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(Ex)change to communities

The effect of alternative exchange systems
on the sense of community-
Looking at four community-currencies

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MA Economics for Transition

31.8.2017

Abstract

This research asks how four community-currencies affect the 'Sense of Community' of their members. Using an ethnographic approach, the researcher delve into the four schemes in four states and engaged with multiple community centers, talking with the workers, volunteers and the communities themselves. The findings shed light on 3 relevant aspects: the question of power distribution, the question whether or not the incentives in the schemes 'crowd-out' the members' intrinsic motivation and the creation of sense of 'togetherness' through the schemes. The discussion present two strands of conclusion: (1) community-currencies as 'complex responsive processes' that are created and led by individual interactions rather than mechanistic structures (2) strengthening of altruistic, social or individual-promoting aspects in the schemes override the financial gain of the schemes.

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Introduction

Forward

One of my teachers once said that every dissertation's topic comes to heal some inner pain of the student who writes it (Dawson, 2017). This dissertation is a good representation of this statement. Before studying in the 'Economics for Transition' (E4T) program in Schumacher College, I was a social worker. In the beginning of my career, I worked with teenagers with behavioral and emotional issues. Most came from immigrants' families, many suffered from domestic violence, drugs were a common problem and none had a community to help them.

Following that, I started working in a Bedouin village. Bedouins are nomadic tribes that, after the establishment of the state of Israel, settled down in urban areas. Most of their villages suffer from sever poverty and social exclusion. Working in the welfare office in the village, I faced a torn society, ripped and stripped from its original traditions due to the multiple changes they've been through. As a result, they are struggling to maintain their social cohesion and from a close tribal society in which all took care of each other, they became alienated, rates of crime, poverty and unemployment have risen, and they lack the tools to tackle it as a community. As a social worker in the village, I felt that the scope of my influence was extremely limited and aimed at helping individuals rather than the prospects of the community; leading to an increasing sense of powerlessness.

When originally studying about community currencies as part of my E4T MA program, the idea underlying them evoked a sleepy hope I wasn't even aware existed. I was hoping that it could, potentially, be an idea that will structurally tackle multiple flaws existing in contemporary society. One of the most appealing aspects for me was the possibility to create this change through structural processes. Having worked with so many individuals and communities that were unable to find energy or time to lead the change themselves, I was excited about the possibility of a system that could ignite such a process.

In getting to know various types of community currencies during my studies, I learned to ask more accurate questions about the possibilities and influences it could have. This research is the result of the cautious optimism regarding the effect community currencies could potentially have in creating, or enhancing, the sense of community, combined with questions and criticism regarding potential harm it could lead to.

Dissertation structure

<u>Literature review</u>

The body of knowledge which this research is based on is constructed of four parts: <u>The first one</u> describes the contemporary, multi-dimensional crisis that modern societies are experiencing. After presenting three dimensions of the crisis, the social aspect of it is emphasized. Arguing for a trajectory leading to a disintegration of the social cohesion, it presents a few of the multiple causes that are claimed to be leading to it, contributing and creating the social aspect of the crisis.

<u>The second part</u> presents the theory of Sense of Community (SOC), originally presented by McMillan (1976) and immensely developed by McMillan and Chavis (1986). The theory specifies and identifies important aspects of what it means being part of a community, and therefore helps to highlight aspects that are important to look for, if wanting to tackle the contemporary crisis.

<u>The third part</u> is an introduction to the four community currencies that were researched throughout this dissertation: LETS schemes, 'traditional timebanks', SPICE timebank and Makkie timebank. Regarding each of the schemes, the basic idea and structure is presented along with its known achievements and reported challenges (in the literature or by the members).

<u>The fourth part</u> describes the 'crowding-out' effect (extrinsic rewards that negatively affect intrinsic motivation) and the 'crowding-in' effect (extrinsic reward that positively influence people's social preferences and expressed in enhances pro-social behavior). These two effects were found to be among modern economic theory's largest anomalies (Frey & Jegen, 2001). They demonstrate unexpected disconnections (occasionally occurring) between rewards and incentives to individuals' behaviors.

The potential to lead to crowding-out as a result of CC platforms was one of, if not the main, question mark I had when approaching my research. Therefore it was also one of my main considerations when designing the research. I was led to the idea after a discussion with a classmate about the harmful potential CC's could have due to process of, allegedly, formalizing intimate relationships within communities.

Although the crowd-out effect refers mainly to monetary incentives, the transactions done through the CC platforms are designed to have an inherent financial value. Among the different CC's, some are more explicit in their resemblance to money (SPICE, Makkie) and others less, and trying to distance themselves from having any potential to a market based exchange (LETS, timebanks). However, the explicit

financial gain that they do create led me, along with others in the field (Rearick, 2017), to believe that the CC platforms might consist of potential danger.

Methodology

The current research is based on the principles of the ethnographic approach, and relies on the *emic* viewpoint of looking to know phenomena from the inside, through the eyes of the researcher (Creswell, 2013). Seeing the researcher and all her senses as the main instrument for inquiry, the research is based on immersing myself in the field and experiencing it 'from within' (Hammersley, 2016) as authentically and truthfully as possible. Based in 4 different states, I delved into 4 types of CC's in almost 30 different community centers, took part in their activities and venues and engaged with as many stakeholders of the CC's as possible. The research was accompanied by a detailed journal, in which I tried to capture my insights, comprehensions and queries throughout the process, and eventually used it as part of my data.

Findings

The findings from the field work involved three realms in which the CC's (have the potential to) effect the SOC. The first realm deals with the question of power and its distribution among the different stakeholders in the schemes. The ability to influence is one of one of SOC's basic aspects, and was found to be a present issue among all the coordinators of the CC's. In all the CC's repeated the desire to distribute power and enable empowerment of the members in order to encourage co-creation of the activities. It also presents the claim that trickling down of power can't be a structural feature, because it's unavoidably dependent on the individuals, both giving and receiving the power.

The second realm deals with the elusive crowd-out' effect. Describing my "chase" after it, I present how it was always present in discourse, but seem to constantly be not present in practice. Furthermore, it shows the immense influence that the idea of crowding-out had on the people in the CC's, especially considering that it didn't seem to be actually present. Therefore, suggesting that rather than facing the effect itself, the sense of 'othering' is leading to assume moral downgrading of people that are seen as foreign or different. In addition, I present my own experience regarding crowding-out as a temporary participant of the CC's.

The third realm is the aspect of "togetherness". Identified as one of the most important reasons for members to participate in the CC's and one of the most substantial positive influences on the members, the notion of "togetherness" also satisfies a few basic aspects required for the SOC. The findings support its importance and demonstrate how it is actively initiated and created through the CC's. . Moreover, the argument

presented is that if not actively initiated, togetherness is not likely to be created solely as a result of CC's structural features. In resemblance to the power distribution aspect, it sheds a light on the importance of all individuals involved (community workers, CC facilitators and members of the community) over systematic features of the schemes that might try to lead to its creation.

Discussion

The discussion presents two interesting dimensions regarding the effect these four CC's have on the sense of community. The first one portrays the CC's through the perspective of 'complex responsive processes' (e.g. Stacey, 2012). The framework, seeing organizations and societies as constructed mainly of relationships, disregards the importance of the mechanistic or systematic features of organizations and emphasized the importance of day-to-day interactions. Partly adopted as an appropriate framework, I use this perspective to portray my findings; although acknowledging the important role the CC structures have in enabling and easing the change of discourse, I claim that their systemic framework is not sufficient, and possibly minor, in its ability to fulfill the tasks it's aimed at leading to. The lion part that can create the change is not mechanistic or systematic but dependent on the individuals and the relationships that are facilitated within it.

The second one regards the question of the crowding out. Trying to understand the existence of the crowd-out effect in the CC's, I examine 3 potential explanations: (1) since the transactions are not done by proper money, it's unlikely to appear (2) although it was there, it was disowned by the members due to embarrassment (3) the economic drive is not strong enough to sustain long-term activity. After discussing all three options in light of the literature, I portray, and justify, my support in the third explanation.

In the **conclusion**, the two main comprehensions are presented as bullet points, aimed at potentially providing insights that could be implemented at other contexts.

Literature review

1.1.   <u>The current crisis</u>

The 21st century is characterized by a few major achievements that the human species has gained, solving some of the main problems it has been facing for centuries. Among these achievement can be found agricultural development that enabled us, as a society, to tackle world hunger; technological developments that enables generating medicines that almost entirely abolished deadly epidemics, improved general public health that significantly extended the average life length; building safe housing for protection from hard weather and disasters; systems for water transportation and desalination that ensures clean water supply to more people than ever before (Noah- Harari, 2015); all these and others have enabled mass populations in developing countries to rise from extreme poverty (Rozer& Ortiz-Ospina, 2013).In addition, humankind can also pride itself with technological developments that led to the creation of the internet. Enabling accessibility to worldwide information, democratizing knowledge, spreading it equally among populations and connecting remote areas to the outside world are just a few examples of how the internet has bettered individual's lives.

Nonetheless, despite the progress and the massive improvements that have been taking place in the last century, and potentially partly due to them, we live in the midst of a global crisis. The crisis can be seen through aspects such as rising numbers of mental health issues in the population (Whiteford, H. A. et al., 2013), an increasing gap, between rich and poor leading to rising inequality (Sennet, 2012) or through the extremely deteriorating ecological condition of the planet (Schellnhuber et al. 2017).

Scharmer and Kaufer (2013) frame the contemporary global reality using an iceberg model, claiming that only 10% of the symptoms are visible and explicit (See appendix 1 for the diagram of the model). Framed as 3 'divides' that we, as individuals, experience in the modern life, they present the pathologies and issues they perceive as constructing the current reality: **The ecological divide**- as a human race, we are disconnected from the natural world, abusing its natural resources and leaving an ecological footprint of 1.5 planets that will lead to a world destruction. **The social divide**- an increasing financial polarization is leading to a social separation between rich and poor, causing disconnection between different layers of society. **The spiritual‑cultural divide**- due to rapidly growing burnout and depression caused by the modern pace of living, there is a growing gap between our actions and who we really are. This divide points at the disconnection between one's current "self" and their emerging future "self" which represents their greatest potential (p. 4-5).

Although negative, the three divides represent "only" the explicit aspects of the current situation, with the lion's share which constructs of the systematic structures' failures being below the waterline. Referred to as 'the eight disconnections', these are presented as the causes which we, as a society, seem to fail in spotting. Through these disconnections, Scharmer and Kaufer (2013) present issues such as a financial bubble, caused due to a separation of the "real economy" from the financial world's speculative economy, which destabilizes rather than serves, social purposes (p. 5); a disconnection between an economic model that is based on infinite growth to the finite resources of the planet we live on; a disconnection between the accepted GDP (Gross Domestic Product) measurement, used by businesses and countries to evaluate improvement, to features that lead to improved well-being; a disconnection between governance mechanisms and the underserved populations, reducing the scope of influence held by the voiceless groups in society; a rapidly growing disconnection, supported by a discriminative financial system, between the 'haves' and the 'have-nots', that undermines equal access of opportunities and thus erode basic human rights in societies today (p. 6).

Although framed as 8 separate disconnections, those systematic failures are interconnected, stemmed from similar causes and influence each other. For example, governance that serves the financial interests of the few at the top and not of the majority's well-being leads to a discriminative economic system and therefore attributes to the increasing economic gap between the rich and the poor (Stieglitz, 2011; Oliver, 2008); using narrow financial measurements (such as GDP) to evaluate financial success rather than well-being, dictates a culture of chasing after profit at the expense of values such as spending time with friends and family, and at the expense of vast ecological damage; accelerated technological developments that are derives by the need for profit and market survival rather than real societal needs and wants which improve well being and quality of life.

Towards a disintegration of social cohesion

One of the most striking and substantial consequences of the accumulating disconnections is the deterioration of the social cohesion in western societies. Traditionally, the family (Goldsmith, 1976) and the community (Rodseth et al. 1991) were strong constructs in human societies. Looking at different cultures in the history of mankind, they were always the basic structures individuals could lean on for support and help in need, as well as for friendships and celebrations in good times. In the last few decades however, the societal trajectory is almost the opposite. With the growth of cities and the consolidation of the nation-state, the metaphor that existed of the polity

as a family or lineage, became untenable (Bowles, 2016: 19) and the sense of individualism, loneliness, isolation and tribalism was enhanced.

Sennet (2012) claims the occurrence of a 'de-skilling' process for individuals in cooperation and societal skills in modern times, claiming that it starts from early infancy and continues in different stages of life. The disintegration of the societal cohesion is characterized by aloofness of cultural, religious or racial groups, hatred and fear of foreign, individuals' low self-esteem and to erosion of social skills. Analyzing and identifying various contemporary trajectories points toward a few structural and systematic features that could be attributing to its causes:

The first feature contributing to the lack of social cohesion is the societal structure. Complex societies today depend on workers flowing across borders to maintain themselves, and therefore are constructed of various nationalities, cultures, religions and ethnicities. "A city is composed of different kinds of men; similar people cannot bring a city into existence" (Aristotle, 1968: 10). Naturally,people tend to avoid those who are different from them and to engage with those they see as similar.

However, rather than tackling this and creating more opportunities for cross cultural interactions, modern politics is built as politics of tribes rather than of the city. Meaning, although all organizations are in favor of cooperation in principle, the practicality of it is different: modern labor patterns are based on short-term employment and frequent job changes that prevent real connections and a sense of belonging among the workers (Sennett, 2006: 95); modern societies neutralize differences between individuals through homogenizations of tastes (such as in clothing, fast food, popular music and other products of the globalization), leading to an anxiety of differences and inhibiting the impulse to cooperate with those who are not the same (Sennet, 2012: 8).

Another feature that contributes to a disintegration of social cohesion is the internet, and especially social media platforms. The internet offers many innovative routes to create fast, easy and immediate connections between multiple people around the world. It eases maintaining previously existing relationships by making them accessible, fast and via multiple dimensions (talking, writing or sharing pictures) and also enables the creation of new connections between people that have never met face to face. Combining with the fast technological development of touch screens, which eases internet accessibility almost everywhere, 24 hour a day, through computers, smartphones or I-pads, many of our relationships are shifting to exist primarily in a virtual environment (Boyd, 2014).

People of all ages are seen constantly with their eyes on the screens to the extent that occasionally result in accidents; teenagers can be observed interacting with each other through online apps while sitting in proximity to each other; and the numbers of friends or 'Likes' in Facebook, as the number of followers on Twitter, are considered as substantial measurements for social popularity among young people.

Although much research is conducted in regards to these social phenomena, it's hard to fully evaluate their impacts due to their relative novelty. Nonetheless, a few realizations about the influences of these new patterns of communication already exist. Experiments show that the decrease in face-to-face interactions as a result of the pattern of usage in technological instruments harms our social and communication skills (Drago, 2015). Although social media appears to be bringing us together, it's actually driving us apart, leading to social isolation and alienation (Monbiot, 2016); constant upload of mostly positive events and feelings leads to a false picture of what life consists of, that creates competitiveness between individuals, and constantly unsatisfied with what they have.

The competitive element, which is easily enhanced through viral platforms based on pictures, reoccurs as centric in causing multiple symptoms of difficulties. It appears to be crucial in the heightening rates of people that are coping with mental health issues. As shown in studies, although economic inequality on its own doesn't cause mental illness, the combination of inequality with widespread relative materialism does. Thus, when individuals place high value on money, possession appearance and fame rather than on community, family and gaining skills and self-development, although potentially having enough income to meet their fundamental needs, it increases their chances of developing mental illness (Oliver, 2008).

1.2. <u>Sense of community</u>

The term 'Sense of Community' (SOC) was originally presented by Sarason (1974),who described it as:

> "…the sense that one was part of a readily available mutually supportive network of relationships upon which one could depend, and as a result of which one did not experience sustained feelings of loneliness" (p. 1).

The main researchers, however, whose work is most identified with the concept are McMillan and Chavis (1976, 1986). Their framework is still, even a few decades after published, "the primary theoretical anchorage for most studies of SOC" (Mannarini& Fedi, 2009: 212). Their definition of SOC is:

"A feeling that members have of belonging, a feeling that members matter to one another and to the group, and a shared faith that members' needs will be met through their commitment to be together" (p. 9).

In order to understand, and possibly measure, such as abstract idea, McMillan and Chavis (1976, 1986) defined, and later developed (McMillan, 1996), a four parts' conceptual framework. The theory is constructed of 4 elements and a few sub-elements that are framed as the cornerstone aspects which SOC is based on: *Membership, Influence, Integration and fulfillment of needs* and *Shared emotional connection*. Each of these aspects, as demonstrated by Nowell and Boyd (2010), match one of more basic human needs' as presented in a human needs framework. Thus, they are showing how being a part of a community can satisfy substantial parts of our basic human needs.

Although basing their claims on a specific basic needs' framework (McClelland's, 1961), the aspects they emphasize within it (need of affiliation, need for power, achievements and other physiological psychological needs) resonate with, or exist in, other basic human needs frameworks (eg. Max-Neef, 1986; Sen, 1989). Therefore, it supports the claim that SOC can be a true satisfier of basic human necessities.

Membership (Mcmillan&Chavis, 1986)/ Spirit (Mcmillan, 1996)

This aspect is constructed of 4 separate sub-elements that are important for the 'spirit' of the community. When existing, these elements enable the members to feel that the community is a safe space for them to be part of, therefore they are answering the basic need of *affiliation* (Nowell and Boyd, 2010):

- Boundaries- An important, and basic, aspect is the ability of the group to distinguish between "us" and "them", letting the members feel unique because they are part of it. Group boundaries make emotional safety possible between the members because they help in identifying who can be trusted as being 'one of them' (Weinig, Schmidt &Midden, 1990),
- Emotional safety/ truth- A feeling of support that the enables the members to feel that they can be their own true self, express their thoughts and feeling out loud and behave naturally without fear of being humiliated or overridden. This is a reciprocal act, since although the community is expected to enable it, the individuals need to be active in offering their true selves.
- Sense of belonging - A feeling of the individuals that they belong to the group, and seeing themselves as organic members of it.
- Personal investments- being part of a community requires commitment and sometimes even a certain amount of sacrifice, whether it is in time, energy and cognitive or emotional resources. A community needs to know that the individual is

ready to be a supportive and effective member and to invest resources such as time, energy or community taxes, within accepted limitations (Seta, seta &Erber, 1993). By doing that, the members get a sense of entitlement in the group.

Influence (1986) / Trust (1996)

The second aspect revolves around the importance of reciprocal, concurrent influence of the community on the individual and of the individual on the community. Such influence is created, and developed, as a function of the power relations in the community, and is dependent on the way power is allocated and used. Therefore, this element is answering individuals' basic need in *Power* (Nowell and Boyd, 2010).

McMillan (1996) emphasizes the importance of group norms and rules as a central way to create conformity among the group. Community norms include rules for creating order and clarity about routine ways conduction, having an explicit decision making process (through an accepted authority) and having explicit and implicit behavioral norms. Such clear norms help the group routine to be more predictable and are therefore more likely to get members involved and active. Groups that are familiar with their rules and norms are known to be more cohesive (Battenhausen & Murigham, 1991), as well as when there is a mutual influence of the leaders and the members on each other (Miller, 1990; Steel, Shane and Kennedy, 1990).

Working as a reinforcing loop, if the group is more cohesive the members tend to be more involved. Involved members lead to joining of new members, thus "the force of love, intimacy and cohesiveness operates from individual participants to the group, and from the group to the individual. This process occurs all the time because order, authority and justice create atmosphere for the exchange of power" (McMillan & Chavis, 1986).

Integration and Fulfillment of Needs (1986)/ Trade (1996)

An important and essential role of a community is fulfilling different needs of its members such as status, honor, practical help and protection of shame. This aspect, therefore, satisfies several criteria's amongst the basic needs' matrix such as the need for *Power, Affiliation, Achievements* and *multiple Physiological or Practical needs* (Nowell and Boyd, 2010).

However, the process of meeting the members' need takes time and group maturity. In the initial forming of groups, there is a lot of emphasis on the members' common traits, in order to emphasis the similarities, creating the initial connection and enabling intimacy to evolve. The intimacy also leads to the evolvement of trust among the members. Only after the group develops on the basis of connection, more emphasis can

be put on the differences between the members. That enables pointing on the diversity in needs and resources each of them have and hold. Such diversity is essential for enabling any sort of trade within the community.

When a community's economy is based on a sense of intimacy and togetherness, it represents a 'social economy'. Meaning, although having an economic value, part of what is being exchanged is self-disclosure of members. As strong as the sense of trust and intimacy are, the members tend to be more generous (Polzer, 1993). When the trust, with time, develops to be a general faith, it eventually invalidates the need for a strict maintenance of score. That's when the entire community, rather than specific individuals, becomes potential for trading (McMillan and Chavis, 1986).

Shared emotional connection (1986)/ Art (1996)

The last aspect that creates a sense of community is the feeling of shared emotional connection between the members, also referred to as meeting the need in *affiliation* (Nowell and Boyd, 2010). Such feeling is created through community events and interactions, and also by having accepted common symbol systems such as rites, rituals, myth and ceremonies. These help obtain smooth functioning and integration in the social life of the modern communities, and function as "what the cell is to the biotic world…the beginning of the social world …" (Nisbet& Perrin, 1977).

Meaning, through frequently occurring sets of rituals, ceremonies and symbols that follow certain qualities (such as having dramatic moments or honoring the members), strong emotional connection and commitment between the members is created, turning them into a community (McMillan, 1996).

In conclusion, the notion of 'sense of community' is constructed of 4 different aspects that are related to each other: "Spirit [*membership*] with respected authority becomes trust [*Influence*]. Trust is the basis of creating an economy of social trade [*fulfillment of needs*]. Together, these elements create a shared history that becomes the community's story, symbolized in ART [*shared emotional connection*]… [which] represent the transcendent values of the community… the basic foundation of art is experience… [in] contact [of members] with one another." (McMillan, 1996, p. 322).

1.3.   Introduction to 4 Community Currencies

In the western world, and especially in the UK (Seyfang, 2006) and the USA (Collom, 2011) in the past few decades, a social movement has been growing steadily. This trend is the increasing growth of the 'third sector' Social Movement Organizations (SMO's), constructed of various social enterprises, innovations and projects aiming at tackling,

through grass root activities, social, political, economic and environmental issues. SMO's are defined as "any civil-society organization that aligns its goals with the preferences of a social movement or countermovement and attempts to implement those goals" (Caniglia&Carmin, 2005). Most aspire to create a network that will lead, enhance and support a big scale, comprehensive societal change.

Among various sorts of SMO's, one type which also consists of many different variations is the Community Currencies (CC's). Although alternative ways of trade have alwaysexisted throughout history, the community currencies' trend has been definitely flourishing in recent decades. Designing to complement (rather than substitute) the mainstream money, CC's are tied to a specific, demarcated and limited community that could be defined geographically, business based or even online. As such, the CC is designed to meet the specific needs of that community (People Powered Money, 2015: 32). It can be tailored to tackle issues such as social exclusion, isolation or alienation, financially strengthening local economies, weaving more connections between businesses and more.

Various CC's are based on different medias of exchange, ranging from notes that resemble the mainstream money, crypto-currencies and even simple electronic (or hand written) registrationof balance. In addition, methods of evaluating goods and services also range tremendously: some schemes tie their currency to the national money and enable exchangeability; others set an objective, extrinsic, measurements for the currency value, such as time based currencies; some make decisions about the value of exchanged goods and services as a community without extrinsic objective measurements.

The chapter introduces 4 specific types of CC's that were studied during the course of this research. It will include a description of the basic structure and model of each of the schemes, alongside with its main achievements and the challenges it's facing. These will be presented because although all CC's are based on noble ideas, evidences (and practitioners from the field) show that the majority of initiatives fail within the first few years from their establishments (Rearick, 2017; Granger, 2017; Williams et al. 2010).

Time based currencies

There are claims that the initial idea of 'time banking' originated in Japan by Teruko Mizushima in the 70's. Nevertheless, there are no doubts that the person who is most identified with the concept, coined the term, developed it to what it is today and contributed to its worldwide dispersion is Edgar Cahn. Stemming from a mechanism of self and mutual help that was initiated by the Grace Hill institution in 1979, the idea

was taken by Cahn who formalized, branded and marketed it. Initially named "time-Dollars", the term most recognized now is 'time-banks' (Weaver et al. 2017: 8-11).

'Traditional' timebanks

The basic idea of a time bank is of a rule-based service exchange mechanism which incorporates the values of **reciprocity**, **equality** and **mutual respect**. The members of the timebanks give an hour of their time as a service to the community or to an individual. It could be in a form of engaging in a community group, initiating activity or helping another member. The hour given accredits them with one hour which they, in turn, can use to get a service from another member.

The **'Reciprocity'** value is manifested through the fact that everyone has both the roles of giving to the community and receiving from it rather than having one sided relationship. The **'Equality'** value means that everyone's hour is worth exactly the same, regardless of what they do or who they are. **'Mutual respect'** refers to the notion that everyone has something that they can give (Weaver et al. 2017: 6).

<u>Achievements and challenges</u>

The social effects that are known to be attributed to Timebanks are diverse and include improvement of members' well-being, including physical and mental health; increase in social connectivity and inclusion (especially of marginalized groups); improvement of employability and skills' acquiring; reduction of isolation and improvement in people's experience of receiving services (Garcia, 2002).

From searching in the literature, there are many contradictory evidence to the economic contribution of timebanks to the individual and on a community level. Some researches claim that the 'financial' interaction between timebanks and the local economy are uncertain (Callison, 2003; North, 2003) while others argue that the evidence supporting the positive connections are robust and significant, signifying a meaningful influence (Gregory, 2009). Supporting that stand, although there is little cost analysis of the benefits of timebanks, the few that exist suggest that savings could be shown in regards to health and youth justice realms (Boyle, 2011) and due to individuals' improved employability prospects (Casey Foundation, 2008).

Timebanks face various challenges, for example: not being a profitable organization, timebanks need to find a secure and stable source of income that acknowledge their social benefit and fund them regardless of profitability; they rely very much on the coordinator and broker, therefore can enter a weak period if individuals filling these positions are replaced (Cambridge, 2014); the nature of the work in timebanks change according to the needs of the specific community and with different conditions,

therefore it's impossible to work with a blue print and requires constant creativity and imaginations; although the aid given through timebanks is not professional or paid, members tend to value it according to market standards, and the result don't always match their expectations of "quality of service", discouraging repeating usage (Dubois, Schor, and Carfagna, 2014: 98).

'SPICE' timebanks

SPICE is a type of a timebank pioneered in the UK,which constitutes a platform for exchange between individuals and institutions. Following the same three basic values of timebanking, SPICE enables individuals to earn 'time-credit' notes (see appendix 2) through volunteering in venues, community groups or organizations of, or in, the community (Boyle, 2011). Differentiating from traditional timebanks, only certified partners (community centers), and not individuals, can accredit time-credits. The notes can be spent in touristic locations, leisure centers, educational courses, local venues, beauty treatments and others[1]. The rate will always be 1 note=1 hour, thus maintaining the basic value of 'equality'.

In contrast to traditional timebanks, SPICE is operating as a social enterprise and is being sold, as a service,to local councils to implement in the communities, thus differentiating it from standard grass-root initiative. It is, however, given as a service to already existing community groups and centers, therefore it is practically based in grass-root activities. Although everyone that wants can earn time-credits, SPICE focuses on using its platform to help marginalized communities, thus the majority of their activities take place in socially, economically and politically deprived neighborhoods. Due to its unique organizational structure, SPICE grew to be a national network, operating in 8 different locations around the UK. Their notes can be used interchangeably in all its locations regardless to where they were earned.

Achievements and challenges

Each year SPICE invites an outside survey company to evaluate and measure its social and (possibly) financial impacts. These surveys present a picture of enhanced social inclusion, reduction of youth crime, increased numbers of involved volunteers and rise in community activities (See: www.spice.org.uk). No external research, except these surveys, was found in the literature regarding SPICE's positive impact.

Although no structured survey, or research, was conducted regarding the challenges SPICE is facing, conversations with the team members shed light on three main issues: (1) maintaining and expanding the network of businesses that are willing to receive

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[1]See: www.spice.org.uk

time-credits as payments. When incidents of inappropriate behavior from SPICE customers occasionally occur, businesses often decide to withdraw from the scheme. (2) SPICE's model requires a lot of funding (printing the notes, paying a large number of staff), and therefore their model isn't affordable to communities with reduced resources.(3) Due to their structural features of managed extrinsically to the community, SPICE people are in risk of being disconnected from the community, thus the success of the project is substantially reduced.

Makkie timebank

Located in Amsterdam East, Makkie started in a very similar structure to SPICE. It was built and created by an extrinsic, for-profit, company that specializes in developing community currencies named Qoin and with the cooperation of local citizens in 2012. The idea underlying the Makkie currency is very similar to that of SPICE: the currency, indicated by notes (see appendix 3) is given in return to voluntary work. The members can use them to go to various services in the city such as leisure centers, educational courses and beauty treatments.[2]Makkie's notes' value is more lucid; although formally claimed to be 1 note=1 hour, the organisational norms are not as strict and occasionally the partners (community centers/ volunteers coordinators) give different rates.

The two essential differences between the SPICE and Makkie are (1) Makkie isn't a purchased service, but is given in any community if asking to distribute to their volunteers in venues or activities (2) Makkie can be used to purchase goods as well as services. Members can pay with the notes in specific supermarkets in the neighborhood and get a 20% discount; they can purchase a used pair of bicycles 20 notes; there is a Makkie shop in which supermarket groceries as well as clothes, household accessories and basic children's games are sold in return for the notes. The prices in the shop are decided by the shop coordinator, who works as part of the Makkie team.

Achievement and challenges

In 2015, Qoin decided that Makkie is not successful and withdrew from it. The managing team, though, decided to continue and took full control in running the currency. Nonetheless, at the time of writing these words, Makkie remained a very small initiative and therefore no research was conducted regarding positive impact, achievements or challenges. Conversations with the people involved in the schemes indicate three challenges they are facing: (1) finding a sufficient financial stream of income to support and expand the work (2) maintaining a structure that on the one hand

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[2] See: http://www.qoin.com/what-we-do/programmes/makkie

efficiently manages and on the other hand empowers the volunteers and community centers they are working with to co-create the scheme (3) maintaining the organizations norms and rules by staff, partners and volunteers (e.g. equal value of the Makkie).

In May 2017, the council of Amsterdam has decided to start a pilot and use Makkie in enhancing communities' engagement in different parts of the city. The program is providing a stable (though very limited) income to enlarge the range of activity. The outcomes and effects of the pilot are still unknown and could start to be evaluated only after a few more months into the project.

LETS - Local Exchange Trade Systems

LETS are non-profit-making schemes, originated in Canada in the 1980's. They are designed to encourage people to come together and trade goods and services among themselves, independently of the national economy or the market accepted value of goods or services using their own currency. The goods' and services' value is decided by those offering them and could be open to bargaining. Therefore, members put out their offers and whoever is interested approaches them to conduct the transaction. Today, most exchanges are done through the internet although originally there was a member assigned to be the banker and document them. LETS units don't need to be earned before spending and the credit is freely accessed and interest free (Lietaer, 2001).

Although there are hundreds of LETS schemes registered in the UK alone, and thousands more around the world, researches show that LETS schemes are often not stable and long lasting. Many of them have shut down or were never really established. Others have been through dramatic shifts of participants and are not true to their records (Williams et al. 2001).

<u>Achievements and challenges</u>

Among deprived communities, LETS schemes were found as a meaningful bridge to employment in various ways: by creation of jobs in the scheme itself; by being a platform for promoting local businesses; enabling practitioners to gain experience by giving their services; providing opportunities to gain new skills and confidence, therefore easing the job searching for approximately 64% of the members (Williams et al. 2001, p. 126-7). Moreover, LETS supports and strengthen connections in the community by creating a platform for the members to meet and interact. Through encouraging relying on each other for subsistence, LETS also enhances solidarity and social responsibility in the community.

A few decades after its beginning, it's safe to say that LETS schemes definitely didn't fulfill their expected potential to have mass and wide societal impact which they were expected to have. They are facing barriers expanding and attracting new members, especially (but not only) in communities that are characterized by mistrust or a strong sense of disbelief, that makes it hard to build a mutual aid network (North, 2003: 268). In addition, lack of confidence of people that don't know what they can contribute, afraid to offer something that won't be needed or are conscious of trying something that will not work lead to schemes remaining small. As such, they have less to offer the existing members that find it hard to have their needs met.

1.4. Crowd out –crowd in effects

"Economists love incentives. They love to dream them up and enact them, study them and tinker with them. The typical economist believes the world has not yet invented a problem that he cannot fix if given a free hand to design the proper incentive scheme."
(Levitt &Dubner, 2005)

Since the late eighteenth century, economists, political theorists and constitutional thinkers have been following Hume's maxim; determining that people are driven solely by private interests, he declared that governmental systems should be contrived to use these personal ambitions and harness them for the public good (Hume, 1964: 117-8). Thus, well- functioning institutions are believed to displace the need for good citizenship as the sine-qua-none of good government (Bowles, 2016: 25). Prices are seen to replace the role of morals in an economy which is seen as a morality-free zone, and therefore play the main role in motivating people to work, define terms and relationships for transactions and in set value through supply and demand mechanisms.

The notion that morality and good values are not necessary, and could be replaced or disregarded if good regulations and institutions are at place, stands in contradiction to the way society was perceived along the history. In the 16th century, Niccolo Machiavelli, a philosopher, politician and writer acknowledged that "neither laws nor orders can be found that are enough to check a universal corruption. For a good custom have the need for laws to maintain themselves, so do laws have the need for good customs so as to be observed" (Machiavelli, 1948: 109). Following the idea of the inherent role of morality in building and maintaining social structures, Jeremy Bentham (1789) wrote that punishments to citizens should teach them "moral lessons", and O.W. Holmes insisted that "the law is the witness and external deposit of our moral life" (Holmes, 1897). Even Hume eventually withdrew from the totality of his

statement by saying that it is "strange that a maxim should be true in politics which is false in fact" (Hume, 1964: 118).

Nonetheless, contemporary economic perceive people as *Homo-economicus*, that are taking decision through rational, self-serving processs (Bowles, 2016). However, as reality shows, and modern researchers have made clear, people are not nearly as farsighted, calculated and consistent in their decision making as economists have generally assumed (Kahnemann&Tversky, 2000; Kahnemann, 1994; Thaler and Sunstein, 2008). Variables that are considered as "external" to economic decisions such as relationships, emotional states, moral values or individual preferences have a place in the decision making processes, leading them to different decisions from those predicted by the sterile economic theories.

Crowd out and crowd in effects

One of the most prominent examples of the non-existence of *Homo-economicus* is the strong connection between moral issues and instrumental self-interests, as seen through unexpected reactions to incentives. Microeconomic principles determine that human beings are self-interested and will always seek to maximize their utility (Herzog, 2011). Therefore, high (especially monetary) incentives are expected to always increase the effort and improve the performance in the task (Gneezy et al. 2011). Moreover, people that know they will receive a reward are expected to always do a better job than those who are not getting anything.

However, repeating evidences show that extrinsic incentives occasionally lead to different outcomes, influencing behavior differently than expected. Sometimes incentives were found to have neutral or negative effect on the effort individuals are willing to put in performing a task (crowd out). In other cases, incentives were found to create synergy with the individuals' social preferences, leading to an enhanced positive behavior (crowd in). The two phenomena deviate considerably from expected behavior, and are widely researched and written of (mainly the crowd-out).

Crowd out effect

The idea that extrinsic reward can have neutral, or at times even negative, effect on intrinsic motivation, has been initially risen by two separate, but related, literature branches: (1) Titmuss's book in social science (1970) *The gift relationship*, supported later by Upton's (1973) research, claims that paying for blood donations undermines social values and therefore would reduce, or even eliminate, the willingness of citizens to donate blood. (2) In the field of cognitive social psychology, Deci (1971) identified conditions in which monetary rewards undermines intrinsic motivation.

The phenomenon named the "crowd out effect" was supported by a wide range of empirical laboratory and field studies, and is explored by psychologists, social and behavioral economists and others. Acknowledging one of the economy's most important anomalies (Frey &Jegen, 2001), different experiments showed various rewarding systems that were meant to incentivize participants to actions but were actually either irrelevant or potentially harmful to the motivation to perform tasks (e.g. Deci, Koestner& Ryan, 1999; Gneezy and Rustichini, 2000b; Bohnet, Frey, and Huck, 2001; Barrera- Osorio, Bertrand, Linden, and Perez-Calle, 2008; Bettinger, 2010).

Researchers are unanimous in claiming that **substantial** long term monetary incentives will lead to increased desired behavior (Sandel, 2012; Kamenica, 2012). However, there are multiple and consistent evidences to the crowding-out in cases that the rewards are symbolic or not aimed at supporting basic subsistence. In order to understand the causes to this perceived anomaly, Gneezy et al. (2011) defined, after analyzing multiple researches, two channels that incentives could subconsciously influence the agents' decision making process through:

(1) <u>Provide additional information</u>: Incentive can hint or shed light on additional information regarding a situation one find herself in; When given to improve academic performance, for example, incentives can signal that a specific task is difficult and therefore needs extra encouragement; alternatively, is can signal that the agents are not trusted enough to complete it without the incentive. Therefore, although stemming from good intentions, such signals could actually be 'bad news' for the agent, and thus lower their motivation to undertake it (Gneezy et al., 2011: 2). Additionally, it can alter the perceived nature of the situation and therefore lead to change of behavior (Ariely, 2009; Bowels, 2016). For example, in an experiment that was conducted in Haifa, fines were given to parents that were late for picking up their children from kindergarten (negative incentive). Rather than discouraging, the fines increased to phenomenon; parents that previously perceived their delays as inappropriate started considering them as a worthwhile monetary investment and it became an acceptable monetary decision rather than a moral one (Gneezy&Rustuchini, 2000).

(2) <u>Change other motives for taking the task</u>- Incentives may change the way individuals perceive themselves or others' motivations to undertake tasks. For example, when an individual takes a reward for pro-social behavior, what was previously seen as generous and of high values might now be attributed to mere greediness, both by the individual and by those that surround them. Therefore, since people wouldn't want to be known to receive them because of what it may indicate on their own motive to act pro-socially, the reward might backfire (Gneezy et al., 2011: 23). Sandel (2012) expands this point and says that rewarding people gives them extrinsic reasons for their actions, and thus erode the centrality of the intrinsic ones. The

intrinsic motivation might erode with time, and if the rewards will cease to be given, there will seem to be no reason left to continue performing the task.

Crowd in effect

The other side of the influence incentives might have on individuals' behaviors is the "crowd in effect". It's defined as an increasing and accumulative influence of incentives on people's social preferences, expressed through an enhanced pro-social behavior. The effect is represented through an enhanced pro-social behavior, thus leading to a collateral cultural and social benefit (Bowles, 2016: 64).

As a much less researched effect, it is hard to know what are the causes or conditions that lead incentives to create higher social preferences. However, if concluding from the estimated reasons that lead to the crowd out effect, one can predict that similar processes might take place (Bowles, 2016: 84-5): A person that is driven to do a pro-social act for the sake of the incentives is likely not to hold dear the positive affects her action evoke. However, being engaged in the act can lead to additional information about the situation, framing it in as a more social action than before, or rather increase the motivation to do the task because the individual will be able to see herself more as doing good for society and less as a self-motivated individual. Moreover, if the activity generates positive social interactions, lead to a positive sense of self or provides new knowledge and skills to the individual, she will find additional reasons to take part in it which exceed the desire to get the incentive.

Methodology

2.1. Tradition and approach of current study

This research follows the tradition of qualitative research, which aspires to understand humane phenomena through the individuals involved; observing their language, world views, their approach to events, aspirations for the future and interpretation of reality (Tsabar Ben Yehoshua, 1990). It is based on the ethnographic strand, which was originally developed to be an anthropological strategy to learn about unique aspects of cultures and societies, and has become a common method in various social sciences such as education, sociology and social work to, learn about their field from within (Hammersley, 1998).

Ethnography is a strategy that uses the researcher herself as the main research instrument. The researcher immerses herself in the field and lives in it, connecting and creating relationships with the research subjects. Through these practices, the ethnographer seeks to discover and record different types of information that are not readily obtainable through other, more detached, ways of collecting data. Therefore, the most basic commitment of the ethnographer is to fully 'be there' in the research field. To open all her five senses by talking and listening, observing as many details as possible, tasting, smelling and feeling all there is to absorb in order to get the richest and most comprehensive picture of the phenomenon she explores (Murchison, 2010).

As a researcher I wanted to come, as much as possible, as a clean slate. To try and drop my own assumptions or concepts and to truly listen, feel and experience all that is outside in the field in the most authentic way I could. The ethnographic approach, using the *emic* viewpoint of working from 'within the social group' (Creswell, 2013) was chosen after reading Shotter's (2005) distinction of 'Aboutness' and 'Withness' thinking. Following Goethe's concept of delicate empiricism, Shotter claims that in order to fully know the objects (or subjects) we encounter, we must enter into an intimate interplay with each particular one and explore them in lived and engaged ways. By enabling any new encounter to 'open up new organ of perception in us', and allowing a spontaneously responsive understanding of the dynamics of events occurring around us, we are looking at the world in a 'Withness' thinking. That is in contrast to the 'Aboutness' thinking, which is the more traditional ways of making sense through identifying familiar patterns and engaging in more conventional intellectual activity.

The search after my own 'Withness' thinking (as opposed to the 'Aboutness' thinking I'm used to) was a repeating struggle throughout the whole process of the research. It made me face substantial questions about my practice, the outline of my conclusions and the way I mapped and perceived the field I was immersed in for three month.

2.2. <u>Choosing and entering 4 different research fields</u>

Focusing in four different geographical locations, this research was taking place in dozens of different community centers and engaged with over a hundred individuals from all places (see full list in appendix 4& 5). The geographical rout of this study was paved with, and created as a result of, the development and unraveling of the research question. With the focus on the creation of 'sense of community', the more relevant and interesting currencies seemed to be those which emphasized the social aspect as their central (if not only) target, and were not exchangeable for the national currency. These

two features seemed to me as enabling a deep shift from the conventional profit oriented, discourse that is usually tethered to currencies to a more community based one. Therefore, they were chosen as appropriate to filter the CC's for the research.

Another important practical consideration was the CC's availability and accessibility to me, created by the responsiveness of the coordinators, having as access to the different role players (such as the community facilitators and the members), and also the simple condition of having a mutual language to communicate with. The sum of these considerations led the research to focus on the 4 specific types mentioned. Ethnographic research aspires to be based on many multiple versions of similar events in order to develop the ability to distinguish patterns and unique occurrences and to be able to make sense of them (Murchison, 2010: 89). Therefore, within these CC's I attempted to reach the widest scope of settings and examples I could get to.

Each of the four geographical locations that were eventually included in the research had unique characteristics and provided different personal and professional experience. Therefore, each will be presented separately, according to chronological order of occurrence:

Cardiff

Cardiff was chosen to be the location to engage with SPICE because it's one of its most vibrant and active centers. Since I contacted SPICE's office in advance, and even went to visit and meet them, they seemed a good place to start with and therefore were chosen to be the first. I thought that by arranging in advance to rent a room in a couple's house and notifying SPICE of the date of my arrival, the voluntary work could start immediately when arriving.

When arriving at to Cardiff, I met my landlords. They were trying hard to make me feel at home, but within a few hours of being there I started feeling what, as the month continued, became a much stronger feeling- lonely. Though both were very pleasant, I felt a substantial gap between us due to different world views, perceptions and even daily habits or routines. Although learning to like and appreciate both, the sense of being lonely in a foreign city, feeling detached from my friends and family and having nowhere that I felt at home was a big and important aspect of my experience from the time in Cardiff.

Full of energy to start engaging in as many activities, I was hoping to start right from the first day to go to different communities. However, after an email exchange and 4 more days (hat seemed to last for ages) without any meeting I had to adapt to a different speed. Although the SPICE managements were cooperative, they had their job and couldn't meet me when I was hoping.

The first week was basically an intermediate time for me to understand how things work, and enable me an adjustment period in entering the research-field. The start was slow and patchy, with enthusiasm when I met potentially interesting and helpful people (such as Becky from SPICE) and disappointment when I faced, time and time again, barriers and difficulties (such as lack of communication with me, disengagements and lack of cooperation). However, after about 10 days I managed to have a semi-routine constructed of various weekly activities, which deepened my relationships and allowed me to acquire, and give, more trust in the volunteers and community workers I was working with.

London

My experience in London is divided to two separate parts: 1) 10 days straight after leaving Cardiff, 2) 6 days in the last week of the field work.

In both parts, I was based in an accommodation arrangement with a mother of a friend from my college. Although I didn't know her before arriving, we had a warm email correspondence and she was very welcoming, therefore I was looking forward to arrive to a place that will also be a home. And indeed, that was the case. I arrived at the train station with heavy luggage and she came to pick me up with a warm welcome in her heart. Throughout the time I spent there, I always had her to talk toor share meals with, which made me feel I'm in a safe and warm place. Especially after the feeling of isolation I had in Cardiff, this was a huge difference and colored my whole experience in the city.

Part 1- timebanks and LETS

London became a destination for my research after realizing the abundance of projects, initiatives and community currencies that exist there. I intended to focus on 'conventional' timebanks and LETS schemes for a month, though wanted to keep the plan flexible and open for changes according to the level of interest I would find there. Trying to prepare in advance, I sent e-mails, had Skype calls and set meetings with people from different timebanks and LETS across the city.

After 10 days of spending time engaging with 3 different timebanks and 1 LETS, I decided it was enough. The engagement with the timebanks and the LETS was sporadic and unstructured, because it is based on 'one-on-one' interactions. Therefore, although I got to know better the members of the schemes, it was mainly through occasional social encounters rather than in any transactions, and I didn't feel that the situations enabled us to deepen our scope of conversation. Therefore, further work in these specific schemes didn't feel to be necessary because it didn't seem to add to the understandings and the experience that I've gained.

Israel

My connection to the Israeli timebank network started a few months into my studies. As an Israeli, I was excited to find out about our timebank network and decided to contact the head of the organization and present my interest in getting involved. Coming to Israel (for personal reasons) in the time of my research was a good opportunity to engage with the local timebanks.

During my stay in Israel, the first, national timebank conference took place, and I was invited to participate. All the coordinators of the timebanks from around the country, as well as those who are interested to start one, hear about it or get involved, were invited for a day of networking, brainstorming and joint learning about the model. From the position of a researcher working abroad, I was asked to enrich the discussions with the different schemes I've encountered, to raise theoretical questions and lead a conversation about the essence of the practice. Leading from the conference were further online interactions and conversations with individuals and coordinators from the various timebanks.

Amsterdam

There are many different interesting experimental CC's in The Netherland, among which is the Makkie, we I chose to focus on. Beyond the fact, that as a scheme, Makkie includes many unique aspects that are relevant to this study, there was a language barrier that prevented integration in other CC's outside of Amsterdam. In addition, I was introduced in Amsterdam to a vibrant and functioning LETS community.

The field work in Amsterdam was inherently different, if only for the mere fact that I didn't have a common language with many of the community members, therefore the depth of the conversations was often limited and unsatisfactory. However, the openness of the Makkie staff, as well as of all their partners, to be the subjects of my research was heart-warming, and their willingness to help me made the language barrier easier.

London

Part 2- SPICE

The second part in London was the last chapter of the field work, and therefore my questions and practices were a lot more focused. Feeling as if I was possibly not accurate enough when first engaged with SPICE, I wanted to have another opportunity and find out if there is more I can see. My attention was focused especially at 'The City of London' district, since it's the oldest one working with SPICE (for 8 years). Within the district, I was aiming to get engaged with the community centers in which SPICE,

according to the coordinators, had the most substantial recorded influence in expanding the social engagements of the citizens.

2.3. <u>Research methods</u>

The main method of this research was **'participant- observation'**, which although considered as the central and defining methodology of ethnography, is lacking a single definition or agreement of what it constitutes of. Different writers referred to it as an umbrella term for all types of ethnographic field work (eg. Van Maanen, 1988; Agar, 1996). Using a more contemporary approach, Dewalt& Dewalt (1998) claim that it is one among a number of methods (others are interviews, structured conversations, questionnaires or other formal elicitation techniques), and describe it as "a way to collect data in a relatively unstructured manner, in naturalistic settings by ethnographers who observe and/or take part in the common and uncommon activities of the people being studied" (p. 260). Therefore, it is a practice that is set on a gentle line between being an outside observer of events and being an active participant of the situation. The observer functions as a recorder of the events as she sees them, whereas the participant 'gets the sense' of it through her own 1st hand experience (Murchison, 2010: 87). The balance of the two is a central and important aspect of the methodology.

The participant-observation in this study was diverse and included getting in and out of multiple sites (full list in appendix 4), trying to immerse myself in various community centers and become, for a limited length of time, an active member of the CC. Interested in talking to the members in the most natural environment, I was aiming at taking part in as many time accredited activities in the timebanks (whether in a community setting or in a P2P basis), earn as many SPICE or Makkie time-credits as possible or join community gatherings of all schemes. Therefore, I got involved in working in community gardens, cooking, serving or eating meals with other members, building cupboards, joining knitting clubs and many other diverse activities. These, as addition to the opportunity to observe and participate in the course of events as they naturally are, were a wonderful platform to initiate conversations and informal interviews with the other participants.

A good ethnographic research combines and balances the use of participant-observation with interviewing. A firm line between the methods doesn't always exist, and the ethnographer aims to become an *engaged conversationalist* rather than an interviewer (Murchison, 2010: 100). As such, I aimed to **talk, in informal settings**, with the other participants (whether the volunteers or community-workers) about any random topic, relevant to the volunteering or not. Their experiences as CC members

and their views of schemes were only part among many in the conversations. My target, as an *engaged conversationalist*, was to get a broader understanding of the people's perspectives and points of view, and see what they, rather than me, sees as important and relevant. That occasionally brought up topics I wouldn't have thought to bring up, such as their benefits payments, self-confidence or family status.

The last, but not least, very important method that was used in this research was the **formal interviews**. Although not structurally built and not based on a pre-planned set of questions, there was a clear distinction between the formal interviews and the informal conversations I was conducting. Aiming at keeping all of my interactions as informal as possible, I never asked for an interview, but always requested "just to talk". My goal was to decrease, as much as possible, any kind of power relations or negative connotation that could attributed to the concept of an interview. However, the setting of conversations in a room, sometimes with a recording device (to avoid the need to write) and always with me asking questions resembled an interview more than I wanted it to.

The individuals whom I had formal interviews with were always the managers and coordinators of the communities, and never the volunteers (see full list of interviews see appendix 5). It wasn't planned this way and resulted from the conditions I met in the field, but there was an apparent difference between the type of interactions I had with the coordinators and facilitators, that were mostly more formal, from those I had with the community members. These differences helped me identify the different circles of power I interacted with through my work. These became a repeating framework to make sense of the power relations in the CC's:

2.4. <u>Different layers of involvement</u>

Through my interactions with all the possible "actors" in the field of CC's, I identified 3 different layers of interactions that I took part in. Each of the circles consists of individuals on different levels of engagement in the CC, and the nature of my interaction with each of them varied:

<u>The first circle </u>consists of the heads, brains and theory developers of the CC's. As part of my search to talk with whoever was interested, I reached various 'theory developers' and thinkers that are holding a central role in managing, or developing, different CC's. Although usually not working intensively in the field, these individuals had different and interesting perspectives, ideas and insights regarding the schemes. Since they are not involved in the community activities, the conversations with them were always more formal, either via Skype or as an interview in a room.

The second circle consists of the community workers, groups' facilitators and coordinators. These are the individuals who work in the field and juggle between the financial, bureaucratic, managerial and social-personal aspects. They are the bridge between the theory of CC's to the implementation of it, and were the gate I had to pass in order to get involved in the activities. My relationships with them were crucial and defined my ability to engage with the groups themselves. The nature of the interactions was diverse, ranging from formal and recorded interviews to hear about their perspective to casual talks during the activities, along with the other volunteers. Many of the 2nd circle workers started, originally, as "simple" members/volunteers, and after some time of being active and engaged were assigned, or initiated, a more formal role in the scheme as leaders.

The third circle is the largest group, consisting of the community itself. It consists of permanent or occasional volunteers, members of the scheme or one-time attendants, participants and services users. These are men and women, reach and poor, of various colors, cultures, backgrounds, and financial status and any other personal or demographic differences for whom the CC's exist, who are encouraged to get more involved and active within their locality. My interaction with them was never formal (displayed as conversations for my dissertation) but always casual. They were happening during the voluntary activities (in the community context or in their house), in community events or just in occasional encounters. Although all were aware of my research, the interactions were never framed as a one sided interview but was always embedded in a more natural context of relationships.

2.5. Ethical considerations

Through my research I had to deal with two ethical issues:

1. Although I approached many CC's, not everyone replied. The ones I worked with were those who eventually opened their doors and welcomed the research perspective into their scheme. Therefore, they naturally ended up to be the subject of both appreciation and criticism, which they didn't initiate and ask for. In order to avoid any inconvenience, I tried to emphasize as much as possible, when engaging (especially with 1st and 2nd circle workers) that I'm not trying to pass any judgment or judge the scheme, but just to understand it.
2. Due to the nature of my methodological practice, I was engaged with all three "levels" of the CC, and occasionally got caught in between power struggles or political conflicts, in which I was sometimes asked to support sides. Although my heart was occasionally drawn to support who I found to be right, I made efforts to avoid, and to

gently withdraw from these situations, in order to avoid being a too transformative extrinsic influence on the situation. That, I feared, could lead to a complete inability to understand and judge the situation as it is regardless of my being there.

Field work findings

3.1. <u>Power relations vs. Co-production</u>

The question of power within the community currencies relates to one of the four basic constructs of SOC, meaning the need to have the feeling that one can influence their surroundings. It was apparent in many aspect of my engagement with the communities, and was constructed of various questions such as who really holds the power? Can it be truly distributed equally? And how is the power handled once given/ taken? This chapter presents 2 of the central issues that stood out as being the core aspect of the notion of power: (1) the difficulty to trickle down power between the different levels of the CC (defined from now on as the circles) and (2) the difficulty to distribute power to those who don't have it at all.

<u>Difficulties in trickling down power</u>

One of the basic theoretical ideas of CC's, which also kept standing out from the field practice, is the desire to empower the communities using the platforms of the currency. All seem to share Boyle's (2009) views that mere participation eventually leads to systems that repeat the failures of the previous ones in maintaining a hierarchical structure and keeping the lower layers of society weak. However, reality shows that, although being a fundamental aspiration, it's also among the main struggles and not necessarily the most successful one.

<u>Co-production doesn't happen on its own</u>

The idea of encouraging co-production as part of the CC was first introduced to me during my first meeting with SPICE in Cardiff, a few months before the research had started. The head of the branch explained that a result of merely expanding the voluntary sector isn't sufficient since the scheme is designed and aimed at encouraging service-users to become service-providers (Dineen, 2017). The idea sounded wonderful and appealing, moreover when I gradually learned that it was the underlying idea of all the CC's.

In both SPICE and Makkie, members are welcomed to initiate a project, a course or an event in the community and the schemes are happy to give notes to volunteers in these initiations and to provide resources such as physical place, advertisement etc. in timebanks and LETS, accept individual exchanges, the schemes are built on individuals that want to offer activities to the whole community (lectures, courses or any other contribution on a community level) for credit. In other words, the target is that the members, rather than "just" earning time through the possibilities offered to them, would individually initiate earning opportunities that they are interested in.

However, although it sounded like a wonderful, and plausible, idea, even a few weeks into the research it was obvious to me that it wasn't so simple. I realized that occasionally it worked, and I've seen many events and venues that were initiated by members that decided to take action. However, for a reason I initially didn't understand, there were community centers in which it just didn't happen at all. Despite having active and involved volunteers and a vast community engagement, there was no culture of co-production, and the members were just waiting for things to be initiated by the 2nd circle workers.

After facing this reality, I realized that many of the 1st and 2nd circles were acknowledging the difficulty in co-production. Most of the 3rd circle members joining the CC's aimed to gain something (whether social, financial or other) and not to create anything. There are unique individuals that join due to an activist motivation and are using the platform to fulfill their passion and desires for social creation in the community. However, most participate as mere semi-passive members, earning credit through the offered options and don't have the energy, or the confidence, to initiate new alternatives. The transformation from being a service-receiver to becoming a service-provider requires an active force, and doesn't appear to happen just due to a platform that enables it. Than the question remains how co-creation and a sense of power can be enhanced among 3rd circle members?

From observing the examples of successful co-creation encounters, I can specify 3 channels through which co-creation appeared: empowerment, gradually stepping up the circles and active conduction of co-creation.

Empowerment that leads to co-production-The first, and possibly most common, path that leads to co-production is by empowering the members and strengthening their sense of ability. After starting to believe in themselves, the likelihood of initiating projects of their own increases. Dave is a good example for this- an unemployed man that has been volunteering in his community center for many years. Initially he considered himself lazy and useless, couldn't keep a job for long and had nothing that motivated him. He started going to the community center out of sheer boredom.

Gradually he started to volunteer and became one of the most persistent of all, spending most of his days in the community center. The idea to start a 2nd hand shop originated from seeing an unanswered need and wanting to address it.

The CC's part in supporting the co-creation was relatively minor, because due to the sense of agency he has developed, he says he would have initiated the shop even without the CC's platform. Therefore, the role of the scheme was mainly to help Dave develop his sense of power, for him to feel that he can take action.

Stepping up the circles - Another channel through which the CC's can support the members to gain agency is help them moving from being a 3rd circle members to 2nd circle one, whether through paid or not. An example for it could be Sarah, a single mother that became highly active in earning time-credits in her community. After a few years of mere volunteering, she became a community worker in her neighborhood, at first unpaid and eventually was also hired as an employee.

The CC's can support its members to initiate and become more involved. However, when it enables them to become leaders in their own communities and grant them responsibility, rather than a one-time project, the enhancement of their engagement becomes much more powerful; thus, they can also support and influence other community members in creating their own initiations

Active creation of co-production - a third way in which the platform of CC can lead to co-production is weaving it in the routine of the scheme. Although not always the most efficient way of running an organization, if it's something that is part of the principles of the CC, it could be implemented daily. The best example I've seen is in one of the timebanks in London, where a monthly steering group is meeting to discuss managerial issues of the scheme. Although the majority of the participants are coping with sever learning difficulties, the coordinator of the timebank sees it as a basic feature of a grass-root initiative, and therefore insists on maintaining it. For me, sitting in the meeting with people that cope with sever OCD, extreme ADHD, mental health issues and an elder lady with hearing problems seemed almost surreal. Advancing the meeting was extremely exhausting and slow, and there were many points that I was at awe with the coordinator, persisting to continue with the cooperation rather than just making all the decisions. As in any organization that aspires to engage the members, CC's can also take structural steps in order to promote it, each community in its own extent and scale.

To conclude, all three of these channels to co-create are, in a way, structurally inherent in the system. However, the main force that leads to the fulfillment of this potential are mainly the people involved; the coordinators setting the norms and directing a pattern

towards nourishing individuals, and the community that is aiming at taking every opportunity and trying to make a change. If leaving it only for the system to create, any co-creation is likely not to happen.

Gaining power when not having any at all

One of the inherent values of the CC's is social inclusion, and being available to all who want to be part of it. Some of the CC's are even trying to target mainly marginalized communities, aiming at providing them with opportunities that they usually don't get; SPICE and Makkie and some of the timebanks (both in London and in Israel) are working in impoverished neighborhoods and rehabilitation centers, initiating activities that could appeal to more disadvantage individuals. However, although aiming at reaching out to the non-reachable, it appeared that even under the umbrella of the CC's, some amount of money, or privilege, is required to be engaged, even if not formally, then technically.

Visiting the community garden in Pentrebane, Cardiff, I realized that no time-accredited activities are available there anymore. The reason was that the community was so under-supported, that there was hardly any activity, thus the council decided to stop providing the SPICE service. Rather, it was given to community centers that were more vibrant and active, in which they could report an higher rate of time-credit earning. The idea of being too impoverished to participate in the scheme seemed absurd, but the structural features, requiring SPICE to charge for their services, created a barrier that stopped the truly needy from joining.

In different ways, the barrier of being too impoverished repeated itself also in the individuals' level in Makkie, SPICE and various timebanks. In all three, I've met individuals that, although wanting to participate and looking for the support of the CC, were unable to. Living a bus-ride away from the center, they couldn't afford joining the activities.

One of the CC's are meant to solve, or be able to tackle, all the societal issues existing even among their communities. Having economic considerations for the subsistence of the scheme is reasonable, and being constrained by the scope of volunteers which can be reached is completely understandable. However, it does put in a question mark the desire of empowering the disempowered, reaching out to the excluded and creating social unity, when having a structural barrier to reach those who are truly the most excluded.

3.2. The influence of incentives on pro‑social acts

One of the main targets that brought me to this specific research, as well as one of the main themes that kept coming up from the field, revolved around the tension between being in close and friendly relationships as part of a community and getting something extrinsic in return for the effort and help being put in the community.

During the field work I've noticed a distinction between timebanks and LETS schemes on the one hand, and SPICE and Makkie on the other hand regarding this tension. The LETS and timebanks constitute platforms of more reciprocal exchanges between individuals, whereas the Makkie and SPICE resembled a system that rewards pro-social behavior using the time-credit notes, and weren't cultivating direct reciprocity. Many of the timebanks/LETS members I have met declared that they joined the scheme mainly due to practical or financial reasons (for example- needed help fixing their house, learned new skills, used the platform to develop and expand their enterprise/business). However, it seemed that the crowding-out option was never really concrete due to the experience of direct reciprocity. When the act of 'giving' is equally influential as the act of receiving, or when the act of receiving is colored by the social interactions that accompanies it, the idea of crowding-out just appears irrelevant.

Therefore, this chapter will present the search after the crowd-out effect focusing on the Makkie and SPICE schemes. It will start with the elusiveness of it, describing the feeling of it being almost within reach, but never really there. Then, the crowd-out effect will be described as was reflected from the 2nd and 3rd circles' members, both in talking and from their actions. To conclude, I will present my own perspective of the 'crowd out effect' both as an observer and as a potential experiencer of it.

The non‑ending chase after the 'crowd out effect'

The question regarding the possibility for crowding-out intrinsic values as a result of extrinsic incentives in the CC's was central to my research. Perceived as a true moral decline, I was interested to understand the conditions in which it's more likely to happen, the communities that are more susceptible to it and to what extent it is really happening in the CC platforms. However, through 3 month of fieldwork, engaging with 4 CC schemes in 4 different states based in almost 30 different community centers and dozens of people, the 'crowd out effect' kept "hiding behind the corner".

The effect can appear in two manners: the first, and stronger form, would be when incentives reduce, rather than increase, contribution to public good. The second is although the desired behavior will appear following the incentives, it wouldn't be in the magnitude expected (Bowles, 2016: 51). Since not being able to measure any of these, I was looking to identify the crowding-out through individuals' attitude towards

their contribution (doing it with lack of interest or in a way that seems as if it's not coming from an inner motive). Alternatively, I was expecting to talk to people that say they are driven by the will to gain (notes, help),that see the potential gain in front of their eyes and that will not take part if they will know there is no future gain in the end of it.

From the first impression I already realized that finding traces of it was harder than I imagined it would be. The vast majority of people were participating for various different reasons that were not gain-seeking. The reasons ranged from altruistic drivers (to better the community, help people in need etc.), social reasons (looking for human connection, boredom), practical reasons (hoping it will help them get a job, need assistance in arranging their garden) to self-development and acquiring new skills (work on their self-confidence, gain practical experience in arranging events etc.). The importance of the rewards or incentives they were getting in return seemed to be minor and negligible in most cases.

Nonetheless, with time and experience gained, my search for the crowding-out became more focused and accurate, learning to look for it in specific context rather than simply everywhere. Following hints and directions given by the communities themselves, I was aiming at looking for it mostly among communities that live in poverty and have been accustom to the currency for a while. Since the currency was, allegedly, more assimilated as a basic mean of subsistence in these conditions, it was expected to be more central in the array of considerations of the members regarding any motivation to volunteer.

However, my search was only semi fruitful. On the one hand, wherever I turned, when asking about volunteering for the reward, many confirmed the existence of the phenomenon; some even claimed that it characterized the majority of the volunteers, and that without the incentives **most** of the activities are not likely to take place because no one would come. On the other hand, as if in some silly 'hide and seek' game, it was never there, apparent and tangible in front of my eyes. Except being talked about, it could also be implicitly found when understanding some of the 2nd circle's workers patterns of conduct.

For example, a local worker decided not to give a time-credit for every activity because she wanted to avoid exactly the volunteering only for the notes. Therefore, making sure to be fair and enabling all volunteers to receive them, she didn't give them after every event but occasionally, therefor the volunteers couldn't know if they are going to get them or not. In a different example, a neighborhood litter picking was making sure to give the notes for every hour only to minors and unemployed participants. For the rest, the notes were accumulated and used for communal outings. Thus, rather than

leading to greediness, the social effect of the notes doubled, for bringing the members together in social contexts as well.

From these experiences, an elusive image of the effect was created that is always being 'around the corner'. I was in a chase that didn't end, following clues or directions, going to the locations that were pointed to and trying to engage with those who, allegedly, were extrinsically driven. But time and time again, the search seemed to be failing because the effect didn't appear.

Crowding‑out as a way to identify "Othering"

The claim for the existence of 'crowding-out' appeared both from the 2nd and the 3rd circle members (1st circle mostly didn't say it existed). It echoed from descriptions of behaviors they saw, such as patterns of profit maximization, rather than generosity, regarding the currency; putting the minimal effort required for getting the notes but leaving the minute they are given. Observed and interpreted without talking about it, these behaviors appeared as a representation of a 'moral careless' about the volunteering.

One of the prominent locations that supported and claimed for its existence was in the Makkie shop, located in a neighborhood containing a mosaic of multiple cultures and origins. As a place that sells various goods (groceries, clothes, children games and more) only for Makkie notes, the store indeed holds a unique position for observing their currency. The two ladies (a volunteer and Makkie employee) that are running it spend two days every week being in a situation where the economic and social values collide the most, because the voluntary work is being translated to actual value. Both heartedly claim for the relevance of crowding-out, but mostly assume its existence among those who either don't speak their language, or are from a different origin. Moreover, when discussing with people from different cultures that they know well and communicate with often, the assumption of the crowding-out was milder. However when mentioning members of other cultures that didn't speak Dutch (therefore there was no channel of communication), the assumption of its existence was much higher.

Indeed, most of those who talked about the crowding-out, both among 2nd and 3rd circle members, mentioned it regarding 'the others'. More than referring to people that are not themselves or their loved ones, it seemed to be something that was assumed of members of groups they were not affiliated with. Whether not sharing a language, feeling alienated from or just not knowing them very well, it was easier to assume that being immoral was a feature of others. There was only one case in which I worked with a community-gardener that, although knowing well the people he was working

with, still assumed the crowd-out to be relevant for them, and wasn't using it as a feature that explains, or justifies, his own detachment from them.

Looking for a 1st hand perspective of the 'crowd out effect'

My "search" for the 'crowd out effect' had a few layers: beyond talking to the people **about** it, I was looking to experience it from **within**. Meaning, I was looking for a deep encounter with the crowding-out in two different levels. The first is through experiencing it from the volunteers, rather than just hearing them talk about it. Knowing that a lot of what can be seen is not verbal, I tried to pay attention to body language, social interactions, emotional reactions and other aspects that could signify the volunteers' motivations. This, as mentioned, resulted without finding tangible evidences to the effect.

However, the other level I was interested in was of my own as a volunteer. It could have seemed impossible for me to actually experience crowding-out because, if following the characteristics that are likely to lead to it, I've never experienced poverty and am definitely not relying on the currencies for my subsistence. However, I was curious whether or not I could find traces of it due to my experience with the CC's.

Although fully committed to fill my days in time-accredited activities, after only two weeks of fully engagement I already felt tired and not as motivated as I hoped to be. Therefore, it was interesting that at times when time-accredited activities (that I got the notes immediately) collided in times with those that, due to the organizational culture, didn't eventually accredit me with the notes, I was occasionally more drawn to those without the notes. Analyzing my own reaction raised a pretty simple explanation: although intended to focus on earning time-credits, from the context of being lonely in the city, I couldn't help being more drawn to the warm social contexts. These, by coincidence or not, turned out to be those that either didn't regularly distribute the notes in the end of the activities or were only handing them when asked to, something that I didn't feel comfortable to do.

Therefore, my own experience of crowding-out led me to feel how, although I had good reasons to focus on the notes as my main target, "chasing" mainly the activities that were accrediting me with them, it didn't work. When a different need was satisfied (in this case- the need for social connection was the most burning one), it completely overrode the practical academic need I had to earn the notes.

3.2. 'Togetherness' as an important aspect of community

This chapter will present the, possibly, most basic and crucial aspect of any community activity- an aspect that I have named 'togetherness'. Although not a commonly used term, it was chosen because it seemed to me the most representative to the specific aspect of being together as a community. Spending time together could be a simple and technical act. However, as was obvious throughout the field work, it is definitely not the main aspect of it and is definitely not sufficient in differentiating a mere 'functional' group of people from a community.

'Togetherness' is, as I have defined it, the feeling of having something in common with people around: sharing goals, facing the same difficulties or successes and being there for each other. In many ways, it resembles the aspect of membership McMillan &Chavis's (1986) from the SOC theory, constructed of: *boundaries* (belonging to a group), *emotional safety* (that the group provides its members), *sense of belonging* and *personal investment* (of the members in the group). Although often existing between family and friends, one of the interesting and unique aspects of togetherness in a community is that the intimate relationships are not a necessity. Togetherness could appear and fulfill the members' needs also among people that aren't close friends but nonetheless manage to provide a safe space for each other.

During the field work, the social aspect of the CC's was commonly discussed with all the participants. It was presented to me as a central drive for participation, a primary contribution of the scheme and a dominant part in the members' experience of the scheme. Therefore, this chapter will present two aspects that the 'togetherness' was discussed through: the first is the individuals' search for social interactions and the way it was experienced by them. The second is the different approaches of actively creating the 'togetherness' rather than just "letting it be" naturally. I will also present the effect of each approach on the social cohesion of the community.

Members' reaching out for togetherness

Social drivers were among the most common for members to join, stay and be active in the CC's, although there was a wide range of such drivers: Many were looking for expanding their social circles and create more close friendships, saying that they are lacking other platforms they feel comfortable to connect new people through Others expressed a desire to tackle the sense of alienation in their locality. Although not feeling the need for new close friends, they explained that they want to feel as if they can recognize the faces of the people when walking down the street; Some were expressing the desire to enhance the local social cohesion for times of emergency or distress, saying that they want to know that no one, including themselves, is being left

without care; And some just enjoyed the social interactions. Without having any long term targets of any substantial social networking, they just enjoyed taking part for the time being.

The first and most obvious effect CC's have on 'togetherness' is, indeed, the enhancement of close friendships, created during the various activities. Members of timebanks and LETS mentioned the ongoing relationships that stemmed from individual exchanges. These eventually exceeded the scope of the formal exchanges and occasionally were even stopped being registered, in order to enhance their personal, rather than formal, flavor. In Makkie and SPICE, the members talked about intimate relationships that were created as a result of repeating encounters during volunteering; relationships that, in many cases, exceeded beyond the scope of a weekly meeting and became part of their social network. In all cases, the platform of the CC, that enabled the encounters, was merely a trigger for it to start. All the people admitted that although wanting to create new relationships, they didn't feel comfortable to approach anyone without an extrinsic framework that creates it.

However, beyond the personal relationships, the second, and highly significant, aspect of togetherness was the feeling of belonging; being proud to be part of a group, even if not necessarily having close relationship with the rest of the members. This feeling was described as meaningful across the four schemes. After activities, events or other gathering that brought members together, many mentioned the importance of feeling part and being accepted. It was essential for many people to know that this group of people exists. That even if they don't meet so often, they have a weekly environment that is friendly and accepting, with people that one can approach in times of need. For many of the members, the reciprocity aspect was a crucial element that enabled them to be part of it. Without being expected to give something of themselves, they claimed that they would have felt as needy beggars (not only of financial resources) and wouldn't take part. Since they know they are also giving something of themselves, they felt comfortable to socially rely and lean on the community.

To conclude, most members claimed that the role of the CC in the creation of the social connection was mainly in offering the platform. The structure enabled, and eased, the nurture of strong connections between individuals, that although could theoretically be created regardless, didn't.

Active 'togetherness'

All four CC schemes in this research were chosen because they emphasized strengthening the social aspects of the community in their core agenda, and their daily activities were designed to implement it. However, as theoretical schemes leave the

planning paper and become a reality, things change and evolve. The place that each of the schemes gave to the creation of social cohesion (over other targets like financial survival and economic support for the members) diverged between the schemes and even between different branches in the same model. Some focused on creating as many venues and volunteering opportunities, encouraging the participants to be as active as possible; others tried to reach the widest audience possible, in order to make their model more vibrant and inclusive; some were putting a lot of effort in newsletters that kept everyone informed and involved even if not being active; others were trying to actively mix different groups in the community in order to enhance cultural integration and tackle tribalism.

However, one feature that was repeating among most of the branches and across most of the schemes was understanding the need in actively creating the aspect of 'togetherness', rather than waiting for it to happen naturally. The platforms themselves create endless opportunities for individuals to engage with each other, either in a one-to-one basis or as part of a group. However, in most of the branches, the coordinators were initiating additional gathering for the members, the partners or the workers aimed only for social purposes.

In both LETS schemes I met, these gathering involved a meal to which all members were invited; in one of the timebanks it was a morning/afternoon cafe that was inviting members to come and engage with each other; one of the SPICE branches was holding an event in which volunteers and partners could come, spend time together and talk; another branch was holding seasonal outings for the volunteers. Some of these gathering had also a functional purpose (of enhancing exchanges or recruiting new members), but most of them didn't, and their sole intention was to bring people together and strengthen the relationships.

Emily, a senior member in the Dutch LETS tried to explain it from her own experience. She has been a member for many years, therefore she personally knows most of the members and is comfortable with the terms of exchange, therefore is not intimidated by unfamiliar faces or of break of the norms. However, she prefers to arrange her transactions face-to-face in the monthly gatherings, and if it doesn't work, she always sets a meeting to get to know who she is bartering with. According to her, without a personal flavor and knowing the people, the formality of the exchanges might lead it to resemble market settings, thus losing the sense of intimacy.

The same thing was presented by Dave, a timebank coordinator who set a special platform for businesses' timebanking. He explained that without a regular get-together for coffee and informal interactions, the platform won't succeed and will quickly "deteriorate" to another, for-profit, form of exchange. Meaning, the sole physical get-

togetherness that is created through the exchanges is not sufficient in creating the sense of ꞌtogethernessꞌ, and additional deliberate actions are required for that.

Further emphasizing this point, itꞌs important to note potential consequences when this adjusting doesnꞌt take place as appeared, for example, in the Makkie platform. For different reasons, mainly financial and structural, the Makkie scheme doesnꞌt hold regular spaces in which the volunteers and the partners get together, not for formal nor informal interactions. Although this type of gatherings is happening in different groups of Makkie users, they are not initiated by Makkie and arenꞌt intended to bring together members that are not affiliated with one another regardless of the scheme. And thus, although it could be attributed to various other causes, itꞌs apparent that part of the influence of this absence is lack of a sense of ꞌtogethernessꞌ among Makkie users. The members donꞌt engage with Makkie users outside their own congregation; there is very slim affiliation with the currency itself; very few connections between congregations are created and supported by the Makkie notes.

Moreover, regarding the partners (community centers that hold the activities), due to the lack of ꞌtogethernessꞌ even in the level of the coordinators, their main affiliation developed to be only with the members, and not with the currency. Meaning, rather than being a bridge between the 1st and 3rd circle, many act according to market norms, seeing the need to extract as much of the currency as possible, even using manipulation and deception, aiming at exploiting the system for the benefit of the members.

Discussion

When approaching to summarize my comprehensions from the research, I faced barriers, stemming from the abstractness of what I perceived as my findings. My initial expectations were to reach to a tangible understanding regarding the connections and the effect of community currencies on the sense of community, and aspired to be able to produce guide lines or theoretical framework that can clarify how one affects the other. However, three month of immersing myself in community currencies showed me the complexity of the connection between the two and emphasized that such an outcome could not be possible.

However, as Sen (1989) wrote, *"…if an underlying idea has an essential ambiguity, a precise formulation of that idea must try to capture that ambiguity rather than attempt to lose it. Even when precisely capturing an ambiguity proves to be a difficult exercise,*

that is not an argument for forgetting the complex nature of the concept and seeking a spuriously narrow exactness. In social investigation and measurement, it is undoubtedly more important to be vaguely right than to be precisely wrong." (p. 45)

Indeed, in presenting my findings I aspire to capture the multiple levels of complexity stemming from the connections between organizational structures, human relationships, human nature and societal norms. My findings are presented through two separate, but related, topics that together create a whole picture of my comprehensions from this study. The first is the idea of understanding organizations in general, but specifically community currencies, through the perspective of 'complex responsive processes'. This perspective helped me change the perception and conceptualization of what community currencies are. The second one regards my personal inquiry of searching for 'crowding-out', suggesting potential explanations of why it was, so robustly, not apparent, against earlier expectations.

4.1. It's not the structure but the people

This research started with the broad question regarding the way different community currencies affect the sense of community (either by creating and increasing or by harming and decreasing it). SOC, as has been presented, is constructed of 4 different aspects: Membership, Influence, Integration and fulfillment of needs and shared emotional connections. The presentation of the field work, presented how these issues could, and are, addressed through the platform of the community currencies: If enabling the members of the schemes to have a say in the model and to gain a sense of agency through being involved in co-production of services and community events, it answers the need for *Influence*; when providing a platform that encourage and eases the creation of interactions it supports *shared emotional connections*; When creating events that bring people together and emphasizing the importance of the togetherness, it leads to a feeling of *membership*; And when members are receiving support of different kinds (whether practical, social, educational or others) it *fulfills* (at least some of) *their needs*.

However, an important aspect that ought to be amplified and paid attention to is the indecisiveness of all the claims above: "*when* it happens", "*if* enabling...", "*whether* doing something...". These uncertainties could be bothersome because they make the observations impossible to implement or to make sense of. However, as stood out very clearly from the fieldwork, they are essential to the accuracy of the argument and represent the core essence of the *potential* connection between CC's and SOC.

Hence, the community currencies, each in their own way, could create, support or enhance various aspects in the sense of community. They can amplify the relationships between individuals, strengthen their sense of self-worth and possibly increase the volume of community actions. However, what eventually will be driving these changes are not the platforms per se, but the individuals involved in them.

Contemporary perceptions of organizational management, leadership and even social changes tend to follow systems thinking principles and to be constructed of rather formal ideas. Ideas such as 'Holocracy' or 'Sociocracy' are increasingly adopted in mainstream businesses and in social enterprises[3], aiming at integrating values of cooperation and democracy as a structural feature within their systems. Thus, they are striving at creating a revolutionary change, led and directed by systematic alternations. Holocracy addresses organizational structure in a mechanistic manner, needed to be engineered in order to change an assimilated organizational culture[4]. As I've faced in my research, such a notion doesn't match the reality of the systems and isn't able to lead to the desired goals of true inherent cultural change.

Stacey, Griffin and Shaw (2000) present a different framework for understanding organizational and systems' dynamics through 'complex responsive processes'. This framework emphasizes the human relations over the formal rules and the daily, unplanned interactions over the planned, initiated acts. *"Systems work, to the extent that they do, because of the informal, freely chosen, ordinary, day-to-day cooperative interactions of an organization's members, and this cannot be controlled… such activity cannot be understood from either mechanistic or systematic perspectives because the underlying theories of causality upon which those perspectives are built exclude the very human freedom upon which the kind of day-to-day cooperative interaction we are referring to depends."* (p. 60)

This framework matches and portrays my own experience with the different CC's. Through the field work, I have been engaging with schemes that were, allegedly, "the same", such as different branches of SPICE, different partners approached to from the same branch, various timebanks and LETS, or even just in the variations between individuals' interactions. Although the formal structures, the goals and vision, the set of norms and the ways of work were supposed to be the same (and occasionally really were), the way of conduct and the outcomes of each of the schemes varied tremendously between the community workers, community centers, partners and individuals. The effect of the CC's on their communities were, in the end, a result of

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[3] http://wiki.holacracy.org/index.php?title=FAQ
[4] https://hbr.org/2015/09/the-big-misconceptions-holding-holacracy-back

the local interactions of the individuals in those schemes with the individuals around them.

Stacey (2012) advocates the idea of local-interactions as the leading, most prominent force of social change. Rather than happening due do mysteriously 'self-organization' or unexplained 'emergence', societal reality happens through multiple agents taking actions. He claims that *"there is no scientific evidence that planned culture change produces changed culture. The change can only happen in many many local interactions, not through some central plan or programme."* (p. 15). Thus, the prior organizational plan functions as a mere idea, and doesn't seem as the force behind the changes.

The idea underlying community currencies is to be designed to address objectives to support and help specific communities (People powered money, 2015), and the four CC's examined in this research emphasized tackling social isolation and exclusion as one of their primer goals. They are doing it by providing a potentially useful platform to start from, encouraging reciprocity and inherently acknowledge individuals' self-worth. Stacey's statement is decisive in substantially undermining, and even completely invalidating, the 'mechanistic' contribution provided by the CC's framework. I disagree with such a robust statement and claim that the structure, created and held by the CC's is essential in creating an alternative, and in providing an easy, accessible and convenient opportunity that invites everyone to rethink and change the social patterns they live by.

However, as shown in the findings, the structural considerations themselves create, at times, barriers that prevent for truly powerless individuals from joining. Moreover, I agree with the claim that the frameworks are a mere frame, even when approachable to all, necessitates many more elements in order to succeed in tackling the social issues. The nature of the local interactions between the coordinators of the schemes and the communities are a crucial and central building block that relies on the initial basic building block. No matter how well-designed the schemes are, structured based on their values and specifies the tiniest details of the conduction of the currency, it couldn't be a satisfactory substitute and couldn't lead to an inherent change on its own.

Thus, on top of the CC structure, the 2nd circle workers in their position of bridging between the 'system' and the members of the community, are the ones holding the key role of being active and creating multiple local interactions with the community. They are also those that are in a position to provide support and encouragement for the 3rd circle to engage in local interactions.

Being a practical and rational person that I am, I would have wanted, in this point of the discussion, to be able to provide a list of tools to the 2nd circle workers. In this list I would have wanted to provide guidelines to direct them how to perform this role in the most productive and creative way, in order for the currency to succeed in fulfilling the communities needs as well as it possibly could. Such a list will align with the dominant discourse of leading and managing that assumes that *if* a leader objectively observes their organization, select appropriate objectives, targets and vision, formulate strategies and uses the right tools to implement the right procedure *than* they will lead to an improved outcome in their organization (Stacey, 2012). Sadly, I can't provide such a list, nor do I think such a list could ever exist.

I stand behind my argument that the 2nd circle workers play a key factor in the success of the CC's: That their role is central to the creation of multiple local interactions and to the cultivation of personal relationships; that they are in the position to enhance the sense of agency among the community members; that the intimacy and sense of belonging is very much a result of what they manage to create, being those who are the most immersive and have the most connections with all parties involved in the CC; that they are the ones that can lead to a feeling of cooperation and open conversation or to an environment of suspicion and self-interests.

However, since no single, clear cut solution can provide a set of instructions regarding this role, examining the core foundations of the 'complex responsive processes' perspective might be found useful. Understanding the basics in the perspective might help the 2nd circle workers, along with all the other members of the CC's, focus and emphasize, both in theoretically and in their daily practice, aspects they might want to pay attention to. The framework perceives organizations and societies as constructed of three key aspects that need to be observed and taken into consideration (Shaw & Stacey, 2006; Stacey, 2012): *Communication*- the form, openness and depth of the communication between the individuals, not necessarily only verbal; *Power relations*- the dynamics of inclusion and exclusion of individuals and groups to be found in the organization, the patterns of grouping and the relationships between the different groups; *Ideology and choices*- examining the norms and rules, understanding that they represent the atmosphere and the environment of the society/group/organization.

4.2. Potential explanation to the missing crowd-out effect

The findings from the field work present quit an explicit picture, which could be seen as contradictory to what the literature presents; although the concept of crowding-out is acknowledged among the CC members, it wasn't explicitly found in any of the

personal encounters. Moreover, it was talked about as an issue only when regarding the others. Albeit happy from these findings, I was quite surprised from their robustness, since although I assumed that a considerable amount of people are members in the CC's for various other reasons, I assumed that some are driven mainly, if not only, by the incentives. Not finding it was especially intriguing because it contradicted the perceived commonness of the phenomena by so many people.

In the attempt to explain the gap, I thought about 3 plausible explanations to its absence: (1) Crowding-out doesn't happen in the context of CC's because they are not using proper monetary incentives. (2) Crowding-out does take place, but since it's embarrassing to admit it, people disown it. (3) The financial incentives aren't strong enough when they are the sole drivers for individuals to maintain their involvement. Through the framework of these 3 explanations, the comprehensions and insights I've gained on the issue will be presented.

1. Crowding-out doesn't happen because it's not monetary incentives

 When approaching to discuss the potential occurrence of the crowd out effect as a result of the community currencies, one immediately enters a grey zone of ambiguity. On the one hand, the literature is vast regarding the potential effect of standard monetary incentives given in forms of fines, fees, rewards or others (eg. Deci, Koestner& Ryan, 1999; Herzog, 2011; Gneezy, Meier & Rey-Biel, 2011). On the other hand, there are various writings referencing the meaning and effect of unequivocally non-monetized gift exchange (e.g. Sandel, 2012; Bowles &Polanía-Reyes, 2012) and its impact on relationships or value appreciation.

However, there are multiple situations that are located in between these two ends of the scale, being neither purely monetary nor a clear-cut gift-giving. Among these examples could be identified the range of community currencies, swaying between being economic and providing practical-financial assistance, to being social and creating communities that support their members on a deeper level. Different experiments indicate that rewards/incentives that are semi-monetary such as lottery tickets or gift-cards or T-shirts lead to different reaction compared to "pure" money (Goette and Stutzer, 2008; Lacetera, Macis, and Slonim, 2012). These findings match Ariely's (2010) claim, that people separate economic behavior norms from the social ones and don't appreciate the mix of the two. He also argues that when they collide, the economic norms would override the social ones and would lead to profit seeking behaviors (p. 77). Thus, although they have obvious financial value, the non-monetary incentives invoke different sets of behavior.

It could have been easy to conclude that CC′s could be simply categorized as non-monetary rewards and therefore significantly less susceptible to crowding-out. However, I want to argue that it′s not the case, and dismissing it so easily would be hasty. Prendergast and Stole (2001) attribute the different reaction gift-giving evokes from money to the inefficiency of the gift received relative to cash. CC′s, on the other hand, are designed to provide the most ″efficient″ reward/incentive they could possibly create, in order to be able to function as financial support, in addition to the social platform.

The CC′s structure is relying on the fact that they can offer their members incentives/rewards that would be beneficial for them. If the remunerations given to the members through the CC′s won′t be relevant (or efficient) to them, it will undermine their basic goals of being both economic and social. Acknowledging the attraction in monetary value, SPICE and Makkie′s notes unmistakably resemble traditional money (see appendix 2&3).

Moreover, I believe that rather than leading to crowding-out, the potential for efficient rewards through the CC′s is a viable opportunity to crowding-in. The practical support that is provided to the members through the platforms is often used, successfully, to attract new members that wouldn′t join for other reasons. I′ve experienced it many times in regard to the SPICE, Makkie and the timebanks, when individuals were interested to join mainly after they heard about the potential gain they could receive. As an attractor, I found it extremely appealing to people that weren′t interested in the social or altruistic aspects of it.

Thus, the conclusion arguing that the crowd-out isn′t relevant to CC′s because their reward is not purely monetary doesn′t provide a sufficient explanation to its absence.

2. <u>Crowding-out exist but is disowned by the people due to their embarrassment</u>

A plausible explanation to the fact that I didn′t seem to encounter the crowd-out effect during the field work could be that rather than it being absent, it simply wasn′t revealed to me. This could be a result of either me not being in the right place, talking to the right people or asking the right questions, or of it being intentionally not discussed and presented to me, although it was there. This simple explanation can′t be rejected without acceptable reasoning, because it appears to be the most obvious reconciliation between the theory and reality.

In the answer to the first alternative, of not looking in the right places or talking to the right people, I have no counter argument. Every research has limitations, and I don′t presume to claim that I′ve seen all there is to see, or talked to all there are to talk. However, the fact that it wasn′t apparent within the scope of what I did get the chance

to see requires attention. Therefore, I approach the second argument of it being intentionally hidden from me for various reasons.

This argument can accurately fit Ariely et al.'s (2007) theory. In their article they identify 3 types of motivations: (1) *intrinsic motivations*- doing something because it's inherently interesting, enjoyable and fulfills one's private pro-social preferences (2) *extrinsic motivation*- doing something because it leads to a separable outcome, usually any material reward or benefit, either monetary or non-monetary (3) *image motivation*- individuals' tendency to be motivated partly by how others perceive them, due to the desire to be liked and respected by others and by the self. Through experimental examinations, they show (also supported by Benabou and Tirole, 2006), that the primary effect of monetary incentives is the crowding-out of image motivation. Thus, assuming that the CC participants wouldn't be happy to share their feeling of participating in the scheme only due to the remunerations that they are getting is reasonable. It also fits remarks I got from individuals during interviews, especially from those involved in the Makkie scheme who said bluntly that, although volunteers only come thanks to the notes, no one would ever admit it (Erik).

Although I don't have scientific proof or tangible evidence that this is not the case, my confidence stems from my ethnographic methodology. As mentioned before, in ethnographic researches, the researcher is the main instrument, and is required to use **all** her senses to collect as much data as possible (Murchison, 2010), dredging up as much information in different levels of engagement with the field as possible. Therefore, rather than "only" listening to the words the participating were telling me, I tried to open all the other senses: to see how they interact with each other, to feel their energy when participating in any CC activity and to assimilate it in their experience of the interactions.

I'm aware of the obvious limitations of concluding from such data collections: Cultural differences prevent me from being able to truly connect to many experiences; my own inclination to not find crowding-out might prevent me from seeing things as they are; assuming that I can, as an outsider, capture inner tendencies of strangers is pretentious. However, being aware to all these constraints, and believing that, in the end, as individuals we have more in common than apart, I stand behind my observations.

Thus I conclude that I don't believe that the explanation of the crowd-out effect exist and hidden from me out of embarrassment of the CC members is sufficient in explaining its absence from my experience in the field.

3. Financial incentives are not strong enough compared to other drivers

The third potential explanation for the fact that I didn't encounter crowding-out among the CC members is that, compared to other potential drivers, it's not substantial enough. In this case, either the worthiness of the scheme remained the sole reason to take part, but it wasn't a strong enough driver and they left, or other drivers overrode the financial one and became the main reasons for them to stay involved.

As already mentioned, I was present in situations that people were drawn to join the CC due to their practical needs in what they can offer. This supports the intuitive logic underlying many attempts conducted around the world, to incentivize people toward specific behaviors (e.g. incentivize children to read (Fryer, 2011); incentivizing patient to take their medicines (Belluck, 2010)). However, Gneezy, Meier and Rey-Biel (2011) mention that although when incentives are large enough, they will lead to the desired behavior, it will only affect it **the short-term** and will wear off after a while (p.3).

In other words, the incentives are attractive enough for people to join, but the financial gain they lead to is not robust enough to maintain their involvement for the long term in the absence of other additional drivers. Therefore, individuals that don't have any other reason to be members of the CC but their practical need in financial support are much less likely to remain active in the long term.

The second potential occurrence is that although individuals indeed joined the CC due to practical reasons, with time they started to notice additional advantages to be involved. These advantages, constructed of the wide range mentioned by the members, could be adopting an altruistic drive to create a better society after acknowledging the positive effect of their actions; embracing the social network after creating new connections or feeling less isolated; wanting to develop skills and knowledge if they realized that it could happen through various parts of the CC; or potentially improve their employability chances, realizing that there are many options that could open up through the CC platform.

Bowles (2016) claimed, and experimentally demonstrated in his book, that rather than being *Homo-Economicus* (rational beings that are led merely by self-driven interests), humans have stronger tendency to be *Homo-Socialis*, meaning to help each other, be ethical and moral and act in favor of the other's well-being (p. 45). Expanding his point, I argue that the other drivers, when maintained and nurtured, could be more powerful than the economic one in the context of the CC, because it answers deeper, and more substantial, needs. Meaning that the other potential gains one gets from being part in a nurturing CC can overshadow the economic gain, even when it is still there.

However, an important note needs to be said regarding situations which could potentially occur (although I didn't encounter them). The crowd-out effect is framed as only negative and morally inferior, and to conclude I want to challenge that assumption. There are different types of manifestation of crowding-out, amongst them one could lead people to engage in pro-social behavior of some sort "just" for the gain it will provide them. Although not as noble and respectful as we want to think of our society, I claim that it could be seen, if nothing else, as people that are finding alternatives and creative ways of taking care of their subsistence. And also potentially didn't find an added value to it, fulfilling one's needs through a platform of CC, through social engagements and hopefully friendly interaction is positive regardless of the inner motivation driving it.

Therefore, following the argument that if any other motivation appears it will override the economic one, if no other motivation is to be found, then following the economic need through such a platform is nothing but positive.

Conclusions

To conclude and summarize, there are two main points that stem from this discussion, and from the whole research. The first one is a general conclusion, deduced from the comprehensions of understanding CC's as complex response processes, rather than mechanistic structures. In contrast to what I hoped to find in the beginning of my research, I claim now that systems **could not** be inherently transformable or structurally lead to changes. They **can** provide platforms, but eventually it is mainly up to the individuals and the interactions to be responsible for the kind of change they want to see.

My second conclusion regards the nature of the interactions between incentives and intrinsic values. The danger in economic gain in the CC stems from the potential for the systems to focus only in these transactions and neglect other aspects. If, however, the systems nurture all other aspects and continue to provide their members with all the added values they could gain from being members in the CC and maintaining a discourse that emphasizes and focuses on them, than the influence of the incentives will be minimal.

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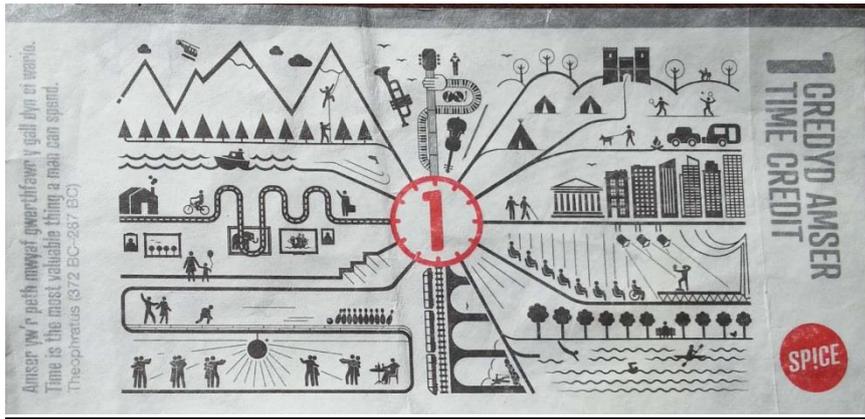
Appendices

7.1. Appendix 1 - The 3 divides (Scharmer and Kaufer, 2013)
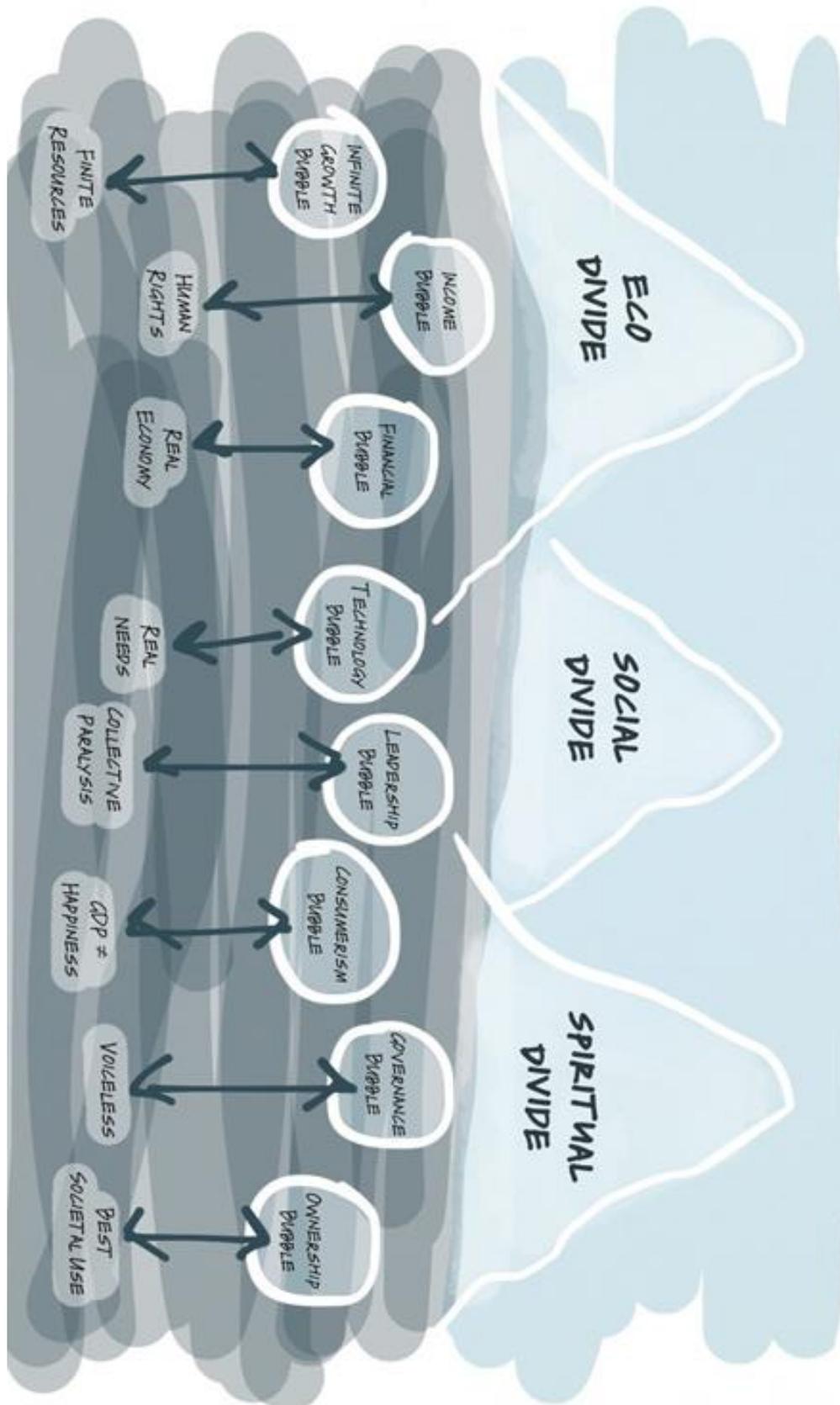
7.2. Appendix 2 - SPICE's notes
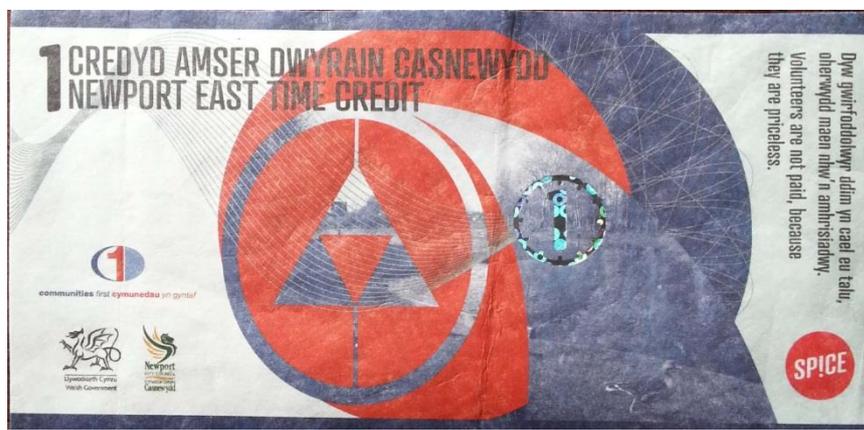
7.3. Appendix 3 - Makkie's notes

7.4. Appendix 4- **Community engagements**

Cardiff

Name of place	My engagement
2 breakfast clubs- in Trinity center and the old Splott library	Cooking and serving breakfast to homeless people and to poor families
Volunteers fun day to the botanical gardens (using the SPICE notes)	A visit and sharing pot-lock lunch with the other volunteers, conversations during the tour and in the bus
New link- recovery center for alcohol and drugs misuse	- Participating in a wellbeing course with other service users and volunteers - Participating in DIY craft sessions, making things to sell for the center.
Recovery Cymru- recovery center for alcohol and drugs misuse	Conversation with the staff and volunteers
ASFA meeting- a monthly gathering of service users and givers of the substance recovery centers to join thinking and actions	Just watching
2 community gardens- in Pontragane community center and Elly hub	Gardening: digging, sowing, weeding, building
Shilo community center	Talking with the coordinator during a youth wellbeing group
Litter picking in Roath	Picking litter in the neighborhood
Food co-op in Wyndham street	Arranging the food for sale and cooking lunch with other volunteers
Knitting club in Dusty forge community center	Knitting
Second hand store in Dusty forge community center	Sitting in the store with the volunteers and chatting

London- part 1

Name of place/person	My engagement
Joe- A time bank member	Cleaning her house and helping her to work in her garden
Minni- a time bank member	Visiting her in her house and chatting
Madelaine- a time bank member	Assembling her new cupboard
2 Morning coffees in the local churches- all saints and	Chatting with the people that attended during the gathering and continuing strolling with some.
Standing in a time bank stand in a street 'get together' with the other members	Trying to recruit new members to the time bank along with the other volunteers, talking
The time bank's steering committee	Participating with other members and talking with them after
Eating in the weekly 'community lunch' held in the center of the LETS scheme	Chatting with the members I; and coordinators

London- part 2

Name of place/person	My engagement
SPICE fare for partners and volunteers	Participating, chatting with the attendants
Knititng club in the Barbican library	Knitting and chatting
Children and parents' craft club in the blue library	Knitting and chatting
Community garden In Avondale square	Touring the estate, gardening and chatting
Community garden in the wildlife garden in Barbican estate	Gardening and chatting
Planning meeting for a future	Just observing

project, initiated by a member, in the British legion's office	

Israel

National time bank conference with time banks coordinators and people that are interested	Participating as an observer and speaker. Chatting with the attendants, creating connections that continued via mail later

Amsterdam

Name of place/person	My engagement
Makkie store	Arranging the products on the shelves, cooking lunch with and for the other volunteers, chatting with the managers and the other volunteers
Women's event about nutrition- organized by a local active Pakistani community member	Cooking, serving and cleaning a meal for 170 women from the neighborhood (90% Pakistani, 10 Moroccan), chatting with the other volunteer
Repair café in Meevaart community center	Chatting with the men repairing
Volunteer's 'thank you' toast in Civic' neighborhood support center	Eating and chatting with the volunteers
Weekly fare of local projects and community gathering in the square	Setting up the place and chatting with the organizers
Joining the LETS' monthly community dinner	Eating and chatting

7.5. Appendix 5 - List of formal interviewees

1. Stephanie Rearick- the founder of Dane county timebank and HUMAN network http://www.mutualaidnetwork.org/

2. Ben Dineed- Manager of the Cardiff branch of SPICE

3. Sam Holt- community gardens in Cardiff

4. Caroline Barr- Coordinator of Ace community center, Cardiff

5. Reyaz Limalia- Coordinator of 'Fair Share' timebank in Gloucestershire

6. Amanda- Volunteer coordinator in 'New link'- recovery center, Cardiff

7. Philippe Granger- Coordinator of 'Rushy Green' timebank, London

8. Naomi Casserly- Coordinator in 'hOurBank', timebank in London

9. Sabrina Atkinson- Broker in 'hOurBank'

10. Dave- Coordinator of Time4Lambeth, timebank in London

11. Nehama volitski- A timebank member, Mevaseret, Israel

12. Edgar Kampers- Manager of Qoin, social enterprise http://www.qoin.com/

13. Erik Van Der Meij- Neighborhood coordinator in 'Civic' community center, Amsterdam

14. Jennifer Veltman- Member of Makkie's staff and the shop's coordinator

15. Philip Herlihy- A member in LETS London

16. Roelin- Coordinator of Meevaart community center, Amsterdam

17. Nanko- Volunteer coordinator of a Housing association, Amsterdam