

NO MORE THROW-AWAY PEOPLE

The Co-Production Imperative

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2nd Edition 2004

PART ONE DISCOVERING CO-PRODUCTION

CHAPTER 1 THE ROAD TO CO-PRODUCTION – TIME DOLLARS

In March 1980, Cahn suffered a major heart attack, and hated the thought of giving up his fights for equal justice, and the war on poverty, to become useless, a throw-away person. Knowing there was no more government money available for social programmes to help needy people, he thought: “Why can’t we create a new kind of money to put people and problems together?” Why not bank time spent helping others? – like a blood bank. Help somebody. Earn a Time Dollar. Bank it. One hour = One Time Dollar. Use the banked Time Dollars to “purchase” help from another member. This would need a computerised system to keep track, and a co-ordinator.

Amongst negative reactions to his idea, it was taken up at the London School of Economics, and then by the Robert Wood Johnson Foundation, which specialised in health care. Between 1987 and 1990 the Foundation invested \$1.2 million in 6 test sites trying to reduce the need for nursing home care of the aged. In 1992 The U.S. Administration on Aging formally endorsed Time Dollars. The ideas spread, and by 2000 there were 70 communities in Great Britain, Japan, and the United States, and a website: www.timedollar.org

TIME DOLLARS IN A NUTSHELL

- 1. Members list the services they can offer and those that they need*
- 2. All agree to both give and to receive services*
- 3. Everyone is interviewed and provides references*
- 4. Every hour giving help earns the giver one credit, a Time Dollar*
- 5. Members ‘buy’ the services they need with their credits*
- 6. The computer matches the task, the giver and the receiver*
- 7. Every transaction is recorded on a computer ‘time bank’*
- 8. Members receive a regular ‘bank’ statement*
- 9. One hour is one credit regardless of the skills one offers*
- 10 Members can donate credits to friends or to the ‘credit pool’*

11. *Everyone is seen as special with a contribution to make*

12. *All activities maintain set standards*

CHAPTER 2 TIME DOLLARS MEET CO-PRODUCTION

Time Dollar programs cost money to run, and at first the sheer novelty generated seed money. But that began to run out, especially as most programmes focused on the elderly. By 1996 it was realised that the difficulty was in getting and sustaining participation from the very people being helped. The missing factor was 'labour from the consumer'. The term *Co-Production* signified some kind of parity in the creation of value.

Stories of Time Dollar success showed four core values:

1. *Assets. The real wealth of this society is its people. Every human being can be a builder and contributor.*

2. *Redefining Work. Work must be redefined to include whatever it takes to rear healthy children, preserve families, make neighbourhoods safe and vibrant, care for the frail and vulnerable, redress injustice, and make democracy work.*

3. *Reciprocity. The impulse to give back is universal. Wherever possible, we must replace one-way acts of largesse in whatever form with two-way transactions. "You need me" becomes "We need each other."*

4. *Social Capital. Humans require a social infrastructure as essential as roads, bridges, and utility lines. Social networks require on-going investments of social capital generated by trust, reciprocity, and civic engagement.*

The predictable dangers are: Professional monopolization, professional exploitation, and professional domination.

The essential element is a social justice perspective.

CHAPTER 3 CO-PRODUCTION: AN OVERVIEW

Co-Production is a construct: a framework designed to realise four core values (see Ch 2) – the ultimate beneficiary makes a contribution that is valued. This bridges the market and non-market systems.

Co-Production is a process: it establishes a parity between the worlds of the market and money, and community and family.

Co- Production is a set of standards, or goals, the four core values, with universal appeal.

Co-Production operates at two levels: individual and societal, aiding social justice.

PART TWO: CO-PRODUCTION: EXPANDING THE ECONOMIC UNIVERSE

CHAPTER 4 BEYOND ECONOMIC ORTHODOXY

Social programs are regarded as necessary evils: creating dependency, and requiring public money from those who produce wealth (taxes)

Breaking Out – First Steps: the modern concept of “work” excludes family, community and democracy; “money” drives “market”, assigning a high value to things that are scarce and a low value to things that are commonly available.

Returning Economics to *Oikonomia* – the Greek word for *management of the household*, including kinship, neighbourhood and community. The monetary system was seen as one of acquisition; the household as the core system for production and consumption – now known as the “non-market economy”. Economists fail to confront the extent of the subsidy the market has extracted from the non-market. External costs (externalities) are often ignored (e.g. manufacturers create pollution while inflating their profits).

A Win-Win Economics: Elevate the non-market economy to an appropriate status of parity vis-à-vis the market economy, e.g. merchants giving discounts to Time Dollar members provide a market incentive for labour done in the non-market economy while expanding the market for their own goods and services. Non-market growth can then spur market growth.

CHAPTER 5 OIKONOMIA

The World Beyond Market: The non-market economy supplies the fundamental substratum upon which the entire market economy is built. Efforts being made to strengthen the non-market economy. The market’s methods in this bring the same flaws that have produced failure in the market economy. Therefore Co-Production must be part of such efforts.

The Second Economy = Home. At least 40% of all economic activity takes place outside the so-called market economy in industrial and post-industrial economies. Interdependence is key. No society, no matter how rich, can afford to buy at market prices those things that home and family and neighbourhood supply: love, caring, wisdom, culture, knowledge, and 24-hour, 7-day-a-week support. Small investments here can leverage profound changes.

CHAPTER 6 THE NON-MARKET ECONOMY: MORE THAN EQUAL

The old operating system worked as well as it did because it was heavily subsidised by the subordination of women and the exploitation of minorities, immigrants and children – free and cheap labour. We are currently trying to fix today’s social problems by using professionals and money in the market economy.

Fatal Flaws in the Market “fix” – Monopolies; Imperfect Information; External Costs; Undervalued Social Benefits (public safety, clean air, disease control)

Co-Production’s remedy: Pay for what you get by contributing what you can. No more free rides.

CHAPTER 7 THE DARK SIDE OF THE FORCE: THE EXTERNAL COSTS OF MONEY

Money has become delinked from value: between 80 and 90 % of all the money made in the world has nothing to do with producing goods or services, or buying capital equipment to produce goods or services. It is money making money off money.

Money's external costs:

1. *All-purpose purchasing power* – including harmful things; but not love, family, caring, friendship
2. *Money's superior mobility* – it flows with centrifugal force – away from community and toward optimal return – shareholdings, stock prices and management compensation
3. *Motivation* – people rely increasingly on money as the criterion of value; profit maximising; rewards specialisation
4. *Money as egalitarian* – this theory is not working – disparities of wealth have increased exponentially
5. *The invisible hand of price* – price will always devalue the universal assets upon which the non-market economy relies: collaboration, cooperation, sacrifice and altruism
6. *Money as efficient* – it measures profit, but: Equity? Value? Beauty? Justice? The environment? Family? Neighbourhood? Community?
7. *Money makes money* – around-the-clock gambling in a global casino: 80% not producing goods and services
8. *Money's superior enforceability* – designed to permit one to break one's word if one can find a more profitable deal
9. *Money as the measure of value* – but no longer tied to the gold standard; just paper, and numbers in computers; it has been delinked from the creation of value.

The ultimate cost of money is the prison we let our minds build for us.

CHAPTER 8 THE CO-PRODUCTION ANTIDOTE

Time Dollars have a different genetic code from money, and can counter each of the adverse social consequences of conventional money.

1. *All-purpose purchasing power* – Time Dollars can't buy everything – but helps to create a kind of self-sufficiency
2. *Mobility* – Time Dollars stay put in the community, creating a kind of safety net, a buffer against vulnerability
3. *Motivation* – Time Dollars reward caring and decency
4. *Egalitarian materialism* – we need some elitism based on contribution, morality and integrity.

5. *Price* – those with greatest need should get a priority, and those who contribute by helping others should get a priority
6. *Efficiency* – money is singularly inefficient in bridging the divide between the haves and have-nots
7. *Money makes money* – Time Dollars generate no interest – but they are inflation-proof
8. *Superior enforceability* – Time Dollars are not backed by legal rights and obligations, but by a promise, by trust, by a moral principle of reciprocity
9. *All-purpose measure of value* – the value of helping another is not measured by market wage; and one's own value, as a human being, is not measured by marketable skills

CHAPTER 9 MASTERING THE RULES THAT GOVERN THE RULES FOR CHANGING THE RULES

Co-Production is really a call for restoring balance – between the two economies, market and non-market; and between the two sides of our nature, competitive and cooperative.

PART THREE: CO-PRODUCTION: THE CORE VALUES

CHAPTER 10 THE PARABLE OF THE SQUARES AND THE BLOBS

Kettering Foundation identified a phenomenon: *Squares (funded institutions and foundations)* had difficulty trying to partner with *Blobs (community groups)*, to solve problems. With Co-Production, Blobs could earn Time Dollars and gain access to grants.

Co-Production is a framework, a process and a set of core values (see Ch 2)

CHAPTER 11 CORE VALUE ONE: AN ASSET PERSPECTIVE *Basic Principles*

1. *People are Assets*
2. *There is Always a Way* - finding new ways, or old ways, of putting people to do useful things for each other, so finding their own strengths
3. *We Have Enough – If We Use What We Have* – the experience and memory of the elderly should be utilised
4. *Use It or Lose It* – mutual brainstorming often more productive than lengthy “training”
5. *Lamenting That a Glass Is Half Empty Will Not Fill It* – find a way to use our expertise to unleash the capacity of the person we are helping
6. *Don't Build on Quicksand* – a focus on present capacity supplies a foundation; a focus on incapacity builds on quicksand
7. *Counting Counts* – counting what people do is a way of valuing what they do
8. *People as Assets Require a New Accounting System* –enabling people to redefine themselves as contributors

CHAPTER 12 ASSETS: A SOCIAL JUSTICE PERSPECTIVE

Schools and Throw-Away Kids

Cross-age peer tutoring (older kids tutoring younger kids) works better than teacher tutoring, especially with special education kids, attention deficit kids, problem kids. Both tutors and tutees gain in strength.

Courts and Throw-Away Juveniles

In Washington D.C., where youth crime was very serious, a Time Dollar Youth Court, with a jury of offenders' peers serving their own sentences, was established to divert non-violent first offenders from entering the juvenile justice system.

Child Support and Throw-Away Fathers

Absent fathers of children on welfare – community-based Time Dollar enterprises can employ these fathers part-time in security patrols, tutoring playgrounds, and licensed child care centres.

CHAPTER 13 CORE VALUE TWO: REDEFINING WORK

We are used to equating work with employment in the market economy. But the market and government rely on a hidden, largely unacknowledged labour subsidy from home, neighbourhood and community.

Work – a flawed definition

- 1. The definition is incomplete* – it excludes the vast range of social contribution made in the non-market economy by families, seniors, children, and neighbours. The organisation Redefining Progress estimated household work in 1994 at \$1,233.8 billion.
- 2. The definition devalues real work* – no society can afford to buy at market prices the services that the non-market economy has historically provided
- 3. The definition misleads through omission* – if we need a future work force that is able to pay for Social Security and Medicare and to pay off the vast public debt, we had better invest in the parenting needed to produce that earning capacity.
- 4. The definition yields bizarre results* - parents are required to work, which means the child is removed from the parents, or the mother is sent away from the child.
- 5. The price tag is too high* - foster care and adoption assistance cost more than parental care.
- 6. The definition masks inadequate performance* – foster care and welfare systems often result in poverty, domestic violence, homelessness.

A definition of work that works

Activity that creates value for others is work, including volunteering and market wages. The Time Dollars system intensified the psychological rewards associated with volunteering. The greater that reinforcement, the less important the actual purchasing power associated with Time Dollars.

Alternatives to Market Wages – in many centres, members with Time Dollar earnings can “buy”, cash in, get special rates with products and services in the market system: e.g. gift vouchers, discounted rates for tours, lectures, children’s summer camps, food banks, etc.

Who Pays for Rewards That Cost Money? – organisations that use Co-Production principles and Time Dollars pay for them, but also gain.

The Issue of Scale – Co-Production provides an engine that can drive a different kind of e-commerce, one that puts people together in new kinds of families, who can feed and care for, teach, support and help each other to cope with life’s uncertainties. Time Dollar Web Stores being developed.

CHAPTER 14 REDEFINING WORK: A SOCIAL JUSTICE PERSPECTIVE

- No more taking the contribution of the client community for granted.
- No more taking women’s labour, exacted by subordination, for granted.
- No more taking money given to rebuild the non-market economy and turning it exclusively into salaries in the market economy.
- No more free rides for the market economy.

CHAPTER 15 CORE VALUE THREE: RECIPROCITY

“What goes around comes around” is a law of nature in the Co-Production universe.

1. Reciprocity reinforces self-esteem –it obliges a recipient of service to contribute in order to be a paying customer – equal value in giving and receiving.

2. Reciprocity bridges the two worlds, market and non-market. It enables each to secure help from the other

3. Reciprocity multiplies the value of each hour given, stimulating greater generosity

4. Reciprocity converts the rendering of professional service into a catalyst that empowers the recipient – professionals charging Time Dollars

5. Reciprocity alters the status of a recipient from “charity supplicant” to paying customer

6. Reciprocity turns an isolated exchange transaction into an on-going relationship

7. Reciprocity structures the Co-Production relationship between market and non-market economies

8. Reciprocity supplies the funding rationale, strategy and imperative to underwrite the cost of Co-Production

The example of Elderplan – saves on costs, promotes health, builds market share through good publicity.

CHAPTER 16 RECIPROCITY: A SOCIAL JUSTICE PERSPECTIVE

The Workplace Project in New York trains exploited people to learn the laws and their rights, and take action to bring changes. Later Time Dollars were built into the system.

If helping professionals, agencies, and funders get the message, they will halt the unilateral transactions, cease the assertion of hierarchy, and change course so that their respective journeys end at their intended destination.

Examples given of U.S. professional organisations' resistance to Co-Production, but some taking it up.

CHAPTER 17 CORE VALUE FOUR: SOCIAL CAPITAL

Social capital is composed of trust, reciprocity and civic engagement – these are Time Dollar staples.

To create new social capital, one must believe that one's actions have consequences, that there is a future, and that one can affect that future.

Examples given of U.S. cases of groups fighting distrust, fear, despair through Co-Production, building on tradition and culture. Stepping in to help others breeds collective efficacy.

CHAPTER 18 SOCIAL CAPITAL: A SOCIAL JUSTICE PERSPECTIVE

A social justice perspective says: stop the disinvestment in families and neighbourhoods, which has been going on in the name of progress.

Examples given of U.S. cases of strip-mining communities, depopulating neighbourhoods, atomising families, and civic attempts to use Time Dollars and Co-Production principles to rebuild communities.

CHAPTER 19 THE FUTURE IS NOW

Time Banking is still spreading through many countries. International Time Banking Congresses held.

EPILOGUE

The challenge our species now faces is to create a healthy ecological niche: communities that nurture, space that is non-toxic, exchanges that do not deplete, relationships based on love and caring, transactions powered by the renewable energy of compassion and empathy and reciprocity.

POSTSCRIPTS FROM THE UNITED STATES 2004; AND FROM ENGLAND 2004

Details given of further developments. The "non-market economy" now renamed as the "Core Economy" – the foundation, the substratum that underpins the private sector, the public sector and the independent, non-profit and philanthropic sector; family, neighbourhood, community, civil society. Examples of how Time Banking's range of services is widening.