Open Journal of Social Sciences, 2026, 14(9), 21-38
https://www.scirp.org/journal/jss
ISSN Online: 2327-5960
ISSN Print: 2327-5952

Time-Banking Mutual-Aid Elderly Care Contracts: Protection of Service Providers' Rights

Hanjin Li

School of Law, Shanghai University of Political Science and Law, Shanghai, China
Email: lhj2405@126.com

How to cite this paper: Li, H. J. (2026). Time-Banking Mutual-Aid Elderly Care Contracts: Protection of Service Providers' Rights. *Open Journal of Social Sciences, 14,* 21-38.
https://doi.org/10.4236/jss.2026.149002

Received: August 6, 2026
Accepted: August 29, 2026
Published: September 1, 2026

Abstract

The rapid spread of time-banking mutual-aid elderly care models has made the protection of service providers' rights a pressing issue, and current laws fall short. Service providers face several difficulties. Specialized legislation is lacking, their legal status is unclear, time-credit redemption is not sufficiently credible, contractual norms are underdeveloped, and personal safety protection is weak. These problems are interrelated. They stem from three overlapping sources. These include unclear legal characterization, insufficient institutional support, ambiguous organizational status, and a lack of credit guarantees. This article uses the mandate contract as a basis and sees time-banking service arrangements as two separate mandate contracts. One is between the organizer and the provider. The other is between the organizer and the recipient. The provider acts as the mandatary. Providers can ask for pay, get their expenses back, and claim damages. Organizers must share information, give training, and keep things safe. On this basis, contract forms and terms can be standardized. Rules for breach of contract and burden of proof can also be made clear. Credit security and risk-sharing tools could further strengthen redemption credibility.

Keywords

Time-Banking, Mutual-Aid Elderly Care, Service Providers, Rights Protection

1. Statement of the Problem

Time banking offers a new way for people to help each other with elderly care. In 2019, the Opinions on Promoting the Development of Elderly Care Services issued by the General Office of the State Council called, for the first time at the national level, for active exploration of practices like time banking (The State Council, 2019). It started as local tests but has now grown fast into national-level development. Cities like Nanjing, Qingdao, Shanghai, and Beijing have issued their own plans and rules. Because of this, time banking has grown from scattered local tests into a more organized system. More people now take part. It includes not only the younger elderly, but also community volunteers and university students.

Practice is expanding, and participants are becoming more diverse. Against this backdrop, a basic contradiction appears. The key institutional question is whether providers who contribute labor and earn time credits can actually protect their rights. Time banking faces two main challenges. One is unstable participant expectations. The other is a weak foundation of trust. The deferred-reward structure of time credits amplifies this instability, constraining the sustainable development of time banking (Zheng & Tang, 2025). Survey data reveal a prevalent concern among older participants: the time credits they accumulate today may not be redeemable for services in the future (Chen, 2020). At the operational level, casual and manual record-keeping means many service records cannot be preserved over the long term. Among time banks that have computerized their operations, the absence of information sharing further compounds the uncertainty facing providers (Chen & Huang, 2017). These problems are not separate cases. They reflect larger systemic issues. Protecting providers' rights is not just a moral extra. It is key to making time banking work.

The current legal system does not fully meet time banking's needs. The Voluntary Service Ordinance lay out basic rules for voluntary services, but they define such services as "voluntary and non-compensatory". It is not clear if these rules apply to mutual-aid practices in time banking, since such practices have compensatory elements. A review of local voluntary service laws in several places shows that the provisions on "legal liability" are often rough and overly simple. These provisions fail to distinguish legal relationships among the parties and offer no remedies for corresponding liabilities (Tian, 2008). In a time banking system, these legal gaps become more serious. That is because time banking has a much more complicated setup than other models. Current law does not say what legal status time bank organizations have. It also does not define what rights and duties providers should have. So there are two problems here. One is that these organizations lack a clear legal identity. The other is that the rights and duties of all parties are not clearly drawn. Together, these two issues form the biggest obstacle to the development of time banking in China. Currently, the contracts used in time-banking mutual-aid elderly care are mostly platform user agreements or simple sign-up forms. The terms in them are still quite basic. Key things like service details, quality standards, and what happens when someone breaks the contract are often missing. The obligations that providers have toward the organizers and the recipients are also poorly spelled out. If a dispute comes up, the people involved have no clear legal rules to turn to. The current laws and regulations do touch on some related points, but they are scattered and not high enough in legal standing.

They are far from enough to support the large-scale rollout of time banking, or to make cross-regional redemption work within a single, unified system.

Without rights protection for providers, public trust erodes. Participation and service supply stability weaken as a result. So providers' legal status needs to be clarified, and the rights and obligations among providers, organizers, and recipients need to be allocated reasonably. These are challenges that institutional development cannot avoid. Addressing these challenges would improve the legal environment and offer a theoretical reference for standardizing mutual-aid elderly care models. This article starts from providers' dilemmas, analyzes the deficiencies in existing institutional supply, and examines their underlying causes. The article goes on to clarify the legal nature of these service contracts and the status of providers. It closes by laying out a systematic institutional framework for rights protection.

2. Dilemmas in Safeguarding Service Providers' Rights in Time Banking

2.1. Major Manifestations of Rights Impairment

2.1.1. Absence of Specialized National Legislation

China's time-banking mutual-aid elderly care model still does not have a well-developed top-level design (Chen, 2024). We don't have one unified set of rules yet. Different places do things their own way. They measure time credits differently. They set different redemption rules. They also keep service records in their own styles. If a provider moves to another region, transferring credits is usually hard. They may have to re-register in the new place. Then the work they did before often gets lost. Time banking's mutual-aid services aim at securing future returns. Since these services contain compensatory elements, they are fundamentally different from the purely altruistic services presupposed by the Voluntary Service Ordinance. Bringing them under those regulations is therefore not straightforward. And even for uncompensated voluntary services within time banking, the regulations provide no usable legal basis for storing, redeeming, or transferring service time. What distinguishes time banking from ordinary volunteering is precisely these mechanisms. Providers are left uncertain about which legal norms to invoke when their rights are infringed, precisely because of this institutional deficit.

2.1.2. Unclear Legal Status of Service Providers

Service providers still lack a defined legal status. Three parties are involved in the time banking system: the organizer, the provider, and the recipient. It is still an open question whether the provider counts as a worker, a volunteer, or falls into some other category. The provider-organizer relationship does not appear to be a straightforward employment one, according to prior research. Its rights and obligations should not be governed exclusively by labor law; social security considerations also bear on the analysis (Chen & Wang, 2020). This ambiguity has its roots in the institutional character of time banking itself. Participants act out of a blend of public-spirited and self-interested motives. The services involved include both uncompensated and compensated elements. Legal characterization is further complicated by the tripartite structure and the potential interchangeability of provider and recipient roles. The status of volunteers in general voluntary service contexts is itself a contested issue. Some scholars see a principal-agent relationship between volunteers and service organizations, with volunteers as agents (Guo & Xiao, 2008). Others view the relationship as an uncompensated mandate contract, with volunteers as mandataries (Yuan & Wang, 2011). Even in ordinary voluntary service settings, these disagreements point to the lack of a consensus on which legal framework applies to defining volunteer status. Without such a consensus, it is difficult to secure effective remedies when rights are violated.

2.1.3. Inadequate Redemption Guarantee for Time Credits

Time banking uses time credits as its medium for inter-temporal exchange. Providers deliver services today and accumulate credits, which they expect to exchange for equal-duration services from others when the need arises. This structure imposes added credit risk on providers. Whether providers can realize their rights depends on whether time bank organizations remain viable and capable of redemption. The time currency has no clearly identifiable issuer and lacks sufficient credit backing. The party responsible for redemption at maturity is therefore unclear (Zheng et al., 2018). This creates two problems in practice. First, time credit redemption is not well protected. If a time bank runs into financial trouble or shuts down, people may lose their accumulated credits. They cannot redeem them. Second, cross-regional exchange is blocked by institutional differences. Local time banks have their own measurement standards and redemption rules. There is no unified information system yet. There is also no cross-regional redemption mechanism (Qi & Gao, 2018). Current law does not effectively regulate these arrangements. This uncertainty hurts the reasonable expectations of providers who take part.

2.1.4. Lack of Standards for Contract Form and Content

Time-banking service contracts are usually informal. Participation often starts with platform registration. Providers sign up through websites or apps. They log in with their accounts. They click to accept the terms of use. That click forms the contract. This is not a written agreement that both sides negotiate. The platform writes the contract on its own. It is a standard-term contract. It often appears as a registration form or an electronic terms sheet. Providers give their consent when they register. But they often do not get enough information at that point. The terms are basic. Many important issues are not covered. The rights and duties of providers and organizers are not clearly stated. The law does not require a written agreement. In practice, many organizations do not sign service agreements with volunteers. Even when they do, the content of those agreements does not fully safeguard volunteer rights (Bao, 2012). When providers' rights are violated, they have no direct contractual basis for relief because contractual protection is absent.

The uncertainty over their legal status and the difficulty of obtaining redress are both compounded by this.

2.1.5. Weak Safety Protection Mechanisms

During service delivery, providers risk bodily injury and property damage. The harm could originate from recipients, other volunteers, or the time bank organization itself. Neither the legal relationship nor the responsible party is clearly identified. Timely remedies are therefore hard for providers to obtain. Most time banks have yet to adopt safety standards for service delivery or evaluation criteria for service quality. The absence of such standards may increase the transaction costs of dispute resolution (He & Liu, 2023). Physical safety risks are real in practice, but organizers have yet to put corresponding prevention measures in place. In China, a sound insurance policy support system for time banking has not yet been put in place. Only a few regions, such as Shanghai, have used a special safety-net guarantee fund to purchase personal accident insurance for both service providers and recipients. Most time-banking programs do not have such insurance arrangements (Cao & Yan, 2022). When personal injury occurs, providers have neither work-related injury compensation nor relief through voluntary service regulations to turn to. There are no strong risk prevention mechanisms, and remedies are hard to get. These two problems make each other worse. When providers' rights are violated, they have no effective protection.

2.2. Institutional Causes of Rights Protection Dilemmas

These five dilemmas do not stand alone. They come from a set of institutional deficits that reinforce each other. These include unclear definitions of legal relationships, no specialized national legislation, vague organizational qualifications, and weak credit guarantee mechanisms. These factors are closely connected. Together, they leave providers with little institutional support for their rights. The following analysis looks at each one.

First, the legal relationships among the parties are not clearly defined. This is the basic barrier to rights protection. It is also the logical starting point for all other problems. Current law does not say what type of legal relationship exists between providers and organizers. Scholars have different views on this. In the general voluntary service sector, legislation has not supplied unified definitions of basic concepts such as volunteer and voluntary service organization (Xiao & Long, 2011). This conceptual fuzziness makes it hard to determine providers' legal status. Time banking combines voluntary and mutual-aid features. That adds more complexity to its legal positioning. At the root of this difficulty are real differences in the basic elements of various legal relationship types. Employment relationships are built on subordination and pay. Voluntary service relationships are based on free choice and no pay. Civil contracts rest on equal parties and their free will. Each type has its own scope of application. Time banking crosses these boundaries. Providers join for both public-interest and self-interested reasons. Their services include both unpaid and paid elements. Organizer management sits some-where between top-down direction and joint participation. Because the legal character is unclear, providers are left uncertain. They do not know their status, rights, duties, or liability.

Second, Local practices have been fragmented for a long time. There is no unified law for time banking. Core issues still lack a common legal foundation. These include legal status, organizational forms, operational rules, and participant rights and duties. Time banks take different forms in practice. Some are run by neighborhood committees. Some are run by social organizations. Others are government-purchased projects. None of them has received formal recognition under a special law. Because their organizational status is unsettled, these entities operate without clear legal rules. This affects safety, contracts, insurance, and credit redemption. This ambiguity also pushes local time banks to create their own systems. They differ in measurement standards, exchange rates, service rules, and information platforms. There is no coordination among them. When providers move to another region, inconsistent standards make it hard to transfer their time and records. So cross-regional exchange has been slow. There is also no law that defines the legal nature of time credits. Are they debt instruments? Complementary currencies? Or consideration under service contracts? No one knows. In redemption disputes, this uncertainty puts providers in a weak legal position.

A third problem is the lack of credit guarantee mechanisms. This issue runs deep. Time banking works on a deferred-payment basis. Without credit guarantees, people do not fully trust it. The legal status of time credits is closely tied to this problem. Time credits are not legal money. They are also not payment tools issued by banks. Financial laws do not cover how they are issued or redeemed. Organizers are not legally allowed to give firm redemption guarantees. Time banking has not been brought into the current social security system. The government has no legal basis to back it with credit support. It also lacks institutional ways to do so. So time credit redemption cannot get mandatory protection from financial laws. It also cannot get backup support from social security. The real systemic problem is the missing credit guarantee. Redemption risks are not the only issue. Providers also lack faith in the long-term value of time credits. This makes them less willing to stay involved. It weakens time banking's ability to draw and keep providers. Credit guarantee problems also hold back other things. They slow the standardization of service contracts. They limit the growth of insurance coverage. They hinder the betterment of incentive mechanisms. Without credit guarantees, the parties have little reason to invest in institutional development. Additionally, rights protection cannot form a positive cycle.

These three issues are not separate. They interact and make each other worse. Together, they lead to a systemic breakdown of rights protection. The ambiguous characterization of legal relationships holds foundational status. Both legislative supply and credit guarantee construction depend on clarifying the nature of the legal relationships involved. Hence, we must first determine the legal nature of time-banking service contracts. That determination serves as the logical point of departure for all subsequent institutional design.

3. Time-Banking Mutual-Aid Elderly Care Service Contracts: A Legal Characterization

The legal status of service providers must be determined. This requires a review of the representative doctrinal approaches to characterizing time-banking mutual-aid elderly care service contracts. On that basis, a characterization scheme for this article will be advanced.

3.1. Existing Doctrinal Approaches: A Review and Critique

3.1.1. Linked Contract Theory

The linked contract theory holds that time-banking mutual-aid elderly care service behaviors carry multiple attributes including labor, mandate, and voluntary service among them. No single contractual category can capture them all. The service contract should therefore be constituted by two different types of contracts linked together. The first is an employment contract relationship among the recipient, the organizer, and the provider. The second is an uncompensated mandate contract of a brokerage character between the recipient and the organizer. These two contracts are independent yet interconnected (Hou, 2014). The theory captures the composite nature of time-banking service behaviors. It also acknowledges the provider's partial subordination and the organizer's service-matching function. Yet the theory suffers from clear defects. First, it casts the recipient as employer, the provider as employee, and the organizer as the recipient's agent. Introducing three parties into an employment relationship oversteps the institutional boundaries of employment contracts. The decisive test of an employment contract is the employee's subordination to the employer. The mere exchange of labor for time credits does not establish subordination. Second, A mandate contract already covers the organizer's service-matching for the recipient, so adding a "brokerage" qualification is redundant. Third, treating the second contract as uncompensated is also questionable, since the recipient must spend previously accumulated time credits to receive services. The consideration is paid in time credits rather than money. What changes is the form of compensation, but the compensatory character of the contract remains.

3.1.2. Labor Contract Theory

Under the labor contract theory, time-banking service contracts carry both public and private law attributes and should therefore be understood as labor contract relationships. Providers deliver elderly care services under the organizer's direction and receive time-based compensation in return. This arrangement can be said to satisfy the subordination criterion that is characteristic of labor contracts. If mandatory provisions of labor law could be invoked to bind organizers, providers would gain high-intensity institutional protection (Wang, 2020). This theory addresses a real need for rights protection and looks to labor law for the strongest protective path. But the subordination argument contains structural flaws. Providers decide whether and when to accept service tasks. This autonomy is fundamentally incompatible with the personal subordination that labor contracts require. Providers do not depend on time credits as their primary source of livelihood. Economic subordination is equally difficult to establish. Moreover, time credits are credit vouchers representing service value; and they cannot be exchanged for legal tender. This sets them apart from the monetary compensation that labor law contemplates. The need for mandatory provisions does not justify inferring a labor contract characterization in reverse. Conflating the demand for institutional supply with labor contract characterization confuses two distinct levels of analysis, namely normative classification and institutional supply.

3.1.3. Third-Party Beneficiary Mandate Contract Theory

The Third-Party Beneficiary Mandate Contract Theory takes the mandate contract as its analytical tool. It characterizes the organizer as principal, the provider as mandatary, and the recipient as third-party beneficiary. The mandatary renders services to the third party following the principal's instructions (Liu, 2023). This theory defines the tripartite legal relationships more specifically than either the linked contract theory or the labor contract theory. The organizer holds the right to instruct the provider and bears the obligation to pay compensation. The provider delivers services to the recipient in the organizer's name. The recipient, as third-party beneficiary, enjoys an independent right of claim. The theory persuasively explains the organizer's management functions in service matching and quality supervision. The mandate approach treats the provider as a mandatary, not an employee. This avoids the public welfare and profit conflict found in labor contract theory. But under this approach, the contract is seen as uncompensated. It denies any reciprocal consideration relationship. The reason is that the contract serves a public welfare purpose. This way of thinking mixes up the purpose of a contract with its legal nature. Once the provider has performed the services as agreed, the organizer must add time credits to the provider's account. A reciprocal consideration relationship therefore emerges. The theory also relies on "performance to a third party" as its supporting argument. But when the mandatary follows the principal's instructions and performs for a third party, this is just a normal way of carrying out a mandate contract. This fact does not carry much weight on its own as a basis for characterization.

3.1.4. Long-Term Voluntary Service Relationship Theory

The long-term voluntary service relationship theory posits a voluntary service legal relationship between time bank organizations and providers. This relationship has long-term and stable features. Time credits are not regarded as material compensation, and the uncompensated nature of the service is therefore considered unchanged (Li & Zong, 2024). This theory holds that service relationships in time banking are long-term. This fits time banking better than the short-term relationships found in regular voluntary services. But the claim that it is uncompensated is weak. Time credits are not money-based. Still, providers give labor and receive vouchers for future services. This exchange of labor for future gains is quite different from uncompensated arrangements. Seeing time credits as just incentives misses their real role. They are not mere rewards. They work as reciprocal consideration. The legal idea of a voluntary service relationship is not well defined. The Voluntary Service Ordinance does not clarify the legal relationship between volunteers and organizations. It is methodologically questionable to explain one uncertain relationship through another uncertain concept. The theory also neglects that a substantial portion of time banking participants are moved by both altruistic and self-interested considerations. Subsuming such participation entirely within the category of voluntary service misaligns with the actual operation of time banking.

These four theories illuminate different aspects of the legal attributes of time-banking service contracts. Each has its own emphasis and its own limitations. Based on the preceding analysis, the nature of these contracts should be defined and the legal status of providers clarified. The following discussion undertakes that task.

3.2. Service Contract Characterization and Providers' Legal Status

Among the four theories considered, the mandate contract theory offers the most inclusive theoretical potential, owing to its institutional flexibility. That flexibility is reflected in the absence of a subordination requirement and the accommodation of both compensated and uncompensated arrangements. Some scholars have systematically characterized the volunteer-organization relationship as an uncompensated mandate contract. They argue that no employment, labor, or administrative management relationship exists between the two. Volunteers provide services in the organization's name, and no direct contractual relationship arises between volunteers and service recipients (Yuan & Wang, 2011). This analysis provides a theoretical reference for defining the status of providers in time banking.

That analysis, however, is premised on the uncompensated character of such relationships. Time banking also accommodates compensated mutual-aid services, delivered in a manner best described as "primarily voluntary, supplemented by mutual aid" (Zhang & Mei, 2025). The rules of mandate contract should therefore extend from uncompensated to compensated contexts. The Chinese Civil Code recognizes both uncompensated and compensated mandate contracts, supplying a normative basis for this extension. In compensated mutual-aid service scenarios, providers deliver services to designated recipients following the organizer's instructions. This is an act of handling mandated affairs. Organizers credit time credits to providers' accounts upon service completion. This is an act of paying compensation. The presence of compensation does not alter the contract's nature. It does, however, transform the organizer's payment obligation from a moral concern into a legal obligation of consideration. Time credits are not monetary, but mandate contracts do not require monetary compensation exclusively. This allows the mandate contract theory to sidestep the difficulty confronting the labor contract theory—the non-monetary character of time credits. Whether a payment counts as remuneration or consideration depends on the existence of a mutual performance arrangement. It does not depend on whether the payment is measured in money. Under Article 928 of the Civil Code, once the mandatary completes the entrusted task, the mandator shall pay remuneration, unless the parties agree otherwise. The form of payment may be freely arranged by the parties. The form of payment may be freely arranged by the parties. Time credits are debt instruments recorded in the operator's account system. They are redeemable for an equivalent amount of service, have definite performance content, and are not merely moral records.

The formation of an obligation does not require that the performance be monetary in nature. The obligation to redeem time credits is subject to a condition precedent. Once the condition is met, performance becomes due. But the condition affects only the timing of the claim. It does not change the existence or binding force of the debt. The organizer's obligation to arrange an equivalent service is a non-monetary debt. Under Articles 577 and 580(1) of the Civil Code, if the organizer fails to perform or cannot perform after the condition is met, the mandatary may request specific performance or claim damages. Thus, the redemption of time credits is a legally binding obligation on the organizer, enforceable by law. The mandatary's claim for remuneration is thereby grounded in positive law.

At the same time, the mandate contract theory overcomes the internal contradiction of the third-party beneficiary mandate contract theory. Between provider and organizer, the organizer is principal. Between organizer and recipient, the organizer is mandatary. These two relational sets are independent and non-conflicting. Moreover, the handling of mandated affairs is not normally accomplished through a single act. Mandate contracts generally have the character of continuing contracts. This feature responds to the practical need for relational continuity. Interpreted through the mandate contract framework, both the continuity of service relationships and the weakness of the long-term voluntary service contract theory can be addressed. That weakness lies in the reliance on "voluntary service"—an uncertain concept—to define legal relationships. The relationships among providers, organizers, and recipients are respectively subsumed under two separate and independent mandate contracts. This enables contractual characterization to align more closely with the varying service scenarios in time banking. This is a further development of the mandate contract theory in the time banking context.

The legal relationships in time banking should therefore be constructed as two separate and independent mandate contracts. One contract is between the organizer and the provider. The provider acts as mandatary, delivering services to the recipient following the organizer's instructions. This contract may be uncompensated or compensated depending on the nature of the services. The other contract is between the organizer and the recipient. The organizer acts as mandatary and is responsible for matching the recipient with a suitable provider. This contract may also be either uncompensated or compensated. The two contracts are independent of each other. The provider owes mandatary obligations only to the organizer, not to the recipient. The recipient has a right to claim services only from the organizer, not from the provider. This obligation allocation is valid only at the contractual level. If the provider, through fault, infringes upon the recipient's personal or property rights, it shall still bear tort liability under the Tort Liability Part of the Civil Code. The recipient's right to claim in tort does not depend on the existence of a contractual relationship. In compensated mutual-aid cases, organizers put time credits into providers' accounts after service. These credits count as compensation. If the provider later becomes a recipient, the credits can be used for services of equal time. In uncompensated voluntary cases, service time is recorded in a public welfare account. The organizer does not have to redeem those credits for future services. The two contracts are linked through the time-credit account system. In both contracts, the organizer serves as the settlement counterparty. The organizer's obligations to preserve and redeem time credits arise from the first contract. Preservation is necessarily accomplished through recording in the account system as a form of remuneration payment. Redemption is a deferred performance of the remuneration obligation. It takes the form of arranging an equivalent amount of service once the conditions for redemption are met. The matching obligation under the second contract is only the channel through which redemption is implemented. The transfer obligation derives from the provider's disposition of its claim against the organizer. As the debtor, the organizer shall cooperate with the transfer by updating the account records. If redemption cannot be carried out, the organizer is liable for breach of contract under Article 577 of the Civil Code. Positioning the provider as mandatary gives a clear legal basis for rights protection. The provider can claim remuneration, expense reimbursement, and damages. These are the core rights of a mandatary. Mandate characterization also provides rules for other matters. These include contract terms, the organizer's safety duties, and dispute resolution.

3.3. Normative Implications of Mandatary Status

The dilemmas we discussed earlier have a normative basis. That basis is the mandatary positioning of providers. On legal status, this characterization makes the provider's identity clear. Providers are not employees working under an employer. They are also not ordinary unpaid volunteers. They are mandataries. They handle mandated affairs under a contract. This makes the boundaries of rights and duties clear. The nature of the mandate contract requires that the parties' rights and duties be put in writing. Thus, this gives an institutional basis for standardizing service contracts. On remuneration claims, providers are entitled to claim remuneration after completing the mandated affairs. The distribution of time credits is not just a moral expectation. It becomes a legal duty of the organizer. On remedial channels, mandataries can claim compensation from the principal. This applies to damages suffered while handling mandated affairs. So when providers are harmed during service, they have a clear legal basis for remedies.

4. Protecting Providers' Rights and Improving Institutional Frameworks under Mandate Contracts

4.1. Allocation of Providers' Rights and Organizers' Obligations

4.1.1. Providers' Rights

Providers have three main claims as their core rights. First is the claim for remuneration. In compensated mutual-aid cases, the organizer must pay time credits after the provider completes the assigned services. This is required under the agreement. Article 928 of the Civil Code says that even if something beyond the provider's control stops the service from continuing, the organizer must still pay the corresponding time credits. This also counts as remuneration. In uncompensated voluntary cases, providers do not have a claim for remuneration. Their service time is recorded as time credits in a public welfare account, through which their labor contribution is recognized and acknowledged. A second claim is for reimbursement of expenses. Providers render services in the organizer's name. The organizer, as principal, must advance the relevant expenses. Whether the service is compensated or uncompensated, the provider is entitled to reimbursement for necessary expenses—including transportation, communication, and care supplies. A third claim is for damages. Providers who suffer losses for reasons not attributable to themselves may claim compensation from the organizer. The principal's liability for damages suffered by the mandatary in handling mandated affairs is not conditioned on the principal's fault, because the outcome of the handling is attributed to the principal as a matter of law. If a third party causes the damage, the provider may also claim compensation from that third party. Providers as mandataries also enjoy a unilateral right of termination. They may resign from the mandate at any time. If resignation causes loss to the organizer, the provider bears corresponding compensation liability in accordance with the compensated or uncompensated character of the contract, except where the resignation is attributable to reasons not imputable to the provider.

4.1.2. Organizers' Obligations

Organizers bear a series of positive obligations. The first is disclosure. Providers face various risks in elderly care services. Before services commence, organizers must fully disclose information relating to the mandated affairs, including service risks and the health conditions of recipients. Providers are thereby enabled to assess risks and properly perform their mandatary obligations. The second is notification and explanation regarding standard terms. As the provider of the service contract terms, the organizer must, at provider registration, draw the provider's attention to standard terms that exempt or reduce the organizer's liability or otherwise bear material interest to the provider. Such terms must be explained upon the provider's request. The provider's consent must be given on a fully informed basis. Training is a third obligation. Organizers must provide necessary training before service begins, so that providers acquire basic service skills and risk prevention knowledge. A fourth obligation is supervision and evaluation. Organizers must exercise appropriate supervision over the service process and evaluate service quality, so that problems can be identified and corrected in time and agreed service standards can be met. Safety assurance is the fifth. Organizers must provide necessary safety protection measures during service delivery, including risk assessment of the service environment and appropriate supervision. A sixth obligation is insurance purchase. For elderly care services that involve personal risks, organizers must purchase accident insurance for providers. In compensated scenarios, insurance costs are to be included in operational expenses. In uncompensated scenarios, insurance costs rely on government subsidies or public welfare fund support, yet organizers should still provide insurance protection to the best of their ability. The fact that a service is uncompensated should not excuse this obligation.

4.2. Contract Standardization in Time Banking

The preceding analysis has shown that the informality of time-banking mutual-aid elderly care service contracts significantly contributes to inadequate rights protection. Under the mandate contract, standardizing contractual terms provides the foundation for effective rights protection.

Although mandate contracts are consensual and do not require a particular form, written contracts should be adopted for time-banking services. These services are ongoing, involve personal contact, and include remuneration payment. In compensated mutual-aid services, how clearly a contract is written directly affects whether providers can realize their rights. Written contracts should therefore set out the rights and obligations of both sides. In uncompensated voluntary services, remuneration is not involved. But written stipulations are still necessary. They help with risk prevention and expense reimbursement.

Service contracts should include some basic terms. These are service content, method, time, and location. They should also cover how time credits are counted and paid. They should set quality evaluation rules. They should state the rights and duties of both sides. They should also cover breach liability and dispute resolution. Among these, the rules for time credits deserve special attention. The contract should set rules for service duration. It should also include conversion factors between different service types. And it should state when and how time credits are issued. This gives providers more certainty about getting paid. The contract should also have clear rules for service quality evaluation. This helps when disputes come up. It gives a standard for judgment. The contract should state the organizer's duties on safety and insurance. This gives these duties legal force. The provider's statutory duties as mandatary should also be listed. These include providing services personally. They include not delegating work without the organizer's consent. And they include reporting service performance to the organizer in a timely way.

When providers register as time bank members, they must be informed of the contract terms, especially those core terms relating to their rights. Service contracts are typically presented as standard terms, for instance platform user agreements. As the provider of such terms, the organizer must, under Article 496 of the Civil Code, determine the parties' rights and obligations in accordance with the principle of fairness. A reasonable manner must be adopted to draw the provider's attention to terms that exempt or reduce the organizer's liability or otherwise bear material interest to the provider. Such terms must be explained upon the provider's request. If the organizer fails in this duty of notification and explanation, the provider may claim that such terms do not become part of the contract. The contract text should be drafted in clear and intelligible language. Unjustified restriction of providers' rights through standard terms should be avoided.

4.3. Remedies for Breach and Dispute Resolution

4.3.1. Breach and Consequences

Under the mandate contract, the two contracts are independent. The path of remedies for breach between provider and organizer is relatively straightforward. Providers may assert breach claims only against organizers. No direct contractual disputes arise between providers and recipients. If recipients object to service quality, they should raise the issue with the organizer. The organizer then handles it under the mandate contract between them.

Organizers may breach their duties in several ways. These include failing to disclose service risks. They include failing to provide necessary safety protection. They include failing to purchase insurance. They include failing to reimburse necessary expenses. They also include failing to issue time credits on time or in full. In compensated cases, if the organizer does not pay remuneration as agreed, the provider can ask for specific performance or claim damages. In uncompensated cases, the organizer does not owe remuneration. But the organizer still has other duties. These include safety assurance, expense reimbursement, and disclosure. If the organizer breaches these duties, the provider may claim damages.

Providers mainly breach the contract by failing to provide services as agreed. The recipient can ask for specific performance through the organizer. If performance is no longer possible or needed, the provider must pay damages for the losses caused. The required care standard differs between compensated and uncompensated services. In compensated cases, providers are liable for ordinary negligence. In uncompensated cases, they are liable only for intentional misconduct or gross negligence. This difference also affects the organizer's right to indemnification. Tort liability arises when the provider's intentional misconduct or gross negligence causes personal injury or property damage to the recipient. The recipient may claim compensation from the provider on the basis of tort liability. The imposition of such liability does not require a contractual relationship between the parties. Or the recipient can make claims against the organizer under the mandate contract. After paying, the organizer can then seek indemnification from the provider.

4.3.2. Remedies and Rules of Proof

Once breach and liability are decided, there are several ways to resolve disputes.

These include negotiation, mediation, and litigation. Negotiation and mediation work well for disputes over service quality and time credit redemption. These methods are low-cost and flexible. Litigation is the last option. Providers can bring a contract claim in court under the mandate contract. The burden of proof depends on whether the contract is compensated or uncompensated. Providers must prove the contract exists. They must show they performed their duties as mandatary. They must also show the organizer breached the contract. Organizers must prove any affirmative defenses. These include fulfilling safety duties and issuing all time credits. In compensated cases, if the organizer fails to pay remuneration as agreed, the burden is simpler. Providers only need to show they provided services. This makes a prima facie case. In uncompensated cases, no remuneration is owed. Thus, disputes usually focus on whether the organizer met its safety assurance duty. This makes the evidentiary burden heavier.

4.4. Institutional Framework for Credit Guarantee and Risk Allocation

Time banking has a unique institutional structure. It creates a specific risk. That risk is about the redemption credibility of time credits. The mandate contract framework alone cannot fully cover this risk. What is needed are supplementary institutional arrangements.

Several proposals have been put forward by scholars. One is to create a special redemption guarantee fund to secure the credibility of time credit redemption. A graded system for dishonest behaviors and corresponding disciplinary measures has also been recommended (Song & Liu, 2026). The fund could be financed through welfare lottery public welfare funds, and social donations could be encouraged to broaden the funding base. A specialized management association for time banking funds has also been proposed. A credit system for time banking could be constructed through internet technology, enhancing the risk resistance capacity of service platforms (Wang & Mao, 2022). Local government public service procurement systems could also absorb time banking, thereby providing indirect credit support for time credit redemption through government credibility. The government's fallback responsibility for credit guarantee in time banking could be clarified through legislation once conditions are ripe, which would resolve the foundational issue of time credit credibility. In the insurance area, all providers should have accident insurance. The costs could come from government subsidies. They could also come from organizational operational funds and social donations. Insurance products designed for time banking could also be developed. These could cover special risks like time credit redemption risks and service liability risks. This way, a multi-layered insurance protection and risk sharing system could be established.

On credit guarantee institutionalization, time banking's credit guarantee should work alongside the existing social security system. Western countries have brought time banking into their public policy framework for social welfare. They use greater public responsibility to handle welfare challenges (Ren, 2023). China could learn from this. Time banking should become a key part of the social elderly care service system. Legislation should clarify how it can be integrated with basic old-age insurance, long-term care insurance, and other related systems. It would also be worth exploring whether time credit redemption services could be included within the scope of long-term care insurance payments. When providers need services, the time credits they have accumulated could be used directly to offset nursing service costs, strengthening the purchasing power and redemption guarantee of time credits.

These supporting institutional arrangements, combined with the rights protection scheme under the mandate contract, together form the institutional chain for the protection of service providers' rights in time banking.

5. Conclusion

The composite nature of time-banking service behaviors has prevented existing doctrinal approaches from reaching consensus. Doctrinal divergence has accordingly emerged. Among the various characterization schemes, the mandate contract offers relatively strong explanatory power due to its institutional flexibility. This article has constructed the service contract as two separate and independent legal relationships, using the mandate contract as its analytical tool, and has provided a relatively self-consistent logical starting point for protecting providers' rights. The scheme's advantage lies in its use of the mandate contract's institutional space, which accommodates both compensated and uncompensated arrangements. The practical need for the coexistence of compensated and uncompensated services in time banking is met without departing from current law. Providers' claims for remuneration, reimbursement of expenses, and damages become sustainable within the existing legal framework. The mandate contract has its own institutional boundaries and cannot provide complete answers to all issues. A legal interpretive approach based on current law has been adopted as the primary focus. The discussion of deeper institutional issues—credit guarantee, service standardization, and cross-regional redemption—has been preliminary. At the root, solving these issues needs special legislation and better social security systems. Contract law alone cannot fix these issues. Future research should look at credit guarantee design, service standardization, and specialized legislation. This analysis offers a foundational basis. Further work can build on it.

Conflicts of Interest

The author declares no conflicts of interest regarding the publication of this paper.

References

Bao, X. Y. (2012). On Legislation for the Protection of Volunteers' Rights in China. *Hubei Social Sciences, No. 6,* 154-157. (In Chinese)

Cao, H. J., & Yan, X. L. (2022). Volunteer Service Leverages Mutual Aid for Elderly Care:

How Can Mutual Aid for Elderly Care Be Sustained? A Case Study of Time Banking. *Administrative Forum, 29,* 143-149. (In Chinese) https://doi.org/10.16637/j.cnki.23-1360/d.2022.06.016

Chen, G., & Huang, G. G. (2017). Localization, Practice, and Innovation of Time Banks: New Approaches to Actively Responding to China's Population Aging. *Journal of Peking University (Philosophy and Social Sciences), No. 6,* 111-120. (In Chinese) https://ccj.pku.edu.cn/article/info?aid=214343138

Chen, G., & Wang, X. H. (2020). Problems and Countermeasures in the Operation of China's "Time Bank" Mutual-Aid Elderly Care Model. *Theory Journal, No. 6,* 132-140. (In Chinese) https://doi.org/10.14110/j.cnki.cn-37-1059/d.2020.06.015

Chen, J. H. (2020). Difficulties in the Development of "Time Bank" Mutual-Aid Elderly Care Model and Countermeasures. *Jiangsu Social Sciences, No. 1,* 68-74. (In Chinese) https://doi.org/10.13858/j.cnki.cn32-1312/c.20200121.015

Chen, S. W. (2024). On the Construction of China's Time Bank Mutual-Aid Elderly Care System. *Theory Journal, No. 4,* 151-160. (In Chinese)

Guo, S. L., & Xiao, H. (2008). A Preliminary Study on Legal Liability Issues in Olympic Volunteer Services. *Law Review, No. 4,* 73-81. (In Chinese) https://doi.org/10.13415/j.cnki.fxpl.2008.04.006

He, H., & Liu, J. W. (2023). Sustainable Development of Time Banks: Shared Implications, Transaction Costs, and Operational Frameworks. *Journal of Huaqiao University (Philosophy and Social Sciences), No. 4,* 100-110. (In Chinese) https://doi.org/10.16067/j.cnki.35-1049/c.20230725.005

Hou, L. Q. (2014). *A Study on the Legal Relationship of Mutual-Aid Elderly Care Service Contracts under the "Time Bank" Model.* Master's Thesis, Tianjin University of Commerce. (In Chinese)

Li, Q., & Zong, M. (2024). Legal Analysis and Rule of Law Safeguards for Security Risk Prevention in Time Banks in the Digital Age. *Journal of Jiangnan University (Humanities and Social Sciences), No. 3,* 35-45. (In Chinese)

Liu, C. P. (2023). *A Study on Mutual-Aid Elderly Care Contracts in "Time Banks".* Master's Thesis, Sichuan Normal University. (In Chinese)

Qi, F., & Gao, C. (2018). Difficulties and Focal Points in Developing "Time Bank" Mutual-Aid Elderly-Care Services. *Journal of Tianjin Administration Institute, 20,* 19-25. (In Chinese) https://doi.org/10.16326/j.cnki.1008-7168.2018.03.003

Ren, Y. (2023). The Theoretical Logic of Time Bank Operations Abroad and Its Localization in China. *Comparative Economic and Social Systems, No. 2,* 42-50. (In Chinese)

Song, J. X., & Liu, H. L. (2026). Realistic Dilemmas and Path Choices of the "Time Bank" Mutual-Aid Elderly Care Model in Chinese Urban Communities. *Northwest Population Journal, 47,* 115-126. (In Chinese) https://doi.org/10.15884/j.cnki.issn.1007-0672.2026.02.009

The State Council (2019). *Opinions of the General Office of the State Council on Promoting the Development of Elderly Care Services. (Guo Ban Fa [2019] No. 5).* https://www.gov.cn/zhengce/zhengceku/2019-04/16/content_5383270.htm

Tian, S. Y. (2008). Current Status and Prospects of Voluntary Service Legislation in China. *Legal Science, No. 5,* 42-53. (In Chinese)

Wang, X. H. (2020). An Analysis of the Characterization of Service Contracts in the "Time Bank" Mutual-Aid Elderly Care Mechanism from the Perspective of Social Law. *Legal Forum, No. 5,* 124-133. (In Chinese)

Wang, Y., & Mao, J. X. (2022). Pathways for the "Time Bank" Mutual-Aid Elderly Care

Model: Against the Background of “Five-Social-Linkage” Community Innovation Governance. *Journal of Beijing University of Aeronautics and Astronautics (Social Sciences Edition), 35,* 75-83. (In Chinese) https://doi.org/10.13766/j.bhsk.1008-2204.2021.1029

Xiao, J. M., & Long, X. J. (2011). An Analysis of Basic Concepts in Voluntary Service Legislation: With a Focus on the Definition of Voluntary Service, Volunteers, and Voluntary Service Organizations. *Zhejiang Academic Journal, No. 4,* 136-143. (In Chinese) https://doi.org/10.16235/j.cnki.33-1005/c.2011.04.031

Yuan, W. Q., & Wang, W. J. (2011). Legal Relationships and Legal Liability Structure of Voluntary Service Behaviors. *Journal of Southwest University (Social Sciences Edition), 37,* 114-118. (In Chinese) https://doi.org/10.13718/j.cnki.xdsk.2011.04.030

Zhang, G. Q., & Mei, H. (2025). On the Duality of Time Banks in China. *Journal of Hebei University of Science and Technology (Social Sciences), No. 3,* 38-44. (In Chinese)

Zheng, H., Li, Y., & Li, Y. (2018). Time Bank: A New Intergenerational Exchange Model for Social Elderly Care. *Journal of Beihua University (Social Sciences), 19,* 63-70. (In Chinese) https://doi.org/10.19669/j.issn.1009-5101.2018.06.010

Zheng, X. F., & Tang, Z. (2025). Credit Construction and Subject Collaboration: A Study on the Monetary Logic and Initiation Mechanism of “Time Banks”. *Fujian Tribune (Humanities and Social Sciences Edition), No. 11,* 117-131. (In Chinese)