Public Policy and Time Banking

Outlining the contours of the Third Way, Giddens presents time banking as a model of innovative social entrepreneurship and governance by civil society, and argues that “government should be prepared to contribute to such endeavours, as well as encourage other forms of bottom-up decision-making and local autonomy” (Giddens, 1998:84). To what extent has this happened? Section three of the paper above discussed generalised policy responses to the social economy; here we look in detail at the interface between time banking and public policy.

The task of building sustainable communities demands investment, from government and from local residents; and in both time and money, as Blair here asserts:

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

Prime Minister Tony Blair (2000)

Developing the capacity of deprived neighbourhoods to help themselves, and strengthening social capital, are key elements of the government’s commitment to neighbourhood renewal and sustainable communities (HM Government, 2005). However, participation in volunteering has been declining in recent years, and new methods and tools are needed to encourage wider participation (Nash and Paxton, 2002). Time banks, as we have seen, are a direct response to these policy needs, and have been recognised as such in the Department of Health’s green paper on Adult Social Care (which was publicly launched at London’s Waterloo Time Bank) (DH, 2005), and in the Active Citizenship Centre’s review of community engagement which highlights the achievements and potential of time banking in improving health (Rogers and Robinson, 2004).

However, despite this official support, the need for secure, long-term funding is the biggest issue for time bank coordinators. In the 2002 survey, all the UK’s time banks were found to be externally funded. Time banks do not rely on volunteers, but require financial support to pay the time broker’s salary, for a publicly-accessible drop-in office, for marketing costs and so on, estimated to be £27,300 a year in 2002 (Seyfang and Smith, 2002). Funding for staff is crucial for time banks to successfully achieve their objectives of attracting socially excluded people in deprived neighbourhoods. Many UK time banks have been supported by grant funding from the National Lottery and various charities and trusts, and a funding cycle has been observed, whereby initially funding was more readily available for time banks, but over time it becomes harder to secure ongoing funding, or to increase the funding available.
for time banks overall, and established projects close while new ones are begun elsewhere (ibid).

At the same time, in order to promote the uptake of time banking among the poor and unemployed, in 2000 the UK government announced that time credits would not be counted as earnings, and so would not affect entitlement to income-related benefits. Neither are they counted as taxable income (Time Banks UK, 2006). This was a significant step for time banking within the UK: it overcame a well-documented policy barrier to participation in Local Exchange Trading Schemes, another community currency in the UK (Seyfang, 2002); it ensured that the initiative had official support as a tool for tackling social exclusion; and the issue of participation affecting entitlement to state benefits could be dismissed. It was therefore cast as ‘non-remunerative work’, rather than ‘economic activity’.

However, the experience of time bank organisers and activists is that the benefits ruling does not go far enough, and there are three remaining regulatory obstacles to be overcome. First, the Department of Work and Pensions has stated that goods used as an incentive to participation on time banks (for example recycled computers which are awarded to participants for earning a certain number of credits), count as earned income (cited in Time Banks UK, 2006). In the USA, local businesses take part in time banks by donating surplus goods or services, which can be ‘bought’ for time credits. This is a useful way of attracting participants with economic needs, and widening the range of useful services that may be obtained on the time bank, and such a strategy in the UK would increase the benefits of time banking to the socially excluded enormously. Second, participants receiving incapacity benefits may find their payments cut because participation in time banks is presumed to demonstrate an ability to work (ibid). Time bank organisers claim this is a mistaken and short-sighted assumption – the involvement of people with disabilities in community activities through time banking is first of all an effective form of occupational therapy, building confidence and skills, and second, only possible in many cases because of the high levels of support offered. Thirdly, unemployed time bank participants – in common with anyone undertaking unpaid work in the community – find themselves pressured by current ‘welfare to work’ policy to enter the formal employment market, at the expense of their voluntary work (Seyfang and Smith, 2002; Burns et al, 2005).

It is apparent, then, that despite broad official support for the social economy in general and for time banking in particular, in practice there are further policy obstacles to be overcome and there is a lack of policy coherence particularly around state policy on benefits and work. While the poor and unemployed are on the one hand encouraged to participate in time banks, they are also reminded that such voluntary community activities are a temporary – and second-rate – substitute for formal employment. In the next section we discuss the causes and implications of this deep-rooted contradiction, which go to the very heart of UK public policy.

5. DISCUSSION: WORK, VALUE AND SOCIETY

The preceding review has hinted at contrasting theories of work, value and income distribution between UK public policy and elements of the social economy, as exemplified by time banking. In order to examine what is at stake here, these underlying values will be made explicit.

The social contract embodied in the welfare state holds that individuals who are able to work, have an obligation to do so and to thereby earn income to provide for themselves and their families; those unable to work are financially supported by the state. This contract is a powerful manifestation of the work ethic, and forms the basis of the system of income distribution in all modern economies: income entitlement is tied to formal employment and
the unemployed are, by definition, socially excluded (Bauman, 2005). This system has been strengthened over recent years as the ‘welfare to work’ New Deal programme has emphasised even more the obligations of citizens to undertake paid work – even at the expense of commitments to childcare and community activities – and recent social inclusion policies have emphasised work as being the primary location for social inclusion (Byrne, 2005).

Yet this system of income distribution and its accompanying goal of ‘full employment’ - or the more modern ‘employment opportunity for all’ - is arguably partial in its scope and detrimental to cohesive, sustainable communities. It recognises only paid formal employment as ‘work’, so values only that work which has a value in the labour market, and stands in stark contrast to the active citizenship and civil renewal agendas discussed earlier. Indeed, participation in community and voluntary activities has been falling, and women (the traditional providers of unpaid community work) are doing less, as they are encouraged to undertake paid employment instead (Davis-Smith, 1998). In effect, this policy is stripmining communities of the very people they need the most – active citizens who work hard, on a voluntary basis, to meet social and economic needs in local communities – because they are officially viewed as being ‘economically inactive’ and are required to be financially self-reliant – i.e. not in receipt of state benefits (Burns et al, 2005).

In contrast, time banking bucks the pricing and market system by giving a value – and incentive - to the work which is normally unvalued in society, yet which is essential for the development of sustainable communities. Cahn calls this the ‘core economy’ which underpins the public and private sectors – in other words is an essential prerequisite for a functioning society and economy. Social reproduction “is the work that keeps local neighbourhoods safe, clean and inviting, keeps people healthy and happy, and enhances people’s abilities as parents, friends, neighbours and potential employees – but never appears in government employment statistics” (Burns et al, 2005:3); it is quite literally unvalued in the conventional economy (Waring, 1988). As Bauman explains:

> “Whenever one spoke of work, one did not have in mind household chores or the bringing up of children, both blatantly female provinces; but also more generally, one did not mean the myriads of social skills deployed, and the endless hours spent, in the day-to-day running of … the ‘moral economy’” (Bauman, 2005:119)

Time banking aims to prevent this vital work from being squeezed out by the pressures of the market economy, by building an alternative regime of work and income distribution which values and rewards such efforts. One of time banking’s primary attractions to participants is its recognition and acknowledgement of the skills and abilities of people who do not have a value in the labour market. To use Marx’s terms, it priorities ‘use-value’ over ‘exchange-value’ (Amin et al, 2002), and proposes an alternative system of societal income distribution: one which is also based upon the work ethic, but which redefines what we mean by work: i.e. it decouples income from employment, and ties it instead to ‘work’ broadly defined to include unpaid as well as paid exchange (Seyfang, 2003, 2004). In this way it speaks to the growing movement seeking to recognise and legitimise alternative forms of work organisation within modern economies (Gorz, 1999; Gibson-Graham, 1996; Williams, 2005; Robertson, 1985).

Indeed, the Third Way social democracy agenda holds that “Work [i.e. paid employment] has multiple benefits … yet inclusion must stretch well beyond work… An inclusive society must provide for the basic needs of those who can’t work, and must recognize the wider diversity of goals life has to offer.” (Giddens, 1998:110). If unpaid work in the social economy is to be valued for its contribution to society – and the active citizenship agenda suggests that it should - then government must consider how it honours and incentivises that work. Policy measures are needed which recognise – and reward - the valuable work performed in the
social economy – valuable both to the individual and to society – and which thereby encourages participation in such activities by all groups in society.

Time banking is just one means of achieving this goal; its principle of creating reciprocal relationships based on equality, and valuing the time people invest in their communities, is a powerful one, and there is much that government and policymakers could do to enable time banking to flourish and grow into a powerful tool for change. In addition to removing the impediments to participation faced by the poor and unemployed, for instance, given higher levels of long-term funding, time banks could be incorporated into health, education and regeneration agencies, as well as charities and special interest organisation, as a tool to help them achieve their objectives; it could also be usefully adopted as a mechanism to boost public participation in local decision-making in areas with high levels of disenfranchisement. This could be both through official channels, eg Citizen’s Panels or Social Inclusion Partnerships, or alternatively though community groups and lobbying organisations.

In addition to time banks, other proposals have been put forward to achieve the same ends. For instance Williams (2004) observes that unpaid community involvement is often required in regeneration partnerships, and that those who take part face the same lack of recognition for their efforts, and potential benefit penalties, as we have seen in the time banking example. He therefore puts forward two policy options to rectify this: first that the benefit recipients might seek to have their community efforts included under the ‘voluntary and community’ strand of the New Deal, in the same way as musicians have been recognised for their contribution to society and freed from the expectation of taking up paid employment, and second that ‘active citizen tax credits’ could be a system of rewarding voluntary work for the community.

6. CONCLUSION: TOWARDS JOINED-UP THINKING ON THE SOCIAL ECONOMY

This paper has reviewed the UK policy response to the social economy, and has found it to be overtly positive in the way it encourages the voluntary and community sector, and of social enterprise, because of the sector’s role in promoting cohesive communities and delivering public services. However, a closer look at the experience of one social economy initiative – time banking – has revealed deep-rooted contradictions in UK public policy which threaten to undermine the potential of the sector. There is a fundamental conflict of interest between the system of income distribution in modern economies – whereby entitlement is tied to formal employment – and the agenda to promote voluntary activities and develop active citizenship to help achieve sustainable communities. This conflict is due to the fact that unpaid work is not valued and recognised as ‘economic activity’. The implications of this are apparent when unemployed citizens (receiving state benefits) who are actively working in their communities to improve social cohesion and inclusion, on an unpaid basis, are required to take up paid employment instead. This has the impact of removing volunteers from the communities where their efforts are perhaps most needed.

If social economy initiatives are to grow and achieve their potential, then this policy incoherence must be addressed, and efforts made to introduce genuinely joined-up thinking around work, income and society. Several policy responses – such as time banking - have been proposed which might be accommodated within the current policy regime, but which nevertheless shift the incentive system far enough so as to recognise and value the unpaid work in society. As Lindsay attests:

“If we focus on the value of the work rather than on perceptions of what is economic based on narrow commercial definitions, we see both the potential for expansion of the non-commercial sector and the opportunity for participation in work as citizens in
a wide variety of contexts. We may work full-time or part-time, paid or as volunteers in varying combinations in different stages of our lives.” (Lindsay, 2001:119).

What, then, does the case of time banking tell us about social economy and public policy? It has highlighted a fundamental contradiction in UK public policy, through its advocacy of an alternative system of valuing work and distributing income. As such, it is a valuable reminder that much work undertaken in the social economy – in both the voluntary and community sectors, but also within the scope of social enterprise – is motivated by a different set of values to those found in the conventional economy. While it may appear trite to state this self-evident fact (why else would a person perform unpaid work?), it is nevertheless vital to remember that these practices therefore constitute alternative regimes of work, exchange, value and wealth creation, and are not necessarily amenable to incorporation by mainstream economic priorities or policies – hence the precarious positioning of time banking within current policy contexts. Furthermore, their existence acts as a symbolic marker of “the possibility of alternative economic practices and futures beyond market hegemony” (Williams, 2005: 109) and “a small symbol of another kind of economy, one based on meeting social needs and enhancing social citizenship” (Amin et al, 2002:125), and as such offers practical expression to ethical values denied space within conventional economic and social regimes.
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