



The Co-Production Principle and Time Dollars

A Report

By David Boyle

Table of Contents

| | |
|--|----|
| <i>The Co-Production Principle</i> | 3 |
| <i>Logic of Co-Production</i> | 4 |
| <i>The Core Economy</i> | 4 |
| <i>Active Collaboration</i> | 6 |
| <i>Origins of Co-Production</i> | 6 |
| <i>Principles of Co-Production</i> | 7 |
| <i>New Kinds of Philanthropy</i> | 8 |
| <i>Basic Values</i> | 9 |
| <i>Examples of Co-Production</i> | 9 |
| <i>Time Dollars</i> | 11 |
| <i>Challenges of Implementing Co-Production</i> | 11 |
| <i>Through A new Lens</i> | 13 |
| <i>Why Co-Production?</i> | 14 |
| <i>Appendix A</i> | 15 |
| <i>Examples of Time Dollars building Co-Production</i> | 15 |

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Introduction

What is the Co-Production Principle?

There is a fundamental truth that most professionals in the social services know and that policy-makers in the big programs understand in theory, but generally fail to put into practice. It is this: no program can reach its full potential unless it can engage those who are being helped as co-workers and co-producers.

Social theory understands that. Decades of disastrous social policy decisions and wasted public and philanthropic spending pay testimony to it. Yet the professionals who accept this fundamental truth – and not all professionals do – have yet to develop a framework or approach that allows it to happen in a systematic way. The result is that participation by clients in regeneration programs is fitful, unsustainable and usually involves the same few faces over and over again. Despite its central importance to whether a program succeeds or not, client involvement is often treated as an expensive add-on. Worse, the bigger the program, the more difficult it is to put this vital precept into practice.

This report sets out to answer two key questions:

- Why is this vital principle so often omitted in the planning of philanthropic programs?
- What can we do about it?

In order to answer these questions, this report presents the concept of Co-Production, a framework and set of techniques that is increasingly being brought to bear on some of the most intractable social issues currently facing our society and world.

Co-Production is a concept and title that was first coined by economists in the late 1970's to explain why development programs seemed so difficult to sustain and why they so often had exactly the opposite result than what was intended. The concept was extended to tackle the question of why the then accepted model of service delivery in education, police and housing – run by large centralized bureaucracies – was failing so disastrously on the ground. Much later, in the 1990's, the concept was independently developed as an outgrowth of work in the United States that used an alternative currency, Time Dollars, to engage clients as partners in tackling the problems that professionals were attempting to address.

With that second formulation, the essential truth behind Co-Production – that welfare and social services only work effectively when they are jointly produced by professionals and beneficiaries – was expanded by a new look at the role of home, neighborhood and community. Following the work of feminist economists, home, neighborhood and community came to be viewed as a special kind of economic system in its own right – one with different principles of production and distribution than the monetarized economy. This led to an understanding that the partnering

between professionals and clients that is needed to tackle the underlying malaise of social welfare programs requires a driver – something that can inject the reciprocity between clients and professionals that programs require for them to succeed. This report lays out the principles of Co-Production and shows the impact of one such driver, the local currency called Time Dollars or time credits.

Logic of Co-Production

Forty years ago, urban planner Jane Jacobs observed her local shopkeepers in New York City. “One ordinary morning last winter,” she wrote, “Bernie Jaffe and his wife Ann supervised the small children crossing at the corner [on the way to school]...” Jacobs then tracked the host of small neighborly actions taken on by Jaffe and his wife throughout the rest of the day. It was a long list. The couple lent an umbrella to one customer and a dollar to another; “took custody of two keys; took in some packages for people in the next building who were away; lectured two youngsters who asked for cigarettes; gave street directions; took custody of a watch to give to the repair man across the street when he opened later; gave out information on the range of rents in the neighborhood to an apartment seeker; listened to a tale of domestic difficulty and offered reassurance; told some rowdies they could not come in unless they behaved and then defined (and got) good behavior; provided an incidental forum for half a dozen conversations among customers who dropped in for oddments; set aside certain newly arrived papers and magazines for regular customers who would depend on getting them; advised a mother who came for a birthday present not to get the ship-model kit because another child going to the same birthday party was giving that; and got a back copy of the previous day’s newspaper [for a customer] out of the deliverer’s surplus returns when he came by.”

Jacobs was writing about day-to-day life in the early 1960’s in New York, but none of the tasks she describes could be remotely listed as vitally important for the neighborhood. Taken together, though, what Bernie and Ann Jaffe were doing was absolutely critical for the economic and social survival of the local community – especially as other shops were doing exactly the same thing. It was also entirely unpaid and unmeasured.

We can imagine, without that kind of fine-mesh local support from neighborhood shops and other institutions, exactly why so many neighborhoods have been unable to resist the slow decline to crime and fear. Concepts like social capital remain controversial in economic circles, but it is clear that there is some element – whether it is trust or other kinds of social cohesion – that can inoculate neighborhoods against the kind of disintegration that so many have experienced.

What Jacobs describes appears on no balance sheet, yet it clearly improves quality of life and rapidly increases the costs of local living when absent.

The Core Economy

This non-monetary, unmeasured sector of the economy also includes housework and efforts that go in caring for relatives, both of which relieve the welfare system of considerable sums that

would otherwise go to education, foster care or nursing homes. A 2001 study issued by the independent sector found that 83.9 million Americans volunteer roughly \$239 million worth of their time each year, a figure that doesn't include the unpaid contributions of children and adolescents who also volunteer.

In fact, a vast array of vital civic work and citizen engagement essential to a fully functional democratic society is undertaken on an unpaid basis. Typically, we think of public goods as being produced by the government and paid for with public funds, but that is not necessarily the case. In fact, the social support provided by families and neighborhoods underpins everything else in the economy – without it there would be no operating system. It is the 'core' economy – the economy of family, neighborhood and community – on which we all rely.

Vital public goods can't be produced effectively without this neighborhood care that only citizens can provide. A multi-million dollar, multi-year study undertaken in Chicago by the Harvard School of Public Health (published in the August 1997 issue of *Science*) concluded that poverty and joblessness could not account for the differences in crime they found in largely black neighborhoods. “By far the largest predictor of the violent crime rate,” the study concluded, “was collective efficacy.” And the strongest characteristic of collective efficacy turned out to be a willingness by residents “to intervene in the lives of children,” and more specifically, a willingness to stop acts like truancy, graffiti painting and street-corner 'hanging' by teenage gangs. The study examined 343 neighborhoods in Chicago and interviewed 8,872 residents.

One of the study's authors noted that ‘collective efficacy’ stems from a “shared vision, if you will, a fusion of shared willingness of residents to intervene and social trust, a sense of engagement and ownership of public space.” The critical factor in terms of violence was not 'external actions', such as a police crackdown, but the “effectiveness of ‘informal’ mechanisms by which residents themselves achieve public order. In particular, we believe that collective expectations for intervening on behalf of neighborhood children is a crucial dimension of the public life of neighborhoods.”

The core economy, then, is the operating system for everything that happens in modern life that falls outside the monetarized economy. When the core economy fails, professionals from the monetarized world – that is, trained and credentialed specialists – are brought in. Although it is rarely if ever described in these terms, the role of professionals is to “fix” the core economy, usually in a specific aspect, and to mend the broken linkages with the market economy. Co-Production as a framework for professional practice asserts that such repair work cannot successfully take place if three conditions are not met, that is, if:

- the unique economic dimensions of home, neighborhood and community as a core economy are not explicitly recognized,
- the role of that core economy as society's “operating system” is not given its due, and
- the state of the working relationship between the monetarized economy and the core economy in any one place and time is not seen as a key factor that must be addressed.

Active Collaboration

If one insight of Co-Production is the nature, importance, and vulnerability of the core economy and its relationship to the monetarized economy, the second is its understanding of what must be done to make professional interventions work. The starting point is to bridge the two economies through collaboration.

Said differently, what this means is that nothing that professionals can do to repair a broken core economy will succeed without the active collaboration of those whom they seek to help. Educators will not succeed if they can't get students to do their homework. Doctors and health professionals complain that they can't get patients to change their lifestyles. Police can't make a neighborhood safe without getting people to cooperate by organizing a nightly patrol or a neighborhood watch program. Substance abuse counselors and drug treatment programs can detox a client, but if they refuse to go to a support group or a twelve-step program, there is no way they can keep that person off drugs or alcohol. Gerontologists can prescribe pills, design a diet, replace a hip, provide by-pass surgery or angioplasty, but it takes work by the patient and support from friends and family for an individual to stay healthy, avoid depression, and reduce the risk of disability. In all these cases and in countless others, the necessary – and often missing – ingredient is labor from the consumer. It's the one factor that appears uniformly and consistently in every sphere of successful social endeavor.

The problem is that giant philanthropic programs and welfare systems routinely miss this key factor. Attempting to tackle the unraveling of families and neighborhoods, therefore, they are impacting only on the day-to-day symptoms. Worse, all too often the professionals are simply creating dependency by implying that clients can access more services only by having more problems. This dependency is of a peculiarly corrosive kind because it convinces clients they have nothing worthwhile to offer, and it routinely undermines what systems of local support do still exist.

In actuality, we must see that the opposite is true: clients are assets with life experience, the ability to care, and time on their hands. But in order to effectively use this knowledge, we need to shift our systems so that clients and those whom we seek to help are regarded and used as the resource they truly are. Co-Production is engagement with these hidden and wasted assets that exist in every sector of society, whether they are marketable or not. Co-Production points both to the urgent work that needs to be done – the re-weaving of neighborhoods and families – and to the available assets needed to achieve that work, and it then looks at ways of bringing them together.

Origins of Co-Production

Two parallel but quite separate tracks mark the developmental path of Co-Production as a concept. One track has been in academia. That track originated at Indiana University in the work of the respected political economist Elinor Ostrom and her colleagues. The definition of Co-Production developed there was as follows: “the process through which inputs used to produce a good or service are contributed by individuals who are not ‘in’ the same organization.” It explained how vital client participation was to the agencies running education, health or other

infrastructure services. "The term 'client' is a passive term," wrote Ostrom in 1996. "Clients are acted upon. Co-Production implies that citizens can play an active role in producing public goods and services of consequence to them."

Originally, Co-Production as a concept was used to critique dominant theories of urban governance in the 1970's, which were based on the belief that massive centralization was the most efficient and effective means of delivering services. All the evidence both then and now, however, shows that large central service organizations are rarely, if ever, able to produce better or more equitable service than those agencies which promote working in collaboration with clients to provide and deliver services and assistance.

Based on that evidence, Ostrom's team set out to prove that the massive centralization scheme was and always had been an ineffective method of service delivery. They believed that the original confusion around the effectiveness of centralization arose because of a myth that services were neatly demarcated between agencies and sectors, when the truth was that a variety of interlocking services were responsible for different aspects of the same problems, meaning there was no real divide between public sector, private sector and clients.

The second track along which Co-Production ran began very far from the halls of academia. It grew out of the work of Edgar Cahn, whose lifelong career, starting in the 1960's, has been dedicated to the achievement of social justice. In 1964, Cahn and his late wife Jean Camper Cahn co-founded the model for national legal services, which was implemented on a national scale under Sargent Shriver and the Johnson administration. In 1969, Cahn collaborated with American Indian activists to write an investigation of the Bureau of Indian Affairs entitled Our Brother's Keeper, which would become a manifesto for the American Indian Movement. In 1972, he and Jean founded the Antioch School of Law, pioneering a model of clinical legal education that is now routinely offered in law schools throughout the nation. In 1980, he created Time Dollars, an alternative currency that can be used to recognize, validate and reward the work of people seeking to build community, and in 1987, Cahn went on to develop the theoretical underpinnings of the currency as a fellow at the London School of Economics. Then in 1993, unaware of the work of Ostrom and others on Co-Production, he worked out a theory to explain why and how Time Dollars could so profoundly change the dynamics of social welfare programs. He called his theoretical framework "Co-Production."

The two versions of Co-Production, it turns out, are very similar. In many important aspects, they mirror one another. In some aspects, however, Cahn's theorizing steps firmly out of the standard economic framework, principally in his notion of a separate "core economy." As it turns out, that conceptualization – positing a system of production and distribution running on very different principles from the market economy – has been the driving force behind a new praxis in social welfare work in the United States and Great Britain, one that has built upon and extended the whole idea of social assets. It is this second track of Co-Production that this report follows.

Principles of Co-Production

Co-Production isn't an ideal to which professionals simply need to aspire, nor is it simple

consultation with clients, asking people's opinion, or even basic client participation in decision-making. All those strategies have been tested as methods of client participation, and they have been found to be inadequate in producing the kind of real involvement and engagement that is necessary to achieve success. Sadly, those strategies are also often used as a method of further coercing the ultimate clients or as a justification to check the box on the funder's report entitled 'client involvement.'

Co-Production is much more fundamental than those basic strategies, and it goes far beyond simple justification of client involvement for funders. It contains a different understanding of the role of clients and beneficiaries in that it regards 'problem' people as assets and as co-producers of outcomes. It recognizes that they may be too young, too damaged, too old or too unstable to get a job in the market, but that doesn't mean that they are not needed and can't play a useful role.

Co-Production builds on the idea of people as assets, which was pioneered at Northwest University by the work of John McKnight through the local asset-mapping exercises set out in his 1993 book entitled *Building Communities from the Inside Out*. It takes the idea of building on strengths and embeds it in the ideas of the core economy, the need for partnering between professionals and clients, and the new role of clients as co-producers of outcomes. The difficulty is that in many ways our welfare systems and philanthropic bodies are geared in the opposite direction – people are defined primarily by what they lack, and they will be very grateful and cooperative, but otherwise passive, when that is provided. Moreover, they quickly learn that to get more help the quickest and most efficient route is to display more problems.

New Kinds of Philanthropy

Co-Production means that professionals may no longer see themselves as dispensers of benefits because that mindset can easily disempower clients. They must instead be expecting clients to play a far more active role – defining the nature of the problem as it stands from their own perspective, contributing their own energies and skills to the search for a solution, and earning the help and resources needed for change by contributing to their community and to others. In the process clients gain confidence, build their own support networks, and appreciate and use the benefits in a way they didn't before. The professionals, on the other hand, change roles. They become less like beneficent bosses and helpers who must order, organize and demand change and more like coaches, supporters, and team-builders who work with, not against, the energies of their clients. They find the burnout factor all but disappears.

The key is to re-think 'entitlements.' That controversial shift does not mean the rewards for contributing have to be earned in the market economy, but in the neglected neighborhood. And it creates a reciprocal relationship that turns welfare beneficiaries from dependent supplicants to equal partners who are *earning* what they need by doing the vital work society needs. We can build new social inventions – like wrap-around services, youth courts, and cross-age peer tutoring programs – that create new peer-to-peer relations and build new forms of extended families to do the work of rebuilding the core economy. These social inventions can run on "mixed fuel" – a lot of psychic reward and a little bit of money. But we have to recognize that these inventions won't run without at least a little bit of money, and there are two reasons why. First, there are things that can only be bought with money, like gas for the car that is used to give

people rides, school supplies, materials for home-repair, medicines that require co-payment or materials for homemade goods. Second, there are rewards which have a monetary cost that provide powerful reinforcement of the psychic reward. A dinner out, a trip, a recycled computer, a chance to buy toiletries, or a toy for a child – these can have a major impact on generating more engagement and on validating the sense of self-worth that comes with helping others. That means that human service agencies which now get money to solve the problems have to turn over some of that money to buy rewards and to address critical needs in order to make a meaningful partnership possible and in order to enlist the kind of family and community energy that professionals count on being able to tap. There is urgent work that needs to be done, and even at minimum wage we don't have the money to pay for it. But we do have people able to do it, and those people have time and skills, so they must be rewarded in such a way that they can buy the services and goods they need.

This is a fundamental shift, but it will raise the status of beneficiaries and enormously improve their lives.

Basic Values

Successful Co-Production incorporates the following core values:

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

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

Reciprocity: We need each other. 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”.

Social Networks: Humans require a social infrastructure as essential as roads, bridges, and utility lines. Social networks require ongoing investments of social capital generated by trust, reciprocity, and civic engagement.

Examples of Co-Production

Putting wasted assets to work requires effort, and it costs money. But the leveraging power and the rewards can be huge. A few examples provide illustration.

The Sentara group of hospitals in Richmond, Virginia, managed to cut the cost of treating asthma patients by more than 70 per cent in two years by paying them in Time Dollars (*see below*) to befriend other asthmatics on the phone – making sure they were taking their medication and assuring that they knew the early warning signs of an attack and what to do in case of one. Not only did their own symptoms reduce because of the sense of achievement, but the number of asthmatics brought into ER was also considerably cut.

In Vietnam, Doctors Without Borders found itself facing a runaway AIDS epidemic with just

enough medicine to treat 300 individuals. They decided to use Co-Production principles to maximize the potential impact of that medicine, making it known they would treat only those individuals who would commit to becoming AIDS prevention activists. The medicine became the payment for activism, and the activists spread through their communities showing pictures of themselves as emaciated AIDS sufferers and as healthy individuals. They explained to their fellow citizens that AIDS was not an inevitable death sentence, but that it could be cured by medicine, or better yet by prevention. The rate of new infections plummeted.

Research at a social HMO in Brooklyn, NY has shown that using Co-Production has a considerable impact on retention of clients, and – like other research in London – it shows there are clear links between involvement in contributing to the well-being of others and decreased need for medication and hospitalization.

Other examples include the squatter camps of Orangi in Karachi, where residents successfully provided themselves with drainage and water mains faster and at a far lower cost than the more accepted top-down method. Partners in Health, a Boston-based charity, has found a method of successfully treating multi-drug resistant tuberculosis when all medical expertise said it was too expensive in developing countries – they enlist neighbors to check in on patients and administer the drugs. Habitat for Humanity has made houses more affordable by incorporating work building and repairing other people's homes into the mortgage payments.

Some programs – notably Bolsa Escola in Brazil, where mothers are paid to make sure their children attend school – make direct payments to clients or their families to recognize the efforts they are making. Normally, this is too expensive, however, and a powerful alternative is to pay clients with Time Dollars, a tax-exempt local currency whereby one hour of service earns one Time Dollar. This strategy provides much of the flexibility of money without the many drawbacks.

Experience using Co-Production has shown that it can:

- **Save Money:** Research at Member to Member in Brooklyn, NY has shown that it can cut the cost of caring for customers to the social HMO Elderplan. Local networks and support allow members to care for one another, resulting in the ability to remain in their own homes and out of nursing homes longer. Similar efficiency has been shown in a range of other Co-Production programs.
- **Involve Hard-to-Reach Groups:** Government-funded research in the UK has shown that rewarding individuals with Time Dollars attracts community involvement from some of the hardest to reach sections of the population, including people from immigrant and ethnic minorities, refugees, and people with mental and physical disabilities.
- **Create a Sense of Trust and a Supportive Community:** Programs that successfully incorporate Co-Production have been praised by participants and foundations alike for their ability to increase a sense of local trust and safety and cross racial divides.
- **Improve Health:** Research has shown over and over again that people who are active in their community are healthier, and Co-Production promotes active engagement in the core economy of family, neighborhood, and community.
- **Accelerates and Sustain Involvement:** Most traditional volunteer programs show a fall-off of involvement over time. When Co-Production is involved, the opposite is true. Both

in London and Maine, research has shown that involvement grows the longer participants have been involved. At the Maine Time Dollar Network, research showed that member engagement (number of hours put in by participants) leapt by 150% in the fifth year of membership.

Time Dollars

For Co-Production to be present, reciprocity must also be present. As we have seen, Co-Production calls for reciprocity on two fronts: one is between the world of money and the world of home, neighborhood and community, and the other is between professionals and their clients, whose needs and roles as clients are rooted in the core economy.

As the old saying goes, “one good turn deserves another,” and this applies on both fronts! In return for the help they receive from professionals, clients use their own strengths to contribute to the organization’s mission, preferably by using their talents and skills to help others. Measuring and rewarding those contributions – simply by recognizing the effort, commitment and worth – lifts the contribution to the status of work, and in doing so, can transform a top-down relationship between professionals and clients into an equal, reciprocal one. On the other front, there needs to be a way to reward the labor it takes to build the core economy – labor that market price mechanisms so effectively devalue and that the mainstream excludes, neglects or ignores.

One effective way to provide such recognition is through the use of Time Dollars. Time Dollars are a tax-exempt local currency developed by the Time Dollar Institute, and they are now in operation all over the world. Because everyone earns Time Dollars at the same rate regardless of what they are able to contribute, Time Dollars measure and reward the efforts people put in and send the message that every individual counts in ways that money simply can't. At the same time, Time Dollars provide purchasing power to individuals whose contributions are often unrecognized in the market economy. They are used to access food, clothing, computers, legal services, health care services, housing, rides to the store, and even enrollment in college courses. Appendix A offers a number of examples of Time Dollars being used as a tool to build Co-Production in a number of different areas of social welfare.

Challenges of Implementing Co-Production

Despite its obvious advantages, including its ability to shift intractable social problems and lighten the load on social welfare professionals, Co-Production is not always received by those same professionals with open arms. The pioneers who have developed Co-Production have often done so against stiff opposition from peers and superiors who are suspicious of success that threatens their position.

It is understandable that professionals would be suspicious of Co-Production, as they are often not trained to work side by side with their clients. Studies in England show that health professionals can actively discourage participation by patients on the grounds that they are not consulted themselves by their own management. Experience on both sides of the Atlantic

suggests that Co-Production projects have to cross a series of hurdles – sometimes very tough ones – to get into practice. Any of the following challenges can and should be expected:

Some agencies find the idea very hard to grasp

Often the principles of Co-Production will be grasped immediately by innovative individuals, but putting them into practice will mean altering procedures and changing ways of working, which can be resisted by big agencies and large bureaucracies simply because of conflicts with existing methods. In these cases, Co-Production advocates need to work patiently to reassure worried middle managers inside agencies who hope to use these techniques.

There are fears about handing over responsibility

Co-Production programs will need insurance like any other, but there are often fears about handing any responsibility to clients who have traditionally been defined by their problems rather than their capabilities. Many professionals have been trained to believe that this kind of hand-off would be irresponsible. Again, professionals need to be reassured that systems will be in place to safeguard their clients and those they will be working with. It should also be pointed out that clients – like children – will only develop and grow if they are allowed to take some steps on their own.

Staff sometimes object to working peculiar hours

In public agencies where staff are accustomed to leaving at 5pm, the working hours that Co-Production requires can be an unwelcome shock. They are used to the regularity and predictability of an office and unused to working side by side with clients in the community. This kind of community work also requires different kinds of skills, and organizations may need to recruit from different circles to identify qualified individuals. It is hard for bureaucracies that value one kind of skill to suddenly recruit a different kind, however, so it can often help for Co-Production advocates to work with the agency in the recruitment process.

Official targets often ignore Co-Production outputs

The accountabilities to which many agencies have to work expect them to measure success according to very basic numbers: the number of people on the program, the number of participants who complete courses, and so on. Only very sophisticated agencies measure outputs like retention or engagement rates or the ability of clients to leave a program because they have successfully moved on. Often it is not immediately clear to agencies how useful Co-Production would be for them, in which case a deeper debate led by Co-Production advocates can be an effective way to discuss these issues.

Funders sometimes fail to recognize the significance of what they are doing

While many funders are proud to institute a Time Dollar program or Co-Production experiment because it adds to their reputation as innovators, they sometimes fail to realize the implications and how their whole way of working could be enhanced by shifting in this direction. This sense of Time Dollars as a minor add-on makes programs vulnerable in times of budget reductions when Co-Production could actually provide a way to enhance a program despite reduced budgets. Again, this means that Co-Production advocates need to be able to manage a debate inside and outside the agencies where they are working to help funders see the larger implications of this cutting-edge approach.

Hierarchical organizations sometimes find it hard to get the best out of Co-Production

Organizations that are too rigidly hierarchical can sometimes inhibit the learning and support required for innovative Co-Production programs to function as they should because the professionals charged with running them find it hard to swap ideas and best practice with other agencies. Co-Production works best if those involved – either as participants or professionals – can remain in close contact with others around the country, or indeed the world. These kinds of forums are already available and need to be used to facilitate the exchange of ideas that makes Co-Production programs vibrant and rich.

Staff can fear that handing over responsibilities to clients makes them vulnerable

Being a professional means being accountable for outcomes. Understandably, there is fear that handing over responsibilities and tasks to clients takes the control of outcomes out of the hands of staff, but leaves the accountability in place. They fear that this exposes them to failure in a way that is unacceptable. If the measures of accountability are changed so that staff can be valued for their effectiveness at mobilizing their clients and if they are rewarded for the level of contributions and initiatives that clients make, then this fear can be taken away. In order to do that, however, management has to send a very clear message that the rules of the game have changed.

Staff can fear that Co-Production will remove their jobs

There is often a fear among staff, especially among hourly-paid employees, that handing over tasks to clients and participants will make them less essential to their employers. These employees need to be reassured that they have an unassailable but different role to play and that the tasks carried out by participants – acting as a friend to neighbors, for example – are usually not the kinds of jobs that professionals are best at doing. There are considerable efficiencies that will result from Co-Production, and staff need to be reassured that this will allow their service to provide deeper change in the lives of those they seek to help.

Through A New Lens

Applying Co-Production means seeing social welfare and social justice through a new lens. Co-Production builds upon asset-based approaches but goes one step further, adding a new “transactional” dynamic that comes out of the emphasis on reciprocity, the redefinition of work, and the importance of the core economy. With Co-Production it’s not just the strengths that people have that count; it is the way those strengths are expressed, validated, and rewarded through reciprocal relationships between the core economy and the monetarized economy and between professionals and clients.

The similarities and differences between Co-Production and the asset-based approaches that have become so widely known in the United States both facilitate and muddle the transition to Co-Production thinking. The mixture of “Aha!” recognition coupled with the deeper understanding that there is something very different about Co-Production was captured by one prominent funder’s exclamation: “I’m having to wrap my head around this!” Agencies and organizations are finding that successful implementation of Co-Production is heavily (and naturally!) dependent on the extent to which staff internalize this new way of thinking. That involves an

investment of time to make sure that staff receive the in-depth and experiential orientation needed to absorb the Co-Production mindset. It really is a different way of looking at the world. Once people begin to see through this new lens, they wonder how they ever thought differently, but most agree that getting to that point requires some effort.

Why Co-Production?

None of the difficulties in implementing Co-Production undermine its fundamental value as a powerfully effective new approach to social welfare and systems change. With Co-Production, clients and beneficiaries become equal partners in the business of their own regeneration and equal partners in the delivery of care, and this transition happens in such a way that people can be embedded in a new community that will be there when they need them and insulate them from further harm.

The four core principles of Co-Production give responsibility to people who have been regarded as “the problem.” Co-Production strives to make people useful when they had been condemned as useless, and in so doing, it transforms lives. It transforms the lives of the beneficiaries and their communities, and it changes the lives of those professionals who are willing – and courageous enough – to challenge their own preconceived ideas, to relinquish their control, and to become willing to enter into relationships with their clients in which the giving and the learning is mutual.

Appendix A: Examples of Time Dollars building Co-Production

Time Dollars in Education

In 1995 when Chicago Mayor Richard Daley decided to reform the city's public education, Chicago ranked as one of the worst cities in the nation with respect to education. Based on the city's dire situation, the Time Dollar Institute was able to persuade the school system and city officials to experiment with a cross-age peer-tutoring program using Time Dollars in the south side of Chicago. The first year, five elementary schools in Englewood took part, and the next year, that number jumped to ten because of the success of the first year.

The pupils involved in the program, many of whom were learning disabled or had severe behavioral problems, could earn a recycled computer for taking part. Students enjoyed participating so much that attendance actually went up on days when after-school tutoring took place.

Peer tutoring not only made learning safe in the after-school setting, it also dramatically reduced bullying and after-school fighting. Some of the tutors also began to receive better grades for the first time because it takes higher-order skills to teach lower-order skills and they were able to see themselves as smart for the first time. Parent involvement was also positively effected because parents were expected to earn Time Dollars by helping out in school or going to police-community liaison meetings for their children to be eligible for their computers.

The success of the Cross-Age Peer Tutoring Program in Chicago has been repeated in Albany and in the East End of London, where research also shows improved attendance and improved grades for both tutors and tutees.

Time Dollars and the Elderly

Elderplan, a social HMO in Brooklyn, NY, was one of the first organizations in the world to use Time Dollars as a method of delivering Co-Production in its Member to Member program. By encouraging their members to support other members, they found that health benefits extended not just to those being supported, but those also who were doing the helping.

When Member to Member's organizer and director Mashi Blech meets with the CEO of Elderplan to find out whether the organization will continue to commit major financial resources to the program, she goes with plenty of ammunition: stories, charts, exhibits, and long lists of awards, recognition, and media coverage – all of which translate into market share and enhanced financial viability for Elderplan.

Beyond the large-scale visibility and financial advantages, there are individual savings associated with Member to Member as well. Each day that a stay in hospital can be shortened because of the Time Dollar program – which provides supportive neighbors to check in on patients – saves Elderplan \$1,000. One avoided nursing home stay saves \$35,000. The support, encouragement, and assistance that Member to Member participants provide to each other also reduces the costs incurred when medication isn't taken regularly or in the right doses, and that same support can

provide the early intervention needed to reduce costs and risk when chronic conditions worsen. Emergency room visits cost money, as do hospital stays, not to mention the enormous expense of ongoing monitoring of the health status of members. Since Member to Member's inception in 1987, Elderplan has come to rely on the program's the built-in monitoring system to manage those costs (as well as others) effectively.

Recent research also confirms that only 1-2% of customers leave Elderplan every year when they are involved in Member to Member, whereas the voluntary disenrollment rates for Elderplan's competitors and other HMO's is normally between 10-15%. They also found that interventions regarding medications and hospitalization were significantly lower for Time Dollar participants than for other members of Elderplan.

From 1987 to 1998, seniors who earned Time Dollars helping other elders through Member to Member could cash them in for a 25% discount on their health insurance premiums. In 1998, however, Elderplan's competitors eliminated premiums all together, and Elderplan had to follow suit. They now reward Member to Member participants with the Time Dollar Credit Shop, which features a catalog that advertises a bathtub spa, a digital blood pressure monitor, a foot massager, and other health and well-being-related products for sale for Time Dollars. Alternatively, members can also spend their Time Dollars to buy tickets for special luncheons for themselves and a companion, to purchase a round trip taxi ride, or to obtain legal advice.

Time Dollars and Justice

The Time Dollar Youth Court in Washington, DC is a unique experiment whose goal is to put the creation of justice into the hands of teenagers, not as a liberal fantasy, but as a hard-nosed method of getting peers to reinforce good behavior in a way that the courts seem unable to do.

Over half the young black males between the ages of 18 and 24 in Washington, DC are currently under court jurisdiction, in prison, on parole, or on probation. Over time, it has become clear that the juvenile justice system is the feeder and the supply line for the adult justice system, and the journey into that system starts with a youth's first brush with the law. Typically, the prosecutor's office response to first offenses is to simply 'no paper' the case, meaning they take no formal action against the youth in question. They have to deal with hardened criminals and repeat offenders, so they don't have time to address the offenses of mischievous young. By a youth's third arrest, a formal juvenile proceeding functions more as a rite of passage.

In 1996, the DC Superior Court authorized the creation of the Time Dollar Youth Court as a diversion program to prevent non-violent first offenders from entering the juvenile justice system. Offenders come before a jury of their peers, who have received basic juror training and are authorized to sentence them to community service (e.g. being an after-school tutor or helping out at a community center), restitution, counseling, an apology, and mandatory jury duty. The Youth Court is intended to help youth take a new pathway out of the juvenile justice system by providing an integrated, multi-phase intervention that effectively involves teens and their communities in the process of change -- involving the youth themselves as role models and supporters of other youth and drawing on community organizations to supply community service sites, support, and other services that the respondents need. The Youth Court has proven successful at reducing recidivism

because it provides a forum whereby young people can reinforce messages to each other to do the right thing and make good decisions – messages whose value are often overlooked in the traditional juvenile justice system.

Volunteer juries of high school students have been organized at public housing complexes, churches, public schools, charter schools, and community centers. Because jury duty is a mandatory component of each Youth Court sentence, there are additional juries composed completely of respondents serving that portion of their sentence. All respondents earn Time Dollars for jury duty, mentoring, and training, and they can redeem them for a recycled computer when they have successfully completed the program. Based on the volume of cases being heard by volunteer and respondent juries, the Time Dollar Youth Court is now handling more than one-third of the first-time juvenile offenders in the District of Columbia.

Time Dollars and Child Care

One of the pioneers of Co-Production using Time Dollars is the Grace Hill Settlement in St. Louis, MO, whose Member-Organized Resource Exchange (MORE) now underpins community involvement in 11 neighborhood centers and four health centers. Their involvement in the Head Start program dates back to 2001 when they won the contract to deliver the program to half the city of St. Louis, mainly because of their proven ability to involve hard-to-reach groups through MORE.

Head Start, which began in 1964, is a child development and family-strengthening program for families with 3-5 year olds, and it has proven to be enormously effective as a preparation for kindergarten. Because low-income parents receiving welfare are expected to work a certain number of hours each week, however, it has become increasingly difficult to get exhausted parents involved. Achieving that participation is where MORE and Time Dollars have been extremely effective because they motivate parents to stay involved in the community and pass on what they have learned through the program.

The incorporation of a Head Start program as a part of MORE's services is in its early stages, but already 820 families with young pre-school age children are involved. Those families have been introduced to MORE's programs, although many were already involved through other Grace Hill activities. Head Start involves parents in childcare training and development of other skills, and linking it to MORE adds a Co-Production element whereby they are earning Time Dollars for their efforts helping neighbors and spending them in the nine Time Dollar stores across the city or at health centers run by Grace Hill. In other child care initiatives using Co-Production and Time Dollars, training single mothers in childcare and allowing them to get the necessary qualifications to become licensed childcare workers, while they earn Time Dollars that they can use for their own childcare while they attend the courses, is the central plank of innovative programs in two sites in Britain – one in Leicester and one in the rural Cotswolds.

Grace Hill also runs a Neighborhood College whereby locals can exchange Time Dollars for courses in anything from job skills to dealing with diabetes. A total of 60 different courses are run for and by neighbors, and 2,300 members completed courses in 2002. The next stage of development is a new center that allows Grace Hill to involve new Americans – refugees and

other new immigrants groups – both in Head Start and other MORE activities.

Time Dollars and Health

If medical problems go without treatment, they tend to get worse. And if they get worse, they are more expensive to treat further down the line. Based on that logic alone, it is clearly important to make sure that all families, no matter who they are, visit the doctor or health center on a regular basis, yet evidence shows that fear of the cost or unpaid bills are enough to keep some of the poorest families away, leaving children at risk of death in some extreme cases.

In the seven health centers run by Grace Hill in St. Louis, the poorest families are given the option of paying their bills in Time Dollars that are earned making contributions in the neighborhood. Similar programs are under development in El Paso, TX and other places.

In England, research at the Time Dollar program in the Rushey Green health center in south London – where patients support other patients and are paid in Time Dollars for doing so – shows that involvement in the program can have a dramatic effect on health. This is especially so for people with clinical depression or people who have both physical and mental difficulties. Rushey Green, like Member to Member, runs a small repair service organized by patients and paid for in Time Dollars.

Co-Production in health makes explicit the partnership between doctors and patients, understanding that healthcare requires a supportive community that is able to check on people after coming out of hospital and provide early warning signs about problems. It can also broaden the definition of health by extending the idea beyond individuals to include families, neighborhoods and communities.

Time Dollars and Social Services

A coalition of social service agencies in Brooklyn, NY has linked up to use Time Dollars as a tool for embedding Co-Production in a former riot neighborhood to help rebuild the community use the skills of the people who have chosen to stay. The agencies work together to provide training to unemployed people and mothers on welfare to get the qualifications they need to provide childcare service, find jobs for migrant laborers, and provide legal services for low-income people and their families. The next phase of the program includes the launch of a Time Dollar restaurant, which will pay staff in Time Dollars and provide meals for people in return for them.

Using this strategy in this community means that even women who are not certified childcare providers can earn Time Dollars for the services they provide, and they can use those Time Dollars to pay for a range of services provided by unemployed workers, refugees, and new arrivals to America. The same strategy is applied to the workers, refugees, and new arrivals, who can use their skills on behalf of neighbors to earn Time Dollars if they can't get paid work each day. That way no one goes home empty handed.

One of the reasons these new arrivals to America are vulnerable is that they believe they have no rights, either against brutal employers or brutal husbands. Through this initiative, however, people can spend their Time Dollars on legal advice, and they can earn credits helping out with research on their own and other people's legal cases. This gives people access to advice and knowledge about their rights and their status in return for the effort they are putting in locally.

Time Dollars and Migrants

One of the most wasteful aspects of the difficult lives facing many new arrivals to America is that they are unable to work, and yet they bring with them an enormous range of skills. An innovative program in El Paso, TX (funded in part by the Ford Foundation), is using Co-Production to tackle this in three parts:

- A local clinic is integrating Time Dollars into their services so that community members can earn credits by working with support groups – for example with diabetics – and spend them on check-ups, clinic bills, and previous debts. Organizers believe that this will cut deaths in the migrant community and reduce the number of people treated in ER for serious conditions that could have been avoided.
- Migrant community members are being enrolled as participants in a Time Dollar program where people earn credits using their skills in their neighborhoods, and they can use those Time Dollars to buy services from other members or to pay clinic bills.
- A technical center for children (funded in part by the Annie E. Casey Foundation) is being developed where kids will put on plays, run a radio station and learn about a range of technical equipment – and will pay fees in Time Dollars.

If these projects succeed, organizers hope to extend this kind of project to all the 14 cities along the Mexican border in an effort to increase accessibility of quality healthcare services to migrant communities.

Time Dollars and Mental Health

Giving people recovering from mental difficulties confidence in the outside world, self-esteem, and a reminder that they have valuable skills – even if they're not marketable skills – is a critical part of mental health, and Co-Production has been an effective strategy in this domain. At Abriendo Puertas, a children's mental health clinic in Miami's Little Havana, patients earn Time Dollars by providing support in the neighborhood, and they spend them when they need help themselves.

A similar program is now going ahead in London with a major mental health provider (the South London and Maudsley NHS Trust, which covers most of south east London) rolling out Time Dollars as a way of helping patients recover and provide support for them to prevent more serious problems.

More information

A range of organizations are now spreading Co-Production know-how, but central points of information include:

Time Dollar Institute, 5500 39th Street NW, Washington DC 20015, USA.

Tel: (1) 202 686 5200

Email: yerod7@yahoo.com

Web: www.timedollar.org

Time Banks UK, PO Box 139, Gloucester GL1 4YP, UK.

Tel: (0) 870 702 7428

Email: info@timebanks.co.uk

Web: www.timebanks.co.uk

Other useful websites include:

Maine Time Dollar Network: www.mtdn.org

London Time Bank: www.londontimebank.org.uk