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**TIME FOR EACH OTHER:
WORKING TOWARDS A COMPLEMENTARY CURRENCY MODEL TO
SERVE THE ANTI-POVERTY POLICIES OF THE MUNICIPALITY OF
LANDGRAAF, THE NETHERLANDS**

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ABSTRACT

In 2007, the Dutch municipality of Landgraaf requested an investigation into whether a community currency could support its anti-poverty policies. The research literature assembled empirical data on scrip, LETS and Time Banks. Their effects were evaluated against a set of specific goals: poverty relief, provision of care, social integration and return of long-term unemployed to the labour market. Complementary currencies have still to prove themselves on all objectives, and the last one is particularly hard to achieve. However, for the most part, the systems being investigated have not been set up in a professional way or with longer-term finances available. With these prerequisites in place, and a formal, trustworthy organisation taking the initiative, a complementary currency could still be a useful policy instrument. A Time Bank-like construction would work best, with a professional broker and a limited working area.

INTRODUCTION

Situation in the Municipality of Landgraaf

In the municipality of Landgraaf, in the Dutch province of Limburg, coal mining used to be a major industry. Since the closure of the mines in around 1970, Landgraaf has faced a difficult process of economic restructuring (www.landgraaf.nl 7 December 2008). Nowadays its socio-economic problems include a large number of low-income families. According to its own criteria, 15 percent of households are poor; in its size class this is the highest score in the Netherlands. The best medicine for poverty is having paid work. However, because of the economic situation in the region this will not be a realistic perspective for a lot of people, and it is expected that the poverty situation will worsen (Gemeenten Brunssum, Onderbanken en Landgraaf, 2007). Moreover, the number of people under the age of 18 is decreasing, while the number of elderly people increases. Absolutely as well as relatively, more care will be needed. The municipality of Landgraaf wants to combat poverty and prevent it from becoming worse. A community currency could make a contribution to its anti-poverty policies.

Why Community Currencies can be Effective in Anti-Poverty Policies

People who work earn money. With this money, they can, to a certain level, satisfy their needs. People who are not able to work cannot earn money. Luckily in the Netherlands the level of social security is high. The disabled, elderly and unemployed do have an income with which they can fulfil part of their needs, albeit to a lesser extent than with a regular income from work.

In neighbourhoods where a lot of people who do not have paid jobs live, a situation exists in which: a) a lot of people have lots of time available and b) a lot of people have needs that cannot be satisfied by their lower income. These needs can be very simple: help in the household or the garden, repairs that need to be done, etc; little things that nevertheless enhance the quality of life.

In theory, the people with spare time could meet these needs. Almost everybody can do domestic work and run errands. All ingredients for a market are present: there is supply and demand. However, this market doesn't function, because there is no means of exchange. The social security benefits are spent on the most basic needs; nothing is left to pay for the time of others. Subsequently, these others do not get an extra income and cannot exert extra demand. In theory, bank credits could be a source of means of exchange, but they are not available for this kind of small services. This is where the complementary currencies come in. To people who cannot earn or borrow regular money, these currencies provide for a complementary means of exchange, by which extra supply and demand can be matched.

Goals of the investigation

The municipality of Landgraaf wanted to find proof that a community currency could contribute to one or more of the specific targets of the municipality's anti-poverty policies: poverty relief by creation of new transaction possibilities; care for the sick and elderly; social reintegration of isolated people; and return of long-term unemployed to the labour market; and if so, what features worked best, and under what preconditions. As a student in economics at the Open University I took up the challenge as the subject of my thesis. The end product would be a community currency model that the municipality could apply itself. So the research is intended *not* to give an elaborate evaluation of categories of community

currency systems, but to find characteristics *within* them that contribute positively to the goals of the municipality, that can, together, form a model with preconditions.

Methods

In a literature research the possible contributions of different types of community currencies to the goals mentioned above were evaluated. All Dutch- and English-language economical, social and geographical scientific databases were searched for publications on complementary currencies. Of the books and articles found, those that had some relevance to the criteria mentioned were selected and reviewed. The reviewing process did not take the objectives of the community currencies into account; it used only the 'clean' empirical results. So for a specific set of goals, an overview was created of the effectiveness, intentional or otherwise, of different community currency systems and their features.

Categories of Community Currencies

Many varieties of community currency exist. In the original research, four categories were defined: scrip, LETS, Time Banks and 'social' loyalty systems. As hardly any data exist on the effectiveness of the last category, it is not discussed in the following.

Scrip

Scrip is paper money. Many complementary currency systems were started in the first half of the 20th century to combat unemployment and poverty caused by the worldwide depression. They worked with scrip, generally in combination with 'demurrage' (carrying cost). To keep the money circulating, stamps had to be bought regularly to ensure that the paper money maintained its validity. Because of the risk of fraud, scrip has ceased to be a major form of community currency in the Western world, although the Ithaca Hours project in the United States still uses it. This project was developed to protect local businesses from large external retail chains. The biggest complementary currency system ever, the Red de Trueque in Argentina, which was started for similar reasons as the first ones in Europe, also works with scrip. Generally, scrip is backed up by the mainstream currency. You can earn it by working for it, or you can buy it with regular money (Onken, 1997; Van Arkel en Peterse, 1999; Gatch, 2006; Warner, 2006; Grover, 2006).

LETS

In Local Exchange and Trading Systems the money is purely administrative or virtual. Transactions are kept in a computer. Participants agree on a price (in a special local unit) and write cheques, so the money is created at the moment it is needed. The balance of the system is always zero. On average, half of the participants have a 'deficit' and half of them a surplus. This dichotomy is necessary to keep the system going. In fact, the people in the red are getting a free credit. With this credit they exert a demand, which enables other participants to earn and subsequently exert a demand themselves, again enabling others to earn, and so on; and so the market is born. Services, as well as goods, are traded in a LETS system. LETS were invented in Canada in the 1980s, again as a means to bring together supply and demand when the conventional money was less available due to economic recession. They spread quickly over the Western world. In the year 2000, there were about 90 LETS in the Netherlands (Hoeben, 2003).

Time Banks

In a Time Bank, time is the measure of worth. 'Prices' are defined according to the number of hours it takes to carry out a service. As in LETS, transactions are kept in a computer. The principle behind the two systems is the same. A difference with LETS in practice is that

generally a Time Bank has a broker, who actively brings together supply and demand. Time Banks are generally specifically aimed at 'excluded' groups; their main focus is social. Time Bank-like initiatives appeared shortly after LETS in the 1980s. In the Netherlands there were about 30 'service exchange systems', most of which disappeared a few years later, though the successful project Over & Weer ('go and return') in Amsterdam still exists (Vlek, 1992; Hoeben, 2003). In the 1990s, a second wave started in Great Britain (Seyfang, 2002). Currently, there are Time Banks in 13 countries (www.timebanks.co.uk, 2 May 2008). In Holland, the first pilots of new Time Bank-like initiatives, known as TijdVoorElkaar ('time for each other'), have recently taken place. What is notable about them is that they do not use a currency at all (Huygen and De Meere, 2007; Kemper and Thomassen, 2008). The means of exchange that is essential for a market is totally replaced here by the activities of the broker (personal communication, P. van Wanrooy, February 2007).

RESULTS OF THE LITERATURE RESEARCH

In the literature research the effectivity of scrip, LETS and Time Banks was evaluated against the anti-poverty criteria of the municipality of Landgraaf outlined in section 1.3 above. Relevant books and articles were not abundant, especially on the effectivity of scrip, about which very little is known. Moreover, not all investigations into community currencies were of high quality. In numerous cases it was obvious from the way in which the respondents were selected that the sample could never be a representative one, and in only one of the reviewed research projects (Hoeben, 2003) was the sample tested. In the research, clearly weak results were either not taken into account or were put into perspective.

To the municipality's four criteria, one was added: the extent to which the target group of the municipality of Landgraaf is being reached. A system can be effective, but if it is not effective for those being targeted then it is of little help. Below, each category of community currencies is set against the goals, beginning with this one.

Scrip

Extent to which the Target Group is reached

The target group the municipality of Landgraaf wants to reach is that of low-income households, with specific target sub-groups the (long-term) unemployed and people who need care. In scrip systems in the first half of the last century and in the Red de Trueque, a large part of the population was reached. The system basically replaced the normal economy, which failed because of lack of conventional money. People had no choice, so were 'reached' automatically (Onken, 1997; Van Arkel en Peters, 1999; Rossmeissl, 2006; Primavera, 2006). This is not representative, though, of the situation in Landgraaf, where people do have some choice at least. In such an environment, people who take part in community currency systems generally come from certain groups. The typical participant in Ithaca Hours is, according to Jacob et al. (2004), highly educated, on a modest income, and has a preference for 'green' politics. A relatively large proportion of participants own their own business. Clearly, this group does not sound like the average low-income target group.

Poverty Relief by Exchanging Services

In the Ithaca Hours, the only well-known Western scrip system, the money can only be exchanged for US dollars. For this reason it does not provide for extra income; you just trade one kind of money for another. Only when the local money can be bought at a discount is there any additional income, which is not the case in Ithaca. Also, Ithaca Hours participants pay taxes on their earned Hours in dollars (Grover, 2006). Jacob et al. (2004) report that three

quarters of respondents agree that Ithaca Hours has improved the quality of their lives, although their sample was not quite representative as for the most part active participants were selected. On average, they spend about 300 dollars a year on Hours. Of these people, 41 percent say that Ithaca Hours helps them to buy things that they otherwise could not afford. This is striking, given that Hours have to be bought with dollars first, suggesting that certain goods and services are cheaper in the Hours system.

Provision of Care

No empirical data exist on care and scrip systems. However, the non-representative respondents in the Ithaca Hour research of Jacob et al. (2004) claim that their participation helps them to help others. In theory, scrip can, as a complementary currency, contribute to exchanges specifically for those people who need care. However, unless there is a central clearing house or a broker it will be less easy than with LETS or Time Banks to match supply and demand. Scrip has no specific advantage in this.

Social Reintegration of Isolated People

On social reintegration of isolated people, scrip has no specific advantage over the other types of complementary currency. Ithaca Hours are not specially aimed at bringing people together (Grover, 2006). However, two thirds of the respondents in the research of Jacob et al. (2004) say that Ithaca Hours gave them more friendships; half say that participation deepened friendships. Two thirds claim to have contacts with other participants outside of the context of the scheme, although here we must bear in mind that the 'sample' consisted of active members only.

Return of Long-term Unemployed to the Labour Market

According to participants, Ithaca Hours lead to the development of abilities. Indirectly this could contribute positively to the chance of finding paid employment. More than one third of the respondents also claimed that their self-esteem was raised (Jacob et al., 2004). However, there are no data on how many people actually got a paid job as a result of Ithaca Hours.

LETS

Extent to which the Target Group is reached

When LETS started, the hope was that the unemployed would take up there neglected skills and develop them further. While LETS do attract a relatively large number of unemployed people (Williams, 1996; Williams et al., 2001; Hoeben, 2003; Van Ouytsel en Vanderweyden, 2004), the question is how 'average' these unemployed people are. The majority of the British LETS participants, for example, are female and do not have family living in the neighbourhood (Williams et al., 2001). The same applies for Dutch participants (Hoeben, 2003). About 62 percent of participants in the United Kingdom are graduates or more (Williams et al., 2001). Also in Flanders, LETS participants generally are highly educated (Van Ouytsel en Vanderweyden, 2004). No less than 48 percent of British LETS participants support the Green Party (Williams et al., 2001). Again, not really the Landgraaf target group. This has to do with the way LETS participants are recruited: generally by word of mouth.

Poverty Relief by Exchanging Services

In LETS, participants can buy goods and services right from the start. Having a negative balance is (up to a certain limit) no problem and even a necessity for the system to function, so there are no limits for exchanges. But do LETS lead to extra transactions? In three LETS in Flanders, participants claim to spend less than three hours a year on LETS transactions

(Van Ouytsel and Vanderweyden, 2004). In the Netherlands, participants undertake less than five exchanges a year (Hoeben, 2003). Aldridge and Patterson (2002) calculate on the basis of the research of Williams et al. (2001) that each British LETS participant has a turnover of about £64.50 a year. Moreover, trade is skewed: only 20 to 25 percent of the members regularly make use of the opportunities of LETS. In Hounslow LETS (UK), 53 percent of participants had not actually made any transactions, and just eight percent had made more than 10. According to the participants, some of the service exchanges would have taken place without LETS as well (Aldridge and Patterson, 2002).

Williams et al. (2001) report on the other hand that 27.4 percent of exchanges in British LETS exist from goods and services that otherwise would not have been bought, meaning that LETS provide a complement, albeit it a small one, to regular income. In Manchester, LETS even provided for some basic needs: more than one third of participants bought food in LETS, one third clothing, and 30 percent had done renovation and repair work via LETS (Williams, 1996). Of the traded goods and services, 52.5 percent would have been bought with regular money if LETS hadn't existed (Williams et al., 2001). So in that sense, LETS exchanges mean a saving in Pounds Sterling. In Manchester LETS, 48.1 percent of the low-income participants and 44.4 percent of the unemployed claim that LETS improved living standards (Williams, 1996). Although overall the average transaction level among LETS participants is low, for individuals LETS can be very useful, either because they are very active members, or because LETS provides some services that normally would be too expensive.

Provision of Care

A large part of supply in LETS consists of services. In theory, these could be services for people who need care, though in reality there are few transactions in LETS so we can be fairly certain that there is little activity in the field of care either. Of the respondents in the research of Williams et al. (2001), 75 percent claimed that LETS had helped them to develop a network on which they could rely for help if needed. Of unemployed people, 84.4 percent said that LETS provided them with a possibility to do useful and productive labour for others. However, this says little about the level at which help really is provided for specific groups; no empirical data exist on this matter.

Social Reintegration of Isolated People

LETS are known to generate more social contacts. Of the unemployed people in the investigation of Williams et al. (2001), 84.4 percent claimed that LETS provided them with the possibility to do useful and productive labour for the community. Three quarters of all respondents and 82 percent of the unemployed say LETS helped them to develop a network which they could rely upon in emergency situations. Friendship networks expanded, according to 55 percent of all respondents and 68 percent of the unemployed. Thirty percent claim that friendships have deepened. In the investigation of Van Ouytsel and Vanderweyden (2004), Flemish LETS members see their participation as a chance to do good for others. The research of Hoeben (2003) shows that in the Netherlands, LETS give most participants the feeling of belonging. The fact of meeting others and participating in joint activities, rather than trade in itself, contributes to this feeling.

Return of Long-term Unemployed to the Labour Market

Williams et al. (2001) investigated the extent to which LETS in the UK led people into paid employment. Of LETS participants, 4.9 percent claimed they had found paid employment directly through LETS. These were all people who had been involved in administrative work

of the LETS scheme and later found formal administrative jobs. Because the administrative work in LETS needs to be done by only a few people, this work-generating effect will be small. Next to that, 10.7 percent of the respondents say that LETS helped them to start a business. LETS give free credit (for example, for child care) and serve as a test market.

Theoretically, LETS can also help indirectly to find a formal job by the development of abilities and the enhancement of self-esteem in general. In the research of Williams et al. (2001), 15 percent of all respondents claimed to have developed more skills in LETS; of the registered unemployed, 24.3 percent did. In particular, computer, administration and interpersonal skills were developed. However, in their research in Flanders, Van Ouytsel and Vanderweyden (2004) concluded that LETS can *not* be seen as an instrument to enhance skills, so researchers seem to disagree. Of all British participants in the research of Williams et al. (2001), 27 percent claimed that LETS had enhanced their self-esteem; the figure is 33 percent among unemployed people in the sample. On whether this in itself has led to the acquirement of paid jobs, the research provides no data.

Time Banks

Extent To Which the Target Group is Reached

Time Banks are generally specifically aimed at 'excluded' groups, like the long-term unemployed or the elderly. Social institutions are generally involved in the projects as they refer people to the Time Banks. They succeed well in reaching these groups (Seyfang, 2003b). Compared to other voluntary initiatives, Time Banks attract a higher percentage of women, retired people, the disabled, the chronically ill, unemployed people and people on low incomes. According to Time Bank coordinators, 72 percent of participants do not have a paid job, against 51 percent of the British population and 62 percent of LETS members. More than half, 54 percent, live on social security, compared to 19 percent of the British population. Of the participants' households, 58 percent have an income of less than £10,000; for the entire population this is 38 percent. Of the British population as a whole 19 percent are retired and 13 percent disabled or chronically ill; in the Time Banks this is 42 and 20 percent respectively (Seyfang, 2002). In Rushey Green, Time Bank participants in the preceding year had made higher than (UK) average use of formal voluntary work; but *less* of informal voluntary work (50 versus 74 percent) (Seyfang, 2003b). This could mean that relatively, Time Banks reach more people with small or less dense networks. Therefore, it is not clear whether the people being reached by the Time Bank match those of the municipality of Landgraaf. Maybe, like LETS, the Time Banks attract a large proportion of participants born somewhere else.

In the Dutch 'Time Bank' service exchange systems of the 1980s, most participants were female, between 20 and 50 years of age, not looking for a paid job, low-income, and highly educated; the traditional labourer was under-represented (Vlek, 1992). This could be explained by the method of recruitment, which was by word of mouth, as is now the case with LETS. In the new TijdVoorElkaar projects in the Netherlands, a variety of recruitment methods are being used. In Breda, recruitment from door to door was experimented with. Almost half of the people were prepared to let the recruiting student in; 82 percent of these defined their supply and/or demand for a service (Kemper and Thomassen, 2008). In Utrecht, two thirds of the participants were women, mostly between the ages of 20 and 50; one third were of foreign origin, 6 percent were physically, and 9 percent mentally disabled (Huygen and De Meere, 2007).

Poverty Relief by Exchanging Services

As with LETS, being in 'debt' is not a problem with Time Banks; every new member can immediately make use of the services available. However, the number of transactions made through Time Banks is also low. From the start of Time Banks in 1999 until the middle of 2002, British Time Bank participants spent or received 29 hours on average (Seyfang, 2002). In the Amsterdam Over & Weer project, the average turnover of the participants was five hours a year. Only a quarter of the participants had made more than five transactions a year; a quarter had made no transactions at all (Vlek, 1992). The coordinator of Rushey Green Time Bank claims that a quarter of the participants exchange once a week or more; 85 percent would do so at least once or twice a month (Seyfang, 2003b). In the first two years of the TijdVoorElkaar project in the Dutch city of Utrecht, demand and supply of the 259 participants have led to 84 matches, of which 49 are one-time and 35 structural (Huygen and De Meere, 2007). It is not known how many hours these matches comprise. In TijdVoorElkaar Breda, the door-to-door visits led to the recruitment of 47 participants who defined their supply and/or demand for a service. In the end, six matches were made (Kemper and Thomassen, 2008).

Respondents in the research of Seyfang in Rushey Green (2003a) claim that the Time Bank saves them money, though there are no data to suggest how much. Half of the participants in the Amsterdam service exchange system Over & Weer said that their participation had no financial consequences, while two fifths claim it saved them at least something, though the amounts saved are small (Vlek, 1992). In Rushey Green, participants claim that 42 percent of the transactions would not have taken place without the Time Bank. The rest would, by formal or informal voluntary work (Seyfang, 2003b). In all, the activity level in the Time Banks is not very high. But again, for individuals the Time Banks can be of major significance.

Provision of Care

Most Time Bank participants say that the Time Bank helped them to build a network which they can make use of when needed (Williams, 2004). A focus group of Gorbals Time Bank in Glasgow states that the Time Bank gives them access to help that otherwise would not be available (Seyfang, 2004). In Utrecht, the home care organisation refers clients to the TijdVoorElkaar project for services that do not fall under the responsibility of the institution. For core home care tasks TijdVoorElkaar can be no replacement; the project is still too new, according to the project leader (personal communication P. van Wanrooy, February 2007). Again, little is known about the real level of care activities.

Social Reintegration of Isolated People

Time Banks also bring people together. In the research of Seyfang (2003a) at Rushey Green Time Bank, half of the respondents claim that participation has made it possible for them to help others and has therefore made them feel useful and needed. One third said that the Time Bank helped them to get out more. Of the respondents, 72 percent said the project helped them to get to know more people, and a few (17%) claimed to have acquired tight friendships. However, it should be noted that the sample was not representative – especially active members took part in the investigation (Seyfang, 2003b). In the TijdVoorElkaar project in Utrecht, the Netherlands, 59 percent of the respondents claim to have made new acquaintances. One fifth of the respondents say they have become active in the neighbourhood in other ways as well (Huygen and De Meere, 2007).

Return of Long-term Unemployed to the Labour Market

Time Banks serve as an intermediary, especially for small jobs in and around the house. It cannot, therefore, be expected that they will lead people to formal work easily. Still, there are Time Bank initiatives that may enhance people's chances of finding paid jobs. Gorbals Time Bank in Glasgow, for example, paid people in hours when they joined a course in personal development (Seyfang, 2002). One fifth of respondents in the research on Rushey Green Time Bank claim that the Time Bank helped them to develop skills (Seyfang, 2003a). Some Time Bank members found formal jobs at the community work organisation where they were active as a Time Bank member (Seyfang, 2002).

ANALYSIS OF THE RESULTS

In the previous section the 'dry' results of the effectiveness of complementary currency systems have been noted. This section will, as far as possible, draw a conclusion as to how effective each community currency system is in addressing each of the municipality's objectives, and identify the underlying factors that contribute positively. Identifying these factors will enable a model to be built for the municipality of Landgraaf (section 4).

For clarity the goals will be dealt with individually, meaning that some of the factors or prerequisites will be repeated, albeit from different perspectives.

Extent to which the Target Group is reached

As we have seen, all categories of community currencies show difficulties in reaching what is the intended target group in Landgraaf, although Time Banks seem to fare best. Apart from what has been said already, literature and experience suggest several factors that contribute positively.

Unit of Measure and Social Benefits

The community currency should be attractive to the target group. If it looks like the national currency, as scrip and LETS points do, it has the advantage of being easily understood, but the disadvantage of possibly being regarded as formal income. Therefore there is a chance that people who could profit most from the community currency, people living on benefits, will not participate for fear of their allowances being cut (Fitzpatrick, 2000; Aldridge and Patterson, 2002). In Time Banks this problem will be less of an issue, although registration of hours could be problematic for people who get incapacity allowances (Seyfang, 2003b). This could deter potential participants. To avoid this, appointments with the tax authorities and social security offices need to be made, and communicated properly.

Working with no unit whatsoever, as in the Dutch TijdVoorElkaar projects, removes the need for these appointments. The simplicity of the concept may attract some people but may deter others because it is less easy to know when you are 'in debt' or not. Which of the two effects is bigger is not known. The evaluators of the TijdVoorElkaar pilot in Utrecht claim no unit of measure is necessary (Huygen and De Meere, 2007), but no comparative study has been done yet.

Initiator

When the visible initiator is a known, trustworthy institution, it will be easier to attract people of the target group than when the initiative is coming from 'just' a group of people. North (2003) found that the most successful Time Banks in the US were those that were embedded in the regular work of existing organisations.

Recruitment

The recruitment should be proactive and planned and preferably done by institutions that already work with the target group, like social services, relief, the home care institution, debt relief, etc. They know the potential participants and can refer them individually. Time Banks have positive experiences with this, as do the Dutch TijdVoorElkaar projects. When one chooses to work in a restricted area, recruitment from door to door can be wise as it is hardly possible to get closer to the target group (Seyfang, 2002; Huygen and De Meere, 2007).

Extent of Working Area

To attract the target group, it is as important to have people from the same group as it is to have a varied supply of services. Participants need to feel at home, but they also want to have a good chance of having their specific needs fulfilled. In general, the bigger the diversity of participants, the larger the supply (Peacock, 2000; Williams et al., 2001). The best option is probably to have a high density of participants from a restricted area.

Broker

The presence of a broker is another aspect that can make the system attractive. It makes things easier and prevents some of the transaction costs, like telephone costs and fear of approaching someone unknown.

Commitment for the project

The more professionally a complementary currency project is set up, the more seriously it will be taken by potential participants. Williams et al. (2001) point out that in the UK, LETS with enough money for a central location, hard and software, publicity, office facilities and staff, have a more representative member base than systems without.

Poverty Relief through Exchanging Services

As we have seen, LETS and Time Banks are both, in theory, more promising than scrip in terms of the generation of extra exchange and income, though the actual results are not very impressive yet. However, there are known factors that could influence effectivity.

Free credit

In systems like LETS and Time Banks the participants create money at the moment it is needed. They can start spending immediately (up to a certain limit). This makes these systems more attractive compared to scrip, where you have to earn the paper money first. Again, systems without any unit are simpler but could have negative side effects.

Unit of Measure and Social Benefits

The more transactions are made, the more needs can be fulfilled, so earning community currencies can have financial consequences for people on social security benefits. Even if this does not prevent them from becoming a participant, it could limit their number of transactions. This chance is smaller in Time Banks, but could apply there too to long-term ill or disabled people. Again, to prevent this, clear appointments should be made with tax and social security authorities (Fitzpatrick, 2000; Aldridge en Patterson, 2002; Seyfang, 2003b). In systems without a money unit the problem does not exist, but the insecurity about how much you are in debt or not, could also prevent transactions.

Recruitment

The more diverse the supply of services, the more needs can be fulfilled and the more transactions will take place. So, as already stated, it is important to attract not only the core target group, but also other people. This can best be done by professional, active recruitment. Williams et al. (2001) note that LETS in which money was available for publicity had a more representative member base. They also claim targeted participants like the unemployed, the elderly and the disabled, often do not see what they have to offer. Targeted publicity could help in this.

Extent of working area

Nevertheless, up to now diversity has been a problem in Time Banks as well as LETS. Aldridge and Patterson describe their findings in LETS Hounslow: the demand for repair work and childcare was much greater than the supply. This can lead to frustrations (Aldridge en Patterson, 2002; North, 2003). In Rushey Green Time Bank only 28 percent of the respondents said they succeeded in getting the help they wanted (Seyfang, 2003b). In the Amsterdam service exchange network Over & Weer, demand and supply was matched in about 50 percent of cases on paper. However, the actual number of transactions was lower than expected: only one third of the possibilities were used, so in reality, supply and demand were less well matched than appeared to be the case on paper. Vlek (1992) concludes that exchange networks work best in big cities with varied populations, although the disadvantage, especially for people with low incomes, is that transaction costs like travel costs, rise. Therefore, again, the ideal situation seems to be a high density of participants in a restricted area.

Broker

In LETS people have to contact each other directly, which some participants find difficult. This could be discouraging if, on top of this, they are not successful in finding the right supply or demand (Aldridge en Patterson, 2002). It is therefore best to have a professional broker. People who do not like to contact unknown people and negotiate do not have to do so, and the process is less frustrating. A professional broker is also better able to keep the database up to date. He or she can help participants to define their demand and supply and can take away psychological barriers linked to getting in the red, so more transactions could take place. Vlek (1992) takes issue: of the twenty service exchange circles he investigated, twelve had a broker; in those twelve, the rate of active participation was lower! This could have to do with the bigger scale of these systems. Nevertheless, Vlek concludes that the most active networks owe their success in part to an able broker. This is confirmed in the evaluation of TijdVoorElkaar Utrecht, which states the broker is indispensable (Huygen and De Meere, 2007).

Commitment to the project

Williams et al. (2001) showed that in the UK, LETS with enough money for a location, hard and software, publicity, office facilities and staff, have a level of trade that is 27 percent higher than in systems without. To make the complementary currency a success, financial commitment for a longer time is needed, say five years to begin with.

Provision of Care

Both Time Banks and LETS, more so than scrip, have the potency to play a role in the delivery of care to people who need it, though little has been seen of this yet in reality. Some factors that are known to enhance effectivity are described below.

Initiator

Especially where vulnerable groups are concerned, it is important that a professional institution is behind the community currency. They have knowledge of the target group and are a reliable sender (Seyfang, 2003a). An initiator like the local authority can more easily take away barriers regarding extra income and so stimulate transactions and care.

Recruitment

Health institutions can play an important role in the recruitment of participants by referring their patients to the community currency system.

Social Reintegration of Isolated People

LETS and Time Banks are particularly suited to generating social contacts. This is their most proven aspect. The factors described below are known to contribute positively to this.

Recruitment

Professional recruitment maximises the chance of reaching certain groups. With door-to-door recruitment anybody could be contacted, including the isolated. Once they take part, their degree of contact with others will grow.

Broker

The presence of a broker will certainly make this easier. Isolated people will often not be used to making contact with unknown people and negotiating. Especially in the beginning, a broker can do this for them. Later on, it could be advisable to enable and encourage the participants themselves to do this; a course could be organised.

Reciprocity

A positive aspect of Time Banks, and also of LETS, is that participants not only *receive* help, as some are used to, but also *give* help. This reciprocity contributes positively to their self-esteem (Seyfang, 2002), and could help people become more outgoing.

Extent of Working Area

Having the community currency in a restricted area not only helps to prevent transaction costs, but also stimulates integration. Participants live closely together and will meet each other in the street. This intensifies the feeling of connection and in turn provides a firmer base to the currency system (Aldridge en Patterson, 2002; Hoeben, 2003).

Return of Long-term Unemployed to the Labour Market

In their present forms, none of the community currencies substantially enhances the opportunities in the formal labour market. Indirectly, LETS could contribute through the development of skills and enhancement of self-esteem, which could also apply to Time Banks. LETS also stimulates entrepreneurship. In the literature some factors that could contribute positively to the objective are mentioned.

Broker

A professional broker can enhance the number of transactions and so contribute to the development of skills and self-esteem, though it should also be possible for participants to contact others and negotiate themselves. A course could help in this.

Reciprocity

As mentioned under the previous goal but also relevant here, the reciprocity that develops through LETS and Time Banks can in itself enhance self-esteem.

Unit of measure

For people who deliver services, the unit of measure doesn't matter much; for people who want to start a business in *goods* and use the community currency system as a test market, hours as a unit seem less appropriate than money-like units. Of course, the hours of work can be easily calculated, but what to do with materials that have been bought? Some kind of formula would be needed.

CONCLUSIONS

The municipality of Landgraaf wanted to know whether a community currency system, in whatever form, could be a useful instrument in its anti-poverty policies. Specific goals of these policies are: poverty relief by creation of new transaction possibilities; care for the sick and elderly; social reintegration of isolated people; and return of long-term unemployed to the labour market. The general image emerging from the literature is that complementary currencies still have to prove themselves on these objectives. What is almost certain is that complementary currencies stimulate social interaction. But the question remains: *whose* social interaction? Even in Time Banks, with their proactive recruitment, the composition of the member base seems not to be representative of the Landgraaf target group, so it is hard to say what the findings, positive and negative, mean for the municipality.

The fact that the findings so far are not spectacular could be attributed to different possible causes: community currencies in themselves are not an effective instrument for the investigated objectives; the optimal community currency system specific to (one or more of) the tested goals has not yet been found; many of the community currency projects have not been carried out properly and/or the essential prerequisites were not in place.

In theory, a complementary currency has a lot to offer to low-income people. Based on the last two possible causes, the final paragraph of this article presents a general model for a community currency project that could contribute positively to the objectives of the municipality of Landgraaf. It consists of features and essential prerequisites, found in literature or gathered from recent experience, which need to be fulfilled in order for the project to be successful. What emerges is a Time Bank-like structure. This advice is no guarantee of success, but with all prerequisites in place it is worth a try.

A Model for the Municipality of Landgraaf

As an instrument in anti-poverty policies, a complementary currency system should have the following features, and arrangements around it:

- The system should be *reciprocal*, to stimulate self-esteem.
- The *unit of measure* should ideally be *hours*, to have the least chance of the earnings being regarded as income. *No unit at all* could also be worthwhile to try.

- Some *formal, reliable institution* should ideally be the initiator. In Landgraaf this could be the municipality itself or the Vrijwilligerscentrale (institution for voluntary work).
- The best way of carrying out targeted recruitment is *door to door*.
- Additionally, *institutions that already work with the target group* can play a role in the recruitment: social services, labour institutions, debt relief, health professionals.
- To prevent people on social security benefits from not taking part for fear of having their benefits cut, *clear appointments with financial authorities* should be made and communicated.
- The working area of the system is ideally that of *one neighbourhood*, to benefit optimally from social integration possibilities. Density of participation should be as high as possible, to maximise this effect, and to enhance the variety of supply that is necessary for the system to work well.
- It is important to have a *broker* to empower participants and bring together supply and demand.
- To give the complementary currency optimal chance of success, *long-time commitment* from the initiating institution is needed, say five years to begin with. 'Commitment' entails: enough money for a location, hard and software, publicity, office facilities and staff.

Finally, in order to make the outcomes of the project available to the municipality, and anyone else interested in community currencies, it would be useful to conduct *research* into the effectiveness of the scheme. At the very least, data should be collected on: participation rates resulting from each recruitment method; motivation and characteristics (socio-economic status, age, gender, education, place of origin) of participants *and* non-participants; number and kind of transactions per participant; possible barriers to transactions; and spin-off opportunities from project for the unemployed.

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Interview

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