

Exploring the Potential of Time Banks in an Ageing Malaysia

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Introduction

Malaysia transitioned into the status of an ageing nation in 2020¹ ², thereby making the issue of productive and meaningful ageing more immediate and important for the country's future trajectory.

Views are short opinion pieces by the author(s) to encourage the exchange of ideas on current issues. They may not necessarily represent the official views of KRI. All errors remain the authors' own.

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¹ A nation is defined as ageing when the population aged 65 years and older makes up 7% to 14% of the overall population (DOSM 2021)

² KRI (2021)

The National Strategic Development Plan on Ageing Population (2019) proposed 19 initiatives across 9 strategic areas to encourage an active elderly population, one of which was the establishment of timebanks to encourage volunteerism. This prompted a feasibility study on time banking by The Institute for Labour Market Information and Analysis (ILMIA) in 2020³, following which no further announcements on the matter were made by the government.

Time banking systems allocate time credits for the hours that participants spend providing services to the elderly, or other groups, in their homes and communities. These credits can later be redeemed for goods and services traded through the time bank or provided through participating vendors. Systems such as these are viewed as a means for mobilizing the energy and potential of the “young-elderly” towards community service in the pursuit of productive ageing. The “young-elderly”⁴ are those who are past the retirement age but still physically capable to contribute to society. Additionally, services can be oriented towards the many custodial care⁵ needs of the elderly, which provides a community-based care plan that enables ageing in place. Ageing in place⁶ addresses the preference of many among the elderly to age within the community or long-term residence in which they feel most comfortable.

Time banks have been established in various countries across the world at both local and national levels. Our review of existing literature has underlined three key considerations. First, while time banking participants and beneficiaries have reported positive outcomes in their physical and social wellness⁷, it is hard to definitively link these claims to time banks due to a lack of rigorous independent evaluations⁸. Second, the introduction and maintenance of time banks has also reportedly posed administrative and financial sustainability challenges⁹, often requiring robust government support for operational longevity¹⁰. Third, time banks are unlikely to replace a comprehensive system of state-funded financial support and medical care for the elderly¹¹, but could play a complementary role to promote more humane, personal, and flexible custodial care that may be missing in the market.

As the government explores the introduction of time banking in Malaysia, careful planning and consideration is required to ensure that the scheme’s design is fitted within an overall architecture of sustainable and effective elderly care. We find that ILMIA’s emphasis on promoting volunteerism for senior citizens, while important for productive ageing, leaves unaddressed the need to tailor services to the localized custodial care needs of the elderly over the long-term. We therefore encourage ILMIA to explicitly prioritize both productive ageing and ageing in place as key objectives for time banking in Malaysia.

³ ILMIA, (2019)

⁴ Wu et al (2021)

⁵ Custodial care refers to services that help a person in activities of daily living such as help getting in and out of bed, bathing, feeding, using the toilet, etc

⁶ Sajnani (2018)

⁷ Lee et al. (2019)

⁸ Ibid

⁹ Collom (2008)

¹⁰ Wu et al. (2021)

¹¹ Lee et al. (2019)

We also encourage the government to establish a robust monitoring, learning and evaluation (MLE) plan for any time banking scheme launched as part of the National Strategic Development Plan on Ageing Population (2019). Concurrent MLE activities are essential considering the many design and operational challenges time banks have faced in other countries, and if done effectively, will allow the government to make timely strategic and tactical decisions to optimize the scheme for Malaysia's growing population of senior citizens.

Finally, we encourage the government to create participatory governance structures for time banks that include local community members in key decision-making processes. Local representation in governance could improve the sustainability of time banks, and ensure that service offerings and operational processes are tailored to the needs of communities.

A Philosophy of Equality and Community

Edgar Cahn founded TimeBanks USA in 1995 to recognize work under the “core economy”¹², and to protect critical work from being displaced by monetized transactions¹³. Cahn's philosophy is premised on the idea that all hours are equal in value regardless of the type of service provided¹⁴ – one person's hour is always equivalent to another's. Time banks are meant to act as equalisers of individual social contributions, thereby empowering those on the fringes of society to view themselves as valued members of their communities¹⁵.

The concept of recognizing non-monetized contributions to the economy has been reflected in some of Khazanah Research Institute's past work. *'Time to Care'* recognized that unpaid and undervalued care work is a pressing issue for Malaysia as the care burden continues to increase from both ends of the population spectrum due to an ageing demographic and growing childcare needs¹⁶. Despite care work being the backbone of the economy, household activities are ignored in national income accounting—as measured by GDP—since much care work isn't “priced” by the market though it generates value and imposes costs for members of the household¹⁷. *'Wages for Housework'* elaborated upon the idea of decommmodifying care work and replacing privatized care with community-based models¹⁸.

Time banks seek to value the time spent on care services beyond the pricing and incentive mechanisms of the market. By recognizing and rewarding the time-intensive nature of localized caregiving, it aims to encourage configurations of production that prioritize community well-being.

¹² Core economy describes the internal activities of production, distribution, and consumption within households or communities with the purpose of maintaining the survival and well-being of its members Goodwin (2018)

¹³ Cahn E. S. & Gray C., (2015)

¹⁴ Ibid

¹⁵ Thorpe, D., (2018)

¹⁶ Khazanah Research Institute (2019)

¹⁷ Ibid

¹⁸ Christopher Choong Weng Wai, (2021)

Time Banking Around the World

The first establishment of something akin to a time bank was Japan's Volunteer Labour Bank (later known as *Fureai Kippu*) in Osaka in 1973, whose membership targeted housewives and stay-at-home mothers. Members earned time-based complementary 'love currency', which could be used to trade services within the membership¹⁹. Since then, the Japan model has grown significantly with an estimated 391 operating branches and centres across the country²⁰. The current *Fureai Kippu* model consists of two parts; the traditional time-based exchanges, and another that uses conventional money by paying subsidized fees for services²¹. The latter diverges from typical time banking models but makes up the majority of *Fureai Kippu* services.

Time banks typically operate by 'depositing time' into the accounts of members who spend time providing community-based services²². In essence, for every hour a person spends providing a service to participating organizations, centres, or households, they receive one-time credit in exchange, though some time banks have dispensed with the notion of "all hours being equal"²³. Time is treated as a "community currency" that can be used to "purchase" goods and services within the system. Time bank participants can publicize the goods or services they wish to offer or provide on a time bank platform and interested parties can negotiate and arrange the transaction²⁴. Once the good or service is provided, the beneficiary "rewards" the provider with time credits that are deposited into the provider's account²⁵.

While local time banks may employ informal approaches to tracking time credits, nationwide systems often use internet portals and mobile applications. In the case of China, time credits are integrated with e-wallets, and software is used to track the movement of time credits across various time bank platforms²⁶.

Most times banks function with support from the government. Time banks in China were established by the Ministry of Civil Affairs in partnership with local governments²⁷. Japan's local and central government played an integral role in the expansion of *Fureai Kippu* in the 1980s²⁸. More recently, JitArsa Bank, a time bank in Thailand, was established with support from the Department of Older Persons and is fully funded by the Thai government²⁹.

¹⁹ Hayashi, M., (2012)

²⁰ Ibid

²¹ Ibid

²² Collom, Ed, (2008)

²³ Hayashi, M., (2012)

²⁴ Collom, Ed, (2008)

²⁵ Ibid

²⁶ Bloomberg Businessweek, (2021)

²⁷ Ibid

²⁸ Hayashi, M., (2012)

²⁹ ILMIA, (2020)

Community-Based Custodial Care for the Elderly

The establishment and expansion of time banks has often been to address the shortage of community-based care for the elderly. There has been a long-standing crisis of care, where the burden of care work has been feminized (either by female family members, or women foreign workers in the commodified care sector, taking on the responsibility of care)³⁰, and care services growing increasingly unaffordable to large segments of the population³¹. In Malaysia's context, this translates to unpaid or precarious arrangements for elderly care³².

Time banks could be part of a comprehensive plan to provide community-based custodial care for the elderly by improving access and reducing costs through local support networks³³. The elderly, in this case, are viewed as beneficiaries of care services provided by community volunteers who are rewarded with time credits.

These support services include general care activities such as cooking, cleaning, providing company, and other custodial services (particularly for the elderly who lack familial support)³⁴. The provision of care through a community-based model could also satisfy the desire of some senior citizens to age and seek comfort in a familiar environment without needing to be placed in care institutions³⁵, and reduce the burden of care shouldered by direct family members³⁶.

Time bank participants cover a broad age range; from 18 years to the elderly³⁷. The elderly tend to make up the majority of time bank beneficiaries, while younger age groups comprise the majority of service providers³⁸. The application of conditionalities - such as age restrictions for redeeming time credits or limitations on the types of services offered - allows for the tailoring of time banking systems to the specific needs, concerns, and realities of local communities³⁹.

While custodial care services may not require highly-skilled participants, they are nevertheless essential and time-consuming. It is important to note here that time banks do not obviate the need for state-backed financial and medical support for the elderly.

Promoting Productive Ageing

As countries around the world grapple with the varied implications of ageing, there has been an increasing focus on encouraging productive ageing - exploring avenues to keep the ageing population healthy, active, and involved⁴⁰. Time banks are viewed as a means to mobilize the "young elderly" towards socially productive activities with time credits as reward. Time banking

³⁰ Christopher Choong Weng Wai, (2021)

³¹ Ibid

³² Ibid

³³ Cahn E. S. & Gray C., (2015)

³⁴ Ibid

³⁵ Chou W.H. & Lee L.H., (2015)

³⁶ Wu et al, (2021)

³⁷ Collom, Ed, (2008)

³⁸ Ibid

³⁹ Wu et al, (2021)

⁴⁰ Chou W.H. & Lee L.H., (2015)

also aims to forge and strengthen relationships between the elderly and a broad cross section of society in a way that builds social capital^{41 42}.

Participants in time banks have reportedly gained mutual help and satisfaction⁴³, and developed new connections and friendships through interactions with a broader demographic⁴⁴. While these reports of positive outcomes are encouraging, it is hard to definitively link these claims to time banks since there is a dearth of rigorous independent evaluations⁴⁵.

Start-Up and Operational Challenges

Time banking is not a one-size-fits-all solution to addressing care needs and its feasibility is highly dependent on local cultural and institutional considerations⁴⁶, which may be specific to a country, region, or even as granular a level as a neighbourhood.

One common challenge across time banks is that they require some level of maturity before transaction opportunities truly grow⁴⁷. In other words, a certain critical mass of participants, services and transactions needs to be reached for the system to achieve momentum and sustainability. Active promotion and advocacy of time banking to encourage participation and transactions are crucial in the early stages of a time bank's development⁴⁸.

Additionally, financial sustainability, administrative systems, and information management (such as to track time credits) proved to be major challenges in maintaining time banks⁴⁹. To provide a sense of the difficulty in setting up, maintaining, and reaching critical momentum for time banks, take the case of China where time banking pilots about a decade ago failed to convert to successful programs⁵⁰. Pure reliance on the private sector would not be sustainable in the long run, and the more successful time banks have required robust government support, a unified network information system, and localised service value systems⁵¹.

The complexity of needs, values, and expectations of care also point to the demanding nature of care provisioning in general⁵², and should encourage reflection on whether a time banking system is able to fulfil a wide array of needs. Certain groups may also be excluded from accessing these services due to physical limitations or digital literacy⁵³.

⁴¹ Social capital is a concept in social science which recognizes the ability to gain benefits and advantages through interpersonal relationships

⁴² Collom, Ed, (2008)

⁴³ Yan, Lu, (2021)

⁴⁴ Cahn E. S. & Gray C., (2015)

⁴⁵ Lee et al. (2020)

⁴⁶ Chou W.H. & Lee L.H., (2015)

⁴⁷ Collom, Ed, (2008)

⁴⁸ Ibid

⁴⁹ Yan, Lu, (2021)

⁵⁰ Bloomberg Businessweek, (2021)

⁵¹ Wu et al, (2021)

⁵² Hayashi, M., (2012)

⁵³ Wu et al, "(2021)

Do Time Banks Have a Place in Malaysia?

In assessing the relevance of time banking for Malaysia, it is first important to clearly determine the specific gaps and needs that time banks are meant to solve, and to identify the various logistical, social and operational needs in the Malaysian context.

As part of the National Strategic Development Plan on Ageing Population, 19 initiatives were proposed to increase the participation of senior citizens in both paid and unpaid roles⁵⁴. One of those initiatives was the introduction of time banks in Malaysia. ILMIA proposed a time banking pilot for Malaysia in their 2020 feasibility report⁵⁵, but there have been no updates on this initiative since.

While the ILMIA report provides a useful overview of international benchmarks for time banks, as well as a comprehensive structure of the proposed Malaysian time bank pilot, their objective of catalysing volunteerism through time banks does not specifically address the issue of ageing and related care needs.

Additionally, the survey conducted by ILMIA was designed to understand the demographic profile, motivations, behaviours, and preferences of volunteers in Malaysia and mainly included responses from current volunteers⁵⁶. Thus, the survey results may not be indicative of the general interest of Malaysians in time bank models. The requirements of time banking in Malaysia could also include services and reward systems that are distinct from existing volunteering structures.

There is the opportunity in Malaysia to sharply target any time banking scheme towards the needs of productive ageing and community-based custodial services for the elderly. A focused approach allows for the scheme's design, resources and efforts to be tailored towards particular demographic groups and care services, thereby increasing its probability of success in its early phases.

For example, the scheme could prioritize services and activities geared towards getting the “young elderly” to participate in the community to generate social value and create social bonds. Community gardening, servicing the needs of the ill or incapacitated, or organizing community events are some examples. Similarly, custodial care services (cooking, cleaning, transportation, groceries, moving around the house etc) could be prioritized to ensure that senior citizens who struggle to meet their daily needs receive support and care from community members across age groups.

There could also be limits on the redemption of time credits that are accumulated by non-elderly participants, such as a cap on the amount that can be redeemed for services or goods before the age of 60. This may encourage the system to develop in the direction of community-based

⁵⁴ ILMIA, (2020)

⁵⁵ Ibid

⁵⁶ Ibid

reciprocity; younger participants who provide services today are encouraged to “save” their time credits for receiving community-based services in their older years.

The specifics of these design decisions will require a careful process of evidence reviews, local consultations, and piloting to ensure that the program is shaped to effectively and efficiently meet the needs of our ageing population. A concurrent monitoring, learning, and evaluation (MLE) plan that empowers government and local communities to use data and evidence to make iterative design and operational decisions is also important, as global examples underline the operational complexity and sustainability challenges of time banks. Additionally, a dearth of rigorous independent evaluations should provide impetus to set up our own evaluation processes to assess the scheme’s cost-effectiveness over time.

A participatory governance system, which includes local community members in decision-making processes, could also improve sustainability and effectiveness. The critical early phase of time banking, when active encouragement and patience is needed before participation and transaction volumes reach a critical mass, will be difficult to navigate without the energetic support of local actors. In addition, service offerings and operational specifics will need to evolve based on the emerging needs and feedback from communities, which cannot be realized without local voices in governance.

Conclusion

The concept of providing community-based care through time banking raises important questions on the future of elderly care services in an ageing Malaysia. It also encourages reflection on what it means to grow old meaningfully and how services for the elderly are provided in the current economy.

While there might be some reduction in both individual and government spending on care in the long run, time banks require robust initial investment levels before they fully mature. Time banking’s potential to provide custodial care services, and promote productive ageing, can only be realized if it is designed to meet well-defined social objectives, receives robust government financial and operational support, includes local communities in its governance structure, and is routinely monitored and evaluated for cost-effectiveness.

It is an experiment worth the undertaking, provided that clear expectations and processes are set to maximize its potential.

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