



# Reduced Work Time, Participatory Democracy and Time Currency

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**The potential of time currencies to serve as a tool of social change remains relatively unexplored, and yet these alternative currencies make it possible to combine into a single mechanism several different social and environmental goals: reducing work hours, increasing civic engagement in public affairs, lowering public debt, and redistributing wealth.**

The current way in which time is socially distributed is a major obstacle to the democratization of contemporary societies, as equal access to government authorities and public services is largely determined by the amount of time citizens have at their disposal. Paradoxically, we spend much of our lives working in order to finance through taxes political and administrative activities that we could for the most part exercise ourselves, yet from which we are excluded because of the rationing of disposable political time and the liberal-bureaucratic constitution of the state.

The reduction of working time should thus be seen as having a distinct political goal: the development of participatory democracy. This objective is all the more interesting in that it does not necessarily imply lower salaries or re-investable profit. All that is required is that reduced working hours be matched by tax cuts accompanied by corresponding cuts in public spending. The latter, in turn, would be offset by increased civic involvement in political activity and public services. Indeed, monetary taxes paid for by additional labor in a capitalist economy can be at least partially replaced by transferring work hours to hours spent on civic activities.

But wouldn't this amount to restoring the *corvée*—the unpaid labor that peasants in Old Regime France owed the state—whereas monetary taxes represented an emancipation from such obligations? This question can be answered as follows:

- ❶ The *corvée* has in fact not disappeared; it currently takes the form of the surplus salaried or marketable labor required to pay one's taxes;
- ❷ To consider civic activities such as deliberation, decision-making, and political management as tax payments is to profoundly alter their nature: in no way is the goal to demand that citizens perform the most simple-minded and least gratifying tasks;
- ❸ The partial replacement of monetary taxes by civic engagement in public affairs could be introduced gradually, beginning with volunteers and at the local level.

## Giving Value to Civic Engagement

The first political challenge that such a transformation would entail would be, rather, that of determining equivalencies between the monetary taxes that everyone pays in a liberal democracy and the civic public services required by a participatory democracy. Civic engagement in political affairs in a participatory democracy should be valued according to the democratic principle which holds that an hour of activity has the same value regardless of a citizen's socioeconomic status. Yet this conception of value sits uneasily with the prevailing conception of work in the economic realm. That said, current experiences with "social currencies" issued by civil society and rooted in local territories offer a solution to the problem.

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Translated from French by Michael C. Behrent

While these currencies are frequently incommensurable or only imperfectly convertible with official currencies, they do make it possible to envisage a way of valuing civic engagement through the creation of a specific currency that would, on the one hand, measure—and thus give social recognition to—this activity and, on the other, allow it to coexist with commercial currencies in a monetary system organized around a single unit of account. The goal, in other words, is to imagine a way of determining the value of a time-tax through a “time currency” that would recognize and display the wealth-value of civic engagement in the same unit of account that is used for commercial exchange, but on the basis of values inherent to democracy.

Of all the procedures explored by alternative currencies, the reciprocal currencies used by time banks demonstrate most clearly that one of a currency’s purposes can be to ensure that social relations which are democratic and respectful of common goods will last over time. These currencies consist of mutual time credits and are managed by “banks” that administer service exchanges between individuals on the basis of a value system that is fundamentally different from the one prevailing in commercial exchange: the unit of account is an hour of (in this case domestic) activity and exchange is based on the principle that “an hour equals an hour,” regardless of the activity or the status of the individual concerned.

## Hybrid Models

In other words, to the extent that they promote a system of values consistent with democratic principles (one human being equals one human being, therefore one hour of human activity equals one hour of human activity), time currencies are at first blush the most reasonable way to calculate and assign social value to civic engagement. True, the fact that time banks are completely independent of the official monetary system (their currencies are non-convertible) and the fact that they are confined to relatively small local communities mean that they could not easily be transposed onto a fiscal time currency system. The latter must be denominated in national currency, as it is permanently founded on the principle that monetary taxes (on commercial income) can be converted into specific time taxes based on different values (the democratic values governing the powers of the active citizen).

We must thus imagine a specific hybrid of the time bank model and the model of commercial but non-capitalistic local complementary currencies. The latter are often commensurable with and even more or less convertible into official currencies, while being at the same time fundamentally different:

- They are used only for commercial exchanges in a particular sector or locality;
- They cannot be used as reserve values (because they are “programmed” to lose value over time and because they are subject to negative interest rates).

A time-currency system backed up by a time tax could thus work as follows: to recognize and give value to time spent on civic engagement, the state would issue a time currency in the national unit of account that should be used by citizens to be absolve of some of their tax liabilities, distributing it to active citizens—on the basis of an hour of civic engagement equals one unit of time currency—in exchange for the hours devoted by them to civic activities. These citizens could then use this time currency to pay the part of their taxes equivalent to the time taxes, which would thus continue to be registered in the National Accounts (but now in counterpart of a non market production of households and not anymore of a value-added by companies), despite the fact that it is paid in time currency rather than national currency. In other words, public time-currency would be made available to each citizen to pay a predetermined share of their tax obligation. On this basis, citizens would be incentivized to engage in civic affairs. Finally, the conversion of monetary taxes into hours of civic engagement would depend on determining the price of a unit of fiscal time-currency in terms of the national unit of account. This price would correspond to the volume of monetary taxes to be converted in time taxes in order to reduce working time in the market sector, divided by the number of individual-hours required by this conversion—a ratio that might correspond to the average hourly salary in the commercial sector.

## Effects on Democracy

Several characteristics of such a system could make it a powerful democratizing force:

*First*, a time-currency tax would initially have redistributive effects that would be all the greater the more commercial income is dispersed. If the price is set at the average salary, tax liabilities would be higher and progressive for above average incomes and lesser for low incomes. An hour of civic work would thus represent a higher tax for the “rich” (as they will have to replace a higher with a lesser remunerated hour) but would be profitable for the “poor”—i.e. lower-income people and the unemployed.

The latter will thus at the outset have at their disposal a surplus of fiscal time currency. So how will they use this surplus? The answer lies in the fact that the “rich” will prefer to pay the time tax in public time currency, without “wasting their time” on civic engagement; they will create a demand for time currency and will seek, where possible, to buy at a fixed rate the time currency belonging to the



“poor,” thus ensuring the mechanism’s redistributive effect in the commercial sphere; the “poor,” through their civic engagement and by exchanging their time currency into commercial currency, will be able to buy more commercial goods and services. This effect will obviously be determined by limits that might be placed on the conversion of fiscal time currency into regular currency and by the fact that the obligation to pay one’s taxes through actual time spent on specific activities may be more or less followed.

If one desires, moreover, in addition to a minimum level of civic engagement from all citizens, a surplus of voluntary civic participation resulting from the right of all citizens to pay their taxes through such activities, a second of the system’s possible effects becomes apparent. Unlike the “rich,” given the slight economic value they attach to such activities, the most economically disadvantaged citizens will in fact be incentivized to make use of these rights, since for them civic engagement will also be a way to improve their economic condition. Under these conditions, participatory democracy will counteract the colonization of politics by economic power, diminishing its influence.

A second of the system’s effects could be tied to a “earmarking” of public time currency—in other words, to legally restricting its circulation to commercial networks that are designated as “sustainable” and which are, moreover, territorialized. As fiscal time currency could potentially be in demand among people with the highest incomes so that they can pay their time tax, such earmarking could encourage some entrepreneurs to produce according to sustainable norms in order to acquire this currency. A sector of the commercial

economy would thus be disposed to develop on the basis of a politically oriented use of fiscal time currency.


Furthermore, as the latter is by definition directly convertible into time-bank currency, everyone with a surplus of fiscal-time currency would be disposed to deposit it with these banks, which in turn would have an interest in accepting it so as to expand and strengthen their resilience. A specialized private-and-public sector of local and specialized time banks could develop as a result.

*Finally* and, given our present circumstances, last but not the least, fiscal time currency, could reduce dependence on public borrowing and by extension on financial markets. In effect, the state could, through these means, recuperate some of its currency-issuing capacities from commercial and non-commercial production. Issuing time currency cannot be inflationary, as its unit of account is an hour of activity that is unvarying and independent of the rise and fall of commercial prices. Moreover, this issuance always has a fiscal counterpart, as the currency is tied to a tax that it would be difficult to evade. The only question relating to monetary stability is that of the conversion rate (the exchange rate) of an hour of civic engagement into the society’s unit of account. The state could of course manipulate this rate because of its critical redistributive effects. The higher it is, the lower the time tax, meaning lower political participation. If it is set higher than average commercial salary, its redistributive effects will be more extensive but less intense. This rate will thus be a major macroeconomic and political variable that could only be determined democratically and through informed deliberations about its various economic and political effects. The reduction of working hours would provide the endogenous means for initiating this kind of collective reflection and decision-making.

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