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## DOING IT TOGETHER. STUDYING THE IMPLEMENTATION OF A NEW SOCIAL CURRENCY IN THE NETHERLANDS

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### ABSTRACT

In this paper we take Do it Together! (DiT), a social complementary currency (CC) project in two Dutch municipalities, as an interesting example to show how action research with actual projects in the field can add greatly to the development and proliferation of CCs. We argue that action research, collaborative learning and actively sharing the lessons learned from the experiences can help CCs become sustainable and attractive models for use as valuable social (policy) tools in the future. We first describe how the participating organisations and businesses in DiT design and implement a social currency that binds the efforts of their different policies and strategies into a unified framework. Through this co-creative design process, the partners support one another in achieving their own objectives through rewarding desired behaviours of citizens and customers. Secondly, we identify challenges at different levels – micro, meso, and macro – to which the project partners have found several creative solutions. These strategies stem from a broad range of disciplines, bringing psychological, organisational, and institutional theories together in the design process and the resulting currency program. Finally, we assert that reflection on the dynamics and underlying mechanisms of these experiences and processes through action research can enrich a comprehensive understanding and improvement of CCs.

### KEYWORDS

The Netherlands, local, public-private partnerships, co-production, social innovation, collaborative learning.

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## 1. INTRODUCTION

Local communities face many challenges in the early 21st century. Political (budget cuts), demographic (aging population), social (individualisation processes), and economic (financial crisis) events pose significant threats for both the social infrastructure and the economic vitality of local communities (Putman, 2000; Sassen, 2004). These challenges have led local authorities and their societal partners to adopt new initiatives to tackle social exclusion and build social capital. Do it Together! (DiT; in Dutch: SamenDoen!) in The Netherlands is an interesting example in this respect. This social currency scheme employs a 'carrot' rather than a 'stick' approach to stimulate all participants (the old and the young, physically fit or disabled) to strengthen their local community. Shopkeepers as well as municipalities, housing corporations and care organisations reward people with points and beyond that, all members of the scheme are encouraged to use points with each other for informal exchange of goods and services.

Like many of the present-day complementary currency schemes (CCs), DiT is an unorthodox organisational arrangement with state, private sector, third sector organisations, and citizens working together. Next to local shopkeepers, a municipality, a housing corporation and a care organisation, the project involves volunteer and civic organisations. Even while the state is cutting welfare budgets, these partners' efforts promote quality of life, secure access to basic social services, and realise collaborative co-production (Pestoff, Brandsen & Verschuere, 2013; Joshi & Moore, 2004) through occupying a space between formal and informal employment in a way that forges a third path between state intervention and grassroots initiatives. This gives rise to some interesting challenges: how do we connect the 'system world' of currency designs, societal goals, and business models with the everyday 'living world' of participants? How do we overcome (potential) conflicts between the diverse interests, norms, and cognitive patterns of participating partners? How do we embed a locally designed currency scheme within the broader institutional field of (social welfare state) arrangements and regulations?

When CCs are implemented such questions are much discussed, though they have received relatively minor coverage in research to date. Requests to study the impact of CCs prevail, as investors look for (quantifiable) records to justify their financial support to such schemes. Seen from the other side, organisers of CCs seek impact-records to achieve project support and funding (Bindewald & Steed, 2014, p. 1). Notwithstanding the need for impact-assessment (CCIA, 2015, p. 149; Place & Bindewald 2015), measuring impact is just one of the elements of the comprehensive evaluation that is needed for the further evolution and refinement of both individual projects and the field of CCs as a whole. In this paper we claim that a comprehensive understanding and improvement of CCs can be enriched by undertaking research 'in action' which studies the dynamics and the underlying mechanisms of how actors come up with workable practises. We take DiT as a 'real-life' case study to learn more about the process of implementing a new social currency within a complex, multi-actor, multi-level context. We describe how the many parties involved in DiT handle the various challenges that come with such complex currency projects. For this study (a qualitative, single case study design) we focus on finding transferable lessons for practitioners about the barriers and opportunities of introducing a social currency in a locality. We base this document upon the experiences of those involved in DiT. We regard these experiences as a quest that parties involved in similar CC projects are likely to be confronted with as well. The lessons learned from the everyday practises in DiT may well be valuable to other CC practitioners who are trying to find their own ways in such complex settings. We therefore seek to present a systematic description of the first experiences in DiT, for the benefit of those involved in other new currencies to take advantage of.

We present the lessons learned as a three-fold story. Each of these 'tales' embodies a different aspect of the implementation process: 1) the "micro" level of participants; 2) the "meso" level of cooperating organisations and 3) the "macro" level of the broader institutional field. Before presenting the process analysis, we start by giving an overview of the concept of the DiT-currency scheme (section 2) and the project design (section 3) and relate these features of the CC to the commonly used categorisation of CCs by Jérôme Blanc (2011). In the concluding section we summarise the lessons learned.

## 2. DOING IT TOGETHER: AN INNOVATIVE SOCIAL CURRENCY SCHEME

### 2.1 The multi-coloured field of CCs

DiT is quite an innovative project, as it combines numerous objectives within one scheme, actively involving a broad variety of both for-profit and non-profit partners. We will therefore start by giving a short description to clarify its concept. Fundamentally, DiT is a CC; a trading network or complementary monetary programme which utilises a form of currency produced and managed by non-state actors in pursuit of specific social, environmental, and commercial goals (North, 2005 p.221).

CCs exist in many different forms. The broad range of existing CCs has made formulating a clear concept quite difficult, and has led to the use of many different terms to indicate various forms of CCs, ranging from 'alternative' and 'secondary' to 'social' and 'local'. Jérôme Blanc's (2011) categorisation of CCs is helpful to form a better understanding of the position of DiT in the broad field of CCs. Blanc uses the guiding principles and values behind a currency to create a typology of CCs. These features, Blanc argues, are key to the practical way the scheme is eventually designed. Blanc distinguishes between three main types of CCs: territorial, community, and economical currency projects. He uses these three ideal types as a basis to categorise CCs spread over different generations, allowing a dynamic view of these schemes and indicating that they have evolved rapidly in the past and that they will probably continue to do so in the future. The fourth and latest generation CCs are quite complex. Whereas early generation CCs are often 'established by local non-profit organisations that aim at providing the means (reciprocity) to satisfy needs that are unmet by market activities or public services' (Blanc 2011, p. 8), in contrast, the latest generation of CCs have strong partnerships with both formal economic activities and governments. The guiding principle of the fourth-generation schemes is market exchange ('built with regards to economic spaces, defined by sets of actors and economic activities from production to exchange' Blanc 2011, p. 7). However, this focus on market exchange does not imply these CCs are implemented aiming for-profit purposes exclusively. Many are designed by non-profit organisations for societal or environmental purposes. Due to their multifaceted nature, these projects are costly and partnerships are necessary. Local governments often play a major role, and the schemes have relationships with national and - if applicable - even EU programmes.

DiT can be labelled accurately as such a fourth-generation CC. It is guided by market exchange, and encourages all partners to identify viable business cases for their given entity. Also fitting to Blanc fourth-generation category, the project has multiple objectives, actively involves European partners from the United Kingdom, Belgium, and the Netherlands and is financially supported by the European Union (EU) Programme for Employment and Social Solidarity (PROGRESS)<sup>ii</sup>.

The main objectives behind DiT are social. DiT is an experiment that seeks to shape social support through a shared feeling of responsibility between institutions such as the municipality, housing associations and care providers, non-profit organisations, local retailers and citizens. We therefore refer to this project as a "social" currency.

### 2.2 DiT: Goals, Concept and Target-Groups

DiT operates in two separate schemes in the municipalities of Tholen and Bergen op Zoom in the Netherlands<sup>iii</sup>. As formulated in its grant agreement, DiT seeks to 'improve levels of service and care on a local level, improving possibilities for vulnerable groups to enter the labour market and the promotion of liveability in neighbourhoods'<sup>iv</sup>. DiT seeks to make citizens of all ages understand and accept that they have a shared responsibility in shaping social support. It aims to provide them with tools to find ways and feel encouraged to make real contributions to their neighbourhood and community. The scheme uses points to incentivise people to actively participate in their neighbourhood, to consume locally, and to keep the community a clean and a safe place to live. Anyone can participate in the programme and is actively invited to do so. Nevertheless, the scheme is specially designed to motivate citizens who are not already engaged in volunteer work and/or who are socially isolated. Target groups include people in need of social and family care, school drop-outs, unemployed people and vigorous and non-vigorous elderly. DiT seeks to stimulate these people to support one another and to become active members of their community. At the heart of the project is a fully electronic currency, meaning the currency only exists in a digital form,

and thus does not circulate in the form of coins or paper money. Transactions are carried out through payment terminals and near field communication (NFC) cards, a mobile app, and online.

The incentive scheme in DiT combines for-profit and non-profit objectives in its model. This has led to a concept which combines four components in one currency scheme: 1) A civic reward programme for institutions<sup>v</sup>; 2) a loyalty programme<sup>vi</sup> for retailers<sup>vii</sup>; 3) a sharing economy initiative between citizens<sup>viii</sup>; and 4) a support scheme for local charities<sup>ix</sup>.

Through the civic reward programme (1) participants are rewarded by local authorities and institutions such as housing associations, care and welfare institutions, and schools for performing specific tasks which improve the liveability of neighbourhoods and strengthen the local community. When people are rewarded, the points are brought into circulation. Rewardable activities range from participation in a community clean-up day or paying the rent on time to assisting a neighbour or informal caretaking activities (long-term care offered by friends, family, or acquaintances). In addition, local authorities and institutions may offer participants options to redeem points. This 'carrot-approach' rewards citizens for desired behaviour and is expected to provide an additional incentive that motivates participants to spend more time volunteering, and in so doing helps them rediscover their abilities, potential, as well as regain self-esteem and confidence. Civic reward programmes are based upon the experiences of commercial loyalty schemes (Lietaer, Snick & Kampers, 2014, p. 40). The first electronic civic reward programme was NU-spaarpas in Rotterdam<sup>x</sup>.

DiT's second component is a loyalty programme (2). This programme has many similarities to Air Miles and Nectar. Next to earning points through the civic reward programme, citizens (as consumers) can earn points by shopping at participating retailers. For every purchase paid for in euros, consumers receive a rebate in points ranging from 1 to 5 percent (depending on the retailer) of the total value spent by the consumer. Products to which special offers are prohibited by law, such as tobacco and medicines, are exempted from the loyalty programme. When paying for their purchases, consumers present their DiT-card to the shopkeeper. The shopkeeper uses an NFC terminal to scan the consumer's card and enters the sum of the purchases made. Subsequently, the terminal automatically calculates the amount of points the consumer receives based on the rebate rate the retailer has chosen to reward to customers. These points are partly transferred to the personal DiT-account of the consumer, and partly to a local charity of his or her choosing as we describe below. By rewarding their customers, retailers seek to attract new people to their store and to engage existing customers in spending more. The same affiliated retailers also offer the option to redeem points for purchases, gifts, or discounts.

The sharing economy initiative between citizens (3) allows DiT-participants to transfer points on a peer-to-peer basis for mutual aid and other informal services. Points earned through shopping or as a reward from a local authority or institution can be transferred between participating individuals, who may use the points as a means of payment in such transactions. This element of the currency aims to strengthen citizen's participation, self-reliance and social cohesion. Participants may, for example, reward their neighbour with points for minor maintenance work, household work, assistance with tax declaration or in exchange for a ride. The sharing economy initiative component of DiT is based on experiences in first generation CCs such as LETS and timebanks.

Lastly, the support scheme for local charities (4) helps participants automatically save for a local civil society organisation of their choice while saving points for themselves. When participants are rewarded, they personally save 60 percent of their points, which they may use as they wish. The remaining 40 percent is donated to a local charity, association, or club of their own choosing in order to provide these civic organisations with a new source for funding. Participants can choose to save for a good cause collectively, encouraging them to work on projects together. This way, DiT seeks to increase mutual contact and social involvement among the participants (see also Lietaer, Snick & Kampers, 2014 p.38-9). Two years after the start of the DiT project, 11.573,25 euro was remitted to fourteen participating local charities in the municipality of Tholen, and 18.905,83 euro to sixteen local charities in the municipality of Bergen op Zoom.

The main rationale behind the combination of four concepts into a single currency scheme is to overcome reservations of participants who need to ask others for help relatively more often, while having limited options to offer services themselves in return. Historically it has been observed that this discomfort in asking for help can be problematic in classic timebanks and LETS schemes, since these networks are 'zero-sum games' (Lietaer, Snick &

Kampers, 2014, p. 39). Such models imply that when services are exchanged within a network, some people have a positive account balance, and others have a negative one, all the balances together making a total of zero. When none of the participants has a negative account balance, no points are in circulation. The idea is that all participants at times have a negative, and at other times have a positive account. When their account is negative, participants may offer their services to the network to return to a positive balance. In practise however, this means those in need of much assistance but with little means to offer services in return are likely to develop a continually and increasingly negative account balance, which may result in an inability or reluctance to ask the network for help. Simultaneously, when many people with a negative account balance leave the network, the remaining participants together end up with a positive result. This can potentially lead to the inability to find opportunities to spend the points or to people asking for more points for the same work (Lietaer, Snick & Kampers, 2014, p. 39).

By combining the classic timebank and LETS model with other components, the project partners seek to tackle the issues resulting from this zero-sum game model. In DiT none of the participants have a negative account balance as a result of all points being released into circulation by shops, organisations and/or municipalities. Such a system implies that people with a reduced ability to offer their services to the DiT-network can earn points by shopping locally, or receive them from an organisation, a charitable fund, or friends and family who save points on their behalf (Lietaer, Snick & Kampers, 2014, p. 43). Simultaneously, people who earn a lot of points can spend them in shops, rather than on other services in the network they may not be in need of. According to the project partners, this should effectively address the risk of creating such a situation where those in need of help feel reluctant to ask for what they need. An example of how the scheme works in practice can be found in text box 1.

#### The working of the DiT-scheme: an example

Mrs. Smit is an informal caretaker for her husband Mr. Smit, who lives in a nursing home. For every task Mrs. Smit completes, she receives points, of which 40 percent is automatically donated to the local animal shelter. Mrs. Smit's effort supplements the medical care Mr. Smit receives from professionals. At times, Mrs. Smit is too busy to visit her husband, since she also babysits her grandchildren and spends time visiting her friends. She then asks volunteers, Mr. Jansen or Mrs. Aziz, to take over some of her tasks, and rewards them with some of her points when they do so. Mrs. and Mr. Smit's daughter receives points too, for attending clean-up days in her neighbourhood and shopping at local businesses. She donates all her points to her mother, so Mrs. Smit has plenty of opportunities to compensate Mrs. Aziz or Mr. Jansen whenever she needs. Mrs. Aziz uses her points to receive discounts when she buys her groceries at the local bakery and green grocer. She also gives her neighbour points for mowing her lawn. Mr. Jansen is currently unemployed. He spends his points on a library subscription and for help with filling out job applications.

### 3. DIT'S PROJECT DESIGN: A 'COMMUNITY OF PRACTISE'

#### 3.1 Collaborative co-production between for-profit and non-profit actors

The explicit involvement of for-profit organisations in DiT is distinctive for this CC project, where a collaboration between both for-profit and non-profit partners is actively sought. The DiT-project is guided by market exchange in sense that it aims to be a more cost-efficient way for all parties involved to reach certain goals. The development of viable business cases is one of the key components of making the project function. For the housing association in Tholen and Bergen op Zoom for example, the business case - among other things - seeks to reduce the costs of overdue payments (delayed revenues, collection fees, follow-up calls). With DiT, they rewarded tenants who choose to pay the rent through pre-authorised debits to their bank accounts.

Underlying the search for a good business case for the care organisation involved in DiT is the need for an instrument that supports the delivery of high quality output of care in times of austerity. This business case starts with the experience within care organisations that some of the health activities that are currently executed by professionals can be done satisfactorily and at significantly reduced cost by informal caretakers and/or volunteers. In the DiT model, healthcare professionals act as coaches and supervisors of informal caretakers and volunteers who perform tasks that were executed by professionals before. This should have directly positive outcomes for the quality of care, as it allows professionals to focus more time on specialty tasks only they have the skills to per-

form and/or to take more time for interaction with patients, while informal caretakers and volunteers provide time for caring activities and for organising additional activities that extend beyond what was possible before.

Furthermore, DiT's project partners seek to make the scheme enticing for local retailers by offering them a tool for loyalty marketing. In the future, participating businesses will be able to target advertisements at specific audiences. The search for business cases from the beginning should provide a currency scheme the ability to achieve self-sufficiency in the long run. The need for greater levels of funding, and for a sustainable long-term provision of resources is one of the principal obstacles that has historically prevented more classic types of CC schemes (such as timebanks) from being successful (Seyfang, 2004, p. 69). By encouraging for-profit enterprises and organisations to join the project, DiT establishes a business model that enables the project to survive without external subsidies or donations over the long term. Hence, the design of DiT aims for a scheme that is not only engaging in a social sense, but also poses an economically lucrative opportunity to participating businesses and organisations. Thus joining the scheme and paying for its services should be interesting to them, even from an exclusively economic perspective. When 'the money works for them' (North, 2005 p.227) businesses can see the value of a social currency and are motivated to join. Additionally, the participation of mainstream businesses is vital to the creation of a resource base (through the goods & services they offer in exchange for CC) within the system that is appealing to a broad range of (potential) participants. The scale of a currency might well be important to its survival, or at least to attract a broader public than just those who join the scheme out of political motivations (North, 2005 p.226). It is on this basis that the project partners conclude that active co-creation of the project via both non-profit and for-profit parties should lead to a sustainable model in the long run.

### 3.2 An iterative learning process

DiT's described currency program is implemented as a social policy experiment. Behind the program is one party who is responsible for the creative design and the management of the system over the long term as shaped by the different partners in practise. We refer to this party as the "implementation management". Instead of writing a comprehensive, step-by-step strategy illustrating how the currency scheme should be implemented, the implementation management opts for a more adaptive and 'lean' approach to the development of DiT. The experiment is designed as an iterative process of 5 phases: 1) exploration, 2) concept, 3) feasibility, 4) planning and 5) implementation<sup>xi</sup>. The result of each phase generates questions to be answered during the next phase, and each phase builds on the prior knowledge and data gleaned from earlier phases. The structure is cyclical rather than linear, and requires the project partners to iteratively reflect and reconsider prior decisions. The project was planned and executed as summed up in text box 2:

- Phase 1 started with several meetings with all partners involved to explore the different policy interventions, the potential incentives and the possible implications for the community.
- Phase 2 of the experiment evolved around designing the concept behind DiT. This was done by some of the project partners, using the results of the exploration phase. The design was presented to the other project partners and a panel of participants. An important objective of this phase was to avoid the rabbit hole of building a scheme no one wants, by placing an early emphasis on seeking continuous feedback from future participants.
- Phase 3 consisted of a feasibility check on legal issues such as banking and fiscal regulations, regulations of the semi-public organisations involved, tax requirements and privacy rules. The project partners carefully assessed the feasibility of the action and adjusted it where necessary.
- Phase 4 was the final phase before implementation, in which the implementation was planned. The project partners described the project in detail to enable all participating institutions and businesses to prepare the administrative and financial processes, as well as the communication and marketing efforts needed for them to successfully take part.
- After designing and planning the action according to all the legal and policy requirements of the partners involved, the participating organisations performed a series of simulations and tests to experiment with the community currency and to improve the concept. Working groups from participating organisations

and citizens closely followed the integration and advised on changes or tweaks to actions. Apart from the participants involved in the project, a team of independent experts monitored and evaluated the progress and results of the project. The results of these evaluations were and are used for improvements both during and after the experiment.

All project partners, whether involved in the design, testing, or research, together form a “community of practice” (Wegner & Snyder, 2000) which continuously tries to improve its ways of addressing issues and solving problems. This is important as one of the goals of the experiment is to make the system sustainable and self-supporting. The experiment is an integral process of acting and reflecting on actions, so as to engage in a process of non-stop learning. As such, the project combines the practice of action learning - an approach to solve real problems that involves taking action and reflecting upon the results - with action research, in which researchers actively participate in changing situations with the aim of improving their strategies, practices and knowledge of the environments within which they practice (Argyris & Schön, 1992). A key rationale for both action learning and action research is that experience alone does not necessarily lead to learning; deliberate reflection on experience is essential. DiT’s design as an iterative organisational learning process of co-creating potentially provides a more fertile breeding ground for this second order type of reflection. The project partners are - to some extent - ‘reflexive practitioners’ (Schön, 1983) who attempt to make sense of an action after it has occurred and to learn something from the experience. Simultaneously, this creates room to craft viable new practises that strengthen social participation and quality of life within the local community.

In the remainder of this article, we describe process-related issues and challenges relative to the different aspects of the DiT project, as well as the strategies adopted to handle them. In the description, we combine insights from deliberate reflection by involved project partners with data collected by a team of researchers who study the project in request of subsidy partner EU (PROGRESS). As part of the community of practice, the researchers attended meetings of the project partners to collect data and present their (early) research findings. Several key persons from the organisations involved were also interviewed, since ‘differing perspectives can provide unique insights into program processes as experienced and understood by different people’ (e.g. Patton, 1997, p. 206). The interviews were semi-structured. Among others, the researchers used SWOT-analysis as technique to systematically discuss interviewees’ perceptions and experiences, with different aspects of the project. The several written and spoken narratives, all with particular individual experiences and gaps, provided an integrated picture of what occurred (Rubin and Rubin 1995). The lessons learned are grouped in three classifications. First, we describe challenges related to the micro level of participants, then we analyse what strategies the (meso or inter-organisational level) project partners have adopted to enable collaboration and finally, we explore the challenges of how to fit an innovative, local experiment within the institutional setting of (inter-)national rules and regulations (macro level). Points of view that emerged as typical from the interviews and content analyses are illustrated with a few interview quotes.

#### **4. DIGGING INTO THE SOCIAL CURRENCY EXPERIMENT: CHALLENGES, STRATEGIES AND LESSONS LEARNED**

##### **4.1 Engagement of Participants (micro level)**

The DiT-project elaborates on the infrastructure of a loyalty scheme for commercial local enterprises that already existed in Tholen and Bergen op Zoom, so when DiT was implemented it did not start from scratch; the project is a reshaping and broadening of an existing scheme. In order to turn the old loyalty scheme into a social policy instrument the project partners decided to earmark 40 percent of the points people earn as a donation to local charities (see Section 2). Even though the other 60 percent of the points in participants’ savings accounts remains for personal expenditure in participating local shops and services, some early users of the former loyalty programme felt deprived of something they were given before: ‘People feel that something they owned is being taken away and collecting coupon stamps is more tangible than scanning a digital card’, clarifies one of the project members. What we see here is a challenge of using past systems as a foundation for a new project. Instinctively, actors opt for maintaining the status quo, out of normative considerations and taken-for-granted routines (Mahoney, 2000, p. 515-526). Therefore, building upon already existing traditions and tools provides a new instrument with a certain familiarity and helps to prevent being disregarded by the larger public as something unknown and unwanted.

Yet following through on the infrastructure of a seemingly comparable, but fundamentally different system (a loyalty scheme, without elements of time banking) may hamper actors' responsiveness to the innovative logic of the DiT system. The DiT-partners must continuously strike a balance between the two.

Interestingly however, a response to the contrary happens as well. During information sessions about a pilot experiment with rewards for informal care, some family members who would be eligible to receive points for care activities strongly opposed being rewarded at all. They argued their help finds its roots in love, a sense of responsibility, and/or a longing to be useful, instead of a (more selfish) desire to receive points for personal expenditure.

These two apparently conflicting responses of the public to the DiT-project can be interpreted with the help of a large literature in social psychology which emphasises the different motives people have for their actions. The most basic distinction is between intrinsic motivation, which refers to doing something because it is inherently interesting or enjoyable, and extrinsic motivation, which refers to doing something because it leads to a separable outcome (Ryan & Deci, 2000, p. 55). Frey and Goette (1999) show that monetary rewards undermine the intrinsic motivation of volunteers. They measured the effects of financial rewards on the effort put into volunteer work and obtain the puzzling result that, when rewarded, volunteers work less.

In order to deal with people's different motives for social participation, the implementation management of the DiT experiment has come up with a multidimensional strategy moving forward. First, they made the '60 percent saving - 40 percent donating' principle more flexible. Participants are now able to choose for themselves what part of the points they save and how much they donate to local charities. The choice is made via a sort of 'slider' on the DiT app or participants' personal page at the website. This slider can be switched to the donation percentage the participant personally likes best, ranging from 20 to 100 percent. This allows extrinsically motivated participants to keep 80 percent of their points, while intrinsically motivated people can donate all their points to causes they care about. Secondly, the project team has introduced the concept 'a warm heart for', which allows groups of people with a minimum of ten people to donate the points earmarked for societal goals directly to people who are in need of support. So it is perfectly possible for children and grandchildren to earn points together and donate them to grandma.

The multidimensional and flexible strategy of the DiT-scheme, which allows participants to choose which part they want to save for themselves and how much they donate, helps to deal with people's different motives for social participation (i.e.: encouraging participants who are not yet active, without discouraging the willingness of those already involved). However, this strategy also complicates the concept. This is a potential obstacle to the functioning of DiT, since the success of a social currency highly depends on its 'physical form and design' (North, 2014), and the capacity of organising partners to explain it to people from different generations, with different backgrounds and different levels of education. With the importance of the transparency and clarity of the DiT-scheme in mind, the implementation management eventually opened a local management bureau and hired several staff members from Tholen and Bergen op Zoom. Now working from within the community, they have become more familiarised with the local customs and are able to react quickly to new opportunities, as well as to problems and complaints. Participants who have questions may now walk into the office on a fixed day every week. Simultaneously, the local team regularly hires booths at different fairs spread over the municipalities of Tholen and Bergen op Zoom. In addition to encouraging citizens to participate in the program and explaining the concept, they take these opportunities to assist participants and answer other questions.

#### **4.2 Interorganisational Collaboration (meso level)**

As has been described, the DiT-project addresses several social needs, including improving levels of service and care in localities, opportunities for vulnerable groups to enter the labour market, and the promotion of the accountability of residents for their neighbourhoods. The participating partners recognise these needs as a shared responsibility. Instead of all working separately on these needs, they choose to experiment with policy instruments that bind the efforts of all partners and create synergy between their activities. They believe an incentive scheme such as DiT can be an effective way to bind their different policies together into one effort to engage different target groups in shifting to desired behaviours.

The recognition of the value of the new social currency scheme does not necessarily go hand in hand with collaborative co-production. As CCIA-partner SPICE emphasises in a recent evaluation of their time credit schemes, the earning and spending of such points will not, by itself, lead to successful co-production (Apteligen Consultants, 2014, p. 56). A main complicating factor in accomplishing co-production is the diverse palette of interests and 'taken-for-granted routines' (Berger & Luckman 1967) that different partners involved in a social currency project bring into the process themselves. Such routines provide people structure and help to socialise employees within the sector and at the same time differentiate them from other professionals. During the early stages of the DiT-project, such differences in organisational cultures and communicative practices became apparent, and sometimes contributed to misunderstanding and miscommunication. For example, when the implementation management presented the newly built ICT infrastructure, they expected to start a phase of experimentation, in order to find out what particular features were needed to 'fit' the system with the particular working processes of the organisations. However, for the participating organisations this project phase was assumed to be the real implementation of a yet workable and fine-tuned system. They did not account for difficulties with the integration of the system. What the partners experienced here was a difference in understanding of what implementing a new programme of this nature is about. Additionally, the partners faced communication problems. Some of the local partners have difficulties with the English (ICT-)terminology used by the expert partners, as they see it as an expert language far removed from the inner worlds of the local partners (retailers, charities, civic initiatives) of the DiT-system.

To improve the conditions for inter-sectional cooperation and to help prevent such misunderstanding - or worse - mistrust among organisations, a central role in the project organisation was given to a few freelance advisors. They assisted individual organisations with searching for viable business cases and fine-tuning them for their specific work situations. These project members support directors and management teams in rethinking their working practices from the new paradigm of DiT, without forgetting the vested routines and respected traditions of the organisation and its culture. 'He is a stable factor. He has been here often. That helps to get to know each other. You must meet physically, Skype does not work, at least not here. He doesn't occur to the fore, but is stimulating, contributed his ideas to our organisation. He has succeeded that we continued to participate in the project' tells a manager of one of the participating organisations. In the literature, the ability to be 'bridging' is referred to as one of the key capacities of so-called social entrepreneurs (see e.g. Garud, Hardy and Maguire 2007). These are people with an ability to be 'bridging' (Putman, 2000), i.e. to act as a linking pin between different organisations, professionals and interests. There seems to be no blueprint for these 'bridging' - activities; these actors declare to 'simply' rely on their intuition and experience. The advisors use their instincts to understand how to approach the other actors within the scheme. Good entrepreneurs are personally motivated to realise change and have the 'social skills' to bring relevant parties to a productive collaboration (see resp. Fligstein 1997, DiMaggio 1988, p. 14).

To ensure different organisational sub processes kept fitting together, and to prevent partners from becoming disconnected from the complete project, the implementation management introduced a schedule of regular meetings with all involved partners. During these meetings, both intra-organisational process issues and issues concerning the overall project are discussed. In doing so, the implementation management facilitates cross-organisational learning and promotes dialogue.

Evaluating the project management, the partners concluded such meetings also had to be organised specifically for advisors since they perform a complex role and serve different interests within the DiT-scheme: the collective interest of the project as a whole, the interest of the organisation(s) they advise, and their self-interest as freelancers who need to ensure their future workload/income. When it is in the collective interest of the project to discourage an organisation to serve a certain private interest, an advisor may still be reticent to do so when such a critical stance conflicts with the two other roles he performs. By organising 'advisory meetings', the project management supports advisors in making deliberate choices and stimulates peer group review and learning (evaluating the work performed by one's equals).

#### **4.3 Institutional Embedding (macro level)**

So far governments have been very hesitant to cooperate with commercial enterprises in dealing with social issues using CCs. They do so to avoid the (appearance of) conflicts of interest when it comes to cooperating with organisations that also depend on the government for contracts or permits (Blanc & Fare, 2013). While many CCs

thus (out of necessity) seek to create an alternative or complementary parallel to the dominant economy and social policy of governments, DiT aims to assimilate with it. As required by the EU for its grant, a municipality (Tholen) is lead partner of the policy experiment. The municipality is responsible for the management of the action that is subsidised by the EU. Within the municipality, the Department of Social Affairs is most deeply involved. For the local government, their involvement in experimenting with DiT is seen as an attempt to work within the current social welfare paradigm. Modern policy papers in the Netherlands are full of visions of a flourishing 'participatory (or civil) society'; where, different from the former model of a welfare state, all citizens who are able to take care of themselves and others are expected to do so. This participatory society is associated with notions of active citizenship, voluntary participation and social cohesion. The social infrastructure of neighbours, communal services, and informal care takes a central role in the new welfare discourse (see e.g. Tonkens, 2011). The municipality believes a social currency scheme constitutes a policy instrument for governments to address social issues that fit this new social welfare paradigm. The mayor tells: 'We have a responsibility to give back more and more public duties to the community and we think that a social currency is a means to get people interested in volunteering, caregiving or other forms of participation'.

As the municipality, the care and housing institutions involved in the DiT-project are in search of effective and efficient instruments that fit the new social paradigm and welcome new concepts and tools that may be helpful. There is, to some extent, a fertile breeding ground for new initiatives. 'So far the reactions of our insurer are positive, they attentively follow the experiments and look for lessons learned' tells a project partner from a care organisation. At the same time however, organisations have to deal with sectoral rules and regulations that are not automatically and fully supportive. While the concept of a social currency fits the new welfare discourse as a whole, the housing association has to deal with a new Housing Act that could be interpreted as a discouragement to involve with initiatives like DiT. As from the 1990s, social housing providers started having a wider social role and more entrepreneurial freedom. Neighbourhood activities and care services were added into their mission. New EU legislation and some incidents of mismanagement in the recent years has encouraged the Dutch government to decide on a new Housing Act. The new Act defines the core tasks of housing associations, i.e. providing affordable housing (regulated rental homes) to people on low incomes.

The project partners believe that change starting from within the existing system and with the support of the involved stakeholders is a promising way for social currency systems to prevail. As from the early stages of the project, the project partners pro-actively engage not only with local government, but also with national governmental institutions with the intention to join forces in supporting experimentation with new social CCs that can fit the new welfare discourse and emphasise citizen activation and participation. In contrast to approaching traditional welfare institutions as potential barriers, they are seen as partners in a joint discovery of how to engage socially excluded people in mutual volunteering and wider community development. Among others, some partners of the DiT-project organised a series of expert conferences together with the Ministry of Internal Affairs exploring the workings of CCs. This same Ministry commissioned a filmmaker to produce a short clip on DiT, in which the concept is illustrated and several participants are interviewed<sup>xii</sup>. Furthermore, the Flemish government entrusted the implementation management of DiT to co-write a book on what a project such as DiT could potentially look like, and acted as the publishing agency as well.

This strategy is important, since a pioneering initiative such as a social currency project can only succeed if the change agents involved in its conception and implementation can fit such a system within the existing institutional and structural landscape of the welfare state. (Seyfang 2004, p. 69). For the Dutch case, rules and regulations to take into account include financial regulations, e.g. the national implementations of the E-money directive, income tax and VAT. A couple of the leading questions are: Who needs to pay which taxes? Under what conditions are participants allowed or stimulated to perform community tasks in return for social currency? How do we ensure privacy is protected? What personal data of participants are collected and for what purpose? And finally, who is liable for accidents in the social currency, and how can the program insure itself from it? For each of these questions, there are no immediate answers and no ultimate solutions. They need to be discussed with all involved stakeholders, with accuracy and creativity.

## 5. CONCLUSION

Reflecting on the early lessons from the implementation process of the DiT-project, the first thing to notice is that this particular CC project is quite innovative and complex. The project partners want to prove that it is possible to create a platform that can bind municipalities with social and commercial partners, respecting their needs for independent decision making while offering a way to unite their efforts for community development. DiT belongs to an emerging group of CCs that can be labelled 'fourth-generation', according to Blanc's classification. In this article, we have demonstrated the complexity and plurality of such currency projects, where many different parties with even more interests are brought together in a single system: a situation that requires a continuous game of customising and balancing. For all its intricacy, DiT can be seen as an interesting, innovative, fourth-generation social currency; an action research and collaborative learning project from which valuable lessons for the future development of this and other CCs can be drawn.

Our analysis of the DiT-project indicates that the implementation of a new social currency does not fit a 'linear model' of policy-making, characterised by objective analysis of options and separation of policy from implementation. Instead, the formulation of the concept (what) and the implementation of the tools (how) are best understood as a method for trial-and-error learning, as an interactive learning process with several phases of experimentation, building a concept, checking the feasibility, planning, and implementation.

In aiming for a scheme that is engaging for a broad public audience and is self-sustainable in the long run, the project partners have run into several challenges on different levels - we identify a micro, meso and macro level - within the system. The strategies that are formulated accordingly stem from various disciplines, ranging from psychology and organisational theories to institutional theory. Our description of the challenges illustrates how the development of a new social currency can be a continuous process of experimentation, in which improvements are sought, tested and sometimes found in real-life situations.

Such a nonlinear approach appears to be an effective way of searching for and fine-tuning valuable instruments that help shape our societies and are able to survive without external support. In practice this will come down to experimenting, evaluating, and making mistakes before coming up with new solutions. It is important to find out which issues deserve the most attention.

To this end, we conclude by suggesting that it is key to communicate widely about encountered challenges, formulated strategies, and lessons learned. The fact that our world is constantly developing can only emphasise the need for a continuous development of such instruments. In a time where societies face many challenges that CCs seek to address, looking for valuable designs for the fifth, sixth and seventh generation of CCs is well worth the effort. Experiments such as DiT are essential in this respect.

We therefore encourage all actors involved in shaping fourth-generation CCs to record the lessons they learn from the struggles they endure, in order to invigorate the community of CC practitioners through what they learn together. This journal is a platform for such valuable information, together with other podia. We sincerely applaud these spaces for collective learning and would like to conclude by quoting Gibson-Graham, who state that "the field is not a site where we recognise or particularise what we already know, but a place where we create the new" (Gibson-Graham, 2008 p.625).

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**ENDNOTES**

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- <sup>i</sup> See: <https://samen-doen.nl/>.
- <sup>ii</sup> The PROGRESS programme is a financial instrument supporting the development and coordination of EU policy in the areas of employment, social inclusion and social protection, working conditions, anti-discrimination and gender equality. See: <http://ec.europa.eu/social/main.jsp?catId=327>.
- <sup>iii</sup> Tholen is a municipality in the southwest of the Netherlands. The municipality is a rural area consisting of two peninsulas, formerly islands, and nine centers ('kernen'). Tholen has a population of about 25.000 inhabitants. The municipality of Bergen op Zoom is located about 6 miles away from Tholen and the nearest urban area. It has a population of more than 66.000 inhabitants.
- <sup>iv</sup> Derived from EU Grant Agreement iCare4U - a social policy experiment in motivational strategies towards citizens. Available at Qoin.
- <sup>v</sup> In February 2015, two institutions were involved in DiT. In February 2016 there were three.
- <sup>vi</sup> See 'Loyalty Scheme', in Community Currency Knowledge Gateway: <http://community-currency.info/en/glossary/concepts/loyalty-scheme-stub/>.
- <sup>vii</sup> The amount of participating shops was 104 in February 2015, and 111 in February 2016.
- <sup>viii</sup> In February 2015, 5059 citizens participated in DiT. In February 2016 there were 6084.
- <sup>ix</sup> The amount of participating local charities, associations and clubs was 31 in February 2015, and 41 in February 2016.
- <sup>x</sup> See: <http://community-currency.info/en/currencies/nu-spaarpas/>.
- <sup>xi</sup> This phase actually consists of five separate phases: 5. simulation, 6. alfa test, 7. closed beta, 8. open beta, 9. replicating & up-scaling (Kampers et al, 2015).
- <sup>xii</sup> This short clip can be found on YouTube: <https://www.youtube.com/watch?v=yd7Uo70AOv8>. The language is Dutch.