

MICRO ASPECTS OF COMMUNITY CURRENCY

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WHAT IS CURRENCY?

Modern Economy

Division of Labor → Specialization → Exchange

Exchange through barter

Difficulties of barter

- Absence of double coincidence of wants

- No standard of measurement

- Absence of subdivision

- Difficulty of Storage

FUNCTION OF CURRENCY?

Medium of exchange: Overcomes the difficulty of barter

Measure of value: Just as we use yards and meters for measuring length, and pounds for measuring weights, we use money for measuring the value of goods. It makes economic calculations easy.

Store of value: A man who wants to store his wealth in some convenient form will find money admirably suitable for the purpose.

Standard of deferred payments: Money is used as a standard for future (deferred) payments. It forms the basis for credit transactions. Business in modern times is based on credit to a large extent. This is facilitated by the existence of money. In credit, since payment is made at a future date, there must be some medium which will have as far as possible the same exchange power in the future as at present.

WHAT IS COMMUNITY CURRENCY?

A **community currency** is a type of complementary currency that is used by groups with a common bond, like members of a locality, or association, and designed to meet their needs. A community currency may be geography-based, making it a type of local currency, or it may be used within a business-based, or online community.

Wikipedia

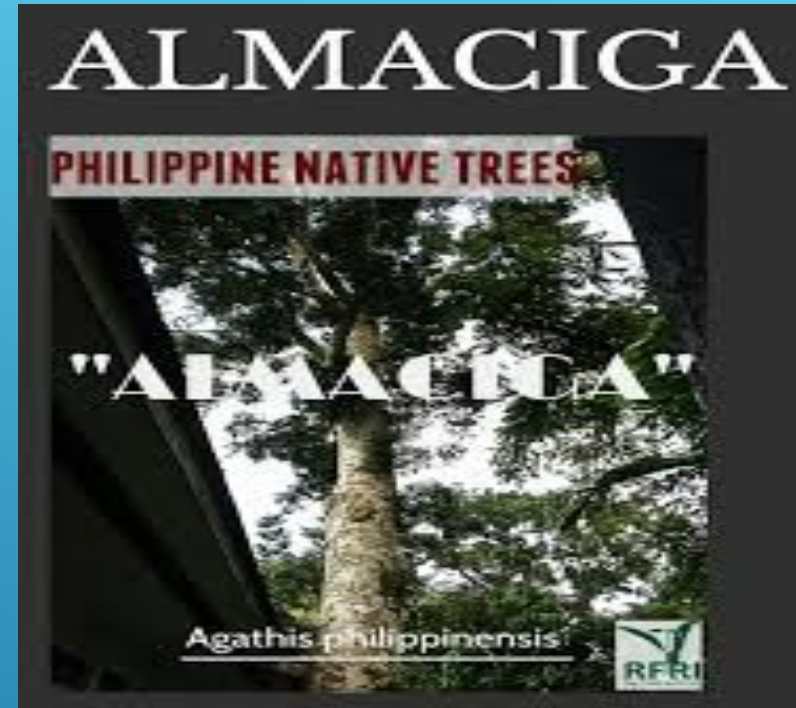
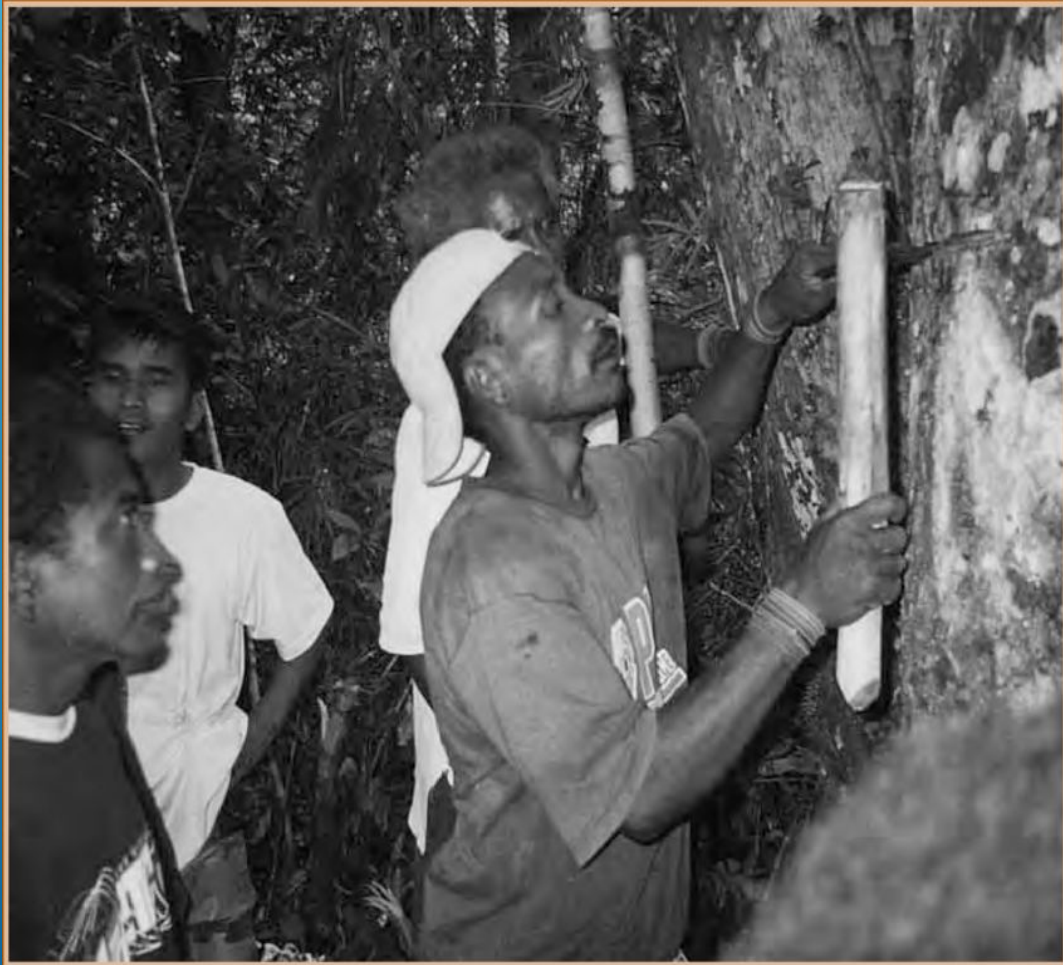
WHAT IS COMMUNITY CURRENCY FOR?

- Democratizing services and organisations: time credits for volunteering encourage people to actively engage in their community while making services, such as elderly care, more democratic.
- Supporting small and medium enterprises: Community currencies can serve as a means to promote independent shops over large corporations since they keep on circulating locally. They can also help SMEs support each other financially by lending and receiving credit, goods and services within the currency network.
- Countering inequality and social exclusion: Specially designed currencies can address inequality issues by giving everyone the chance to get involved in their community; for instance by rewarding participation in voluntary programs.
- Addressing environmental impacts: Community currencies can play a role in better valuation of environmental resources and providing an incentive for more sustainable behavior. For example, the Belgian Portemonnee rewards residents for environmentally positive actions such as composting. Reward currencies can also encourage businesses to adopt more environmentally sound practices.

MONEY AS INTERFACE BETWEEN MODERNITY AND TRADITION (TAGBANUA, HIGAONON AND BONTOC INDIGENOUS COMMUNITIES)

- ▶ Cash is in the form of Philippine currency consisting of bills and coins.
- ▶ Cash-convertible assets consist of livestock which are mostly chickens and pigs; cash crops such as rice, corn and vegetables, and forest products such as almaciga resin which is very popular among the Tagbanua.
- ▶ The last category of money, the non-monetized relationship of exchange involves the barter of goods (labor for food; orchids for clothes; rice for salt) and reciprocal social obligations manifested in thanksgiving, wedding, and death.

MONEY AS INTERFACE BETWEEN MODERNITY AND TRADITION

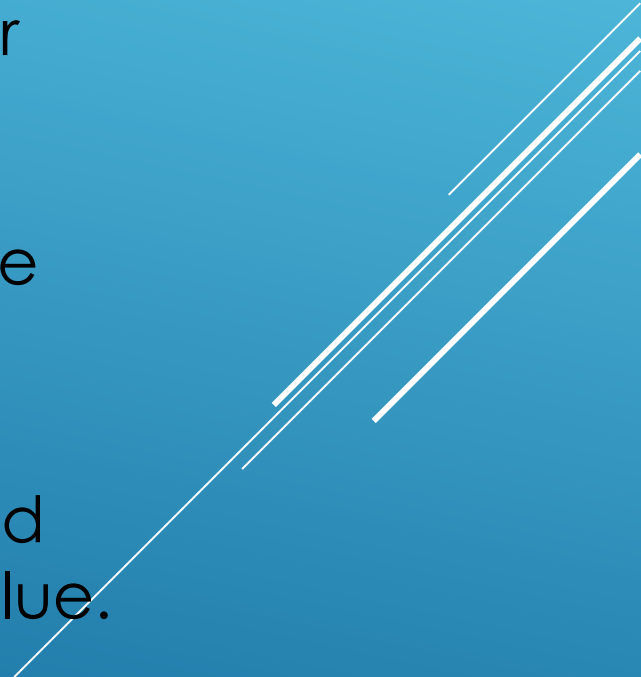


The almaciga tree grows naturally in almost all Philippine forests. The Philippine government prohibits the felling of the tree and because of this, utilization is limited to its resin, known in world trade as almaciga resin or Manila copal. Almaciga resin is used in the manufacture of varnishes, paints, soaps, plastics, printing ink, linoleum, shoe polish, floor wax, etc.

MONEY AS INTERFACE BETWEEN MODERNITY AND TRADITION

- ▶ While cash is not always available, they address their economic needs by using their other stocks of money. Gift and payment of goods and services are expressed in cash and in kind. Sometimes, both are practiced, for example, in addition to cash wage for a day's work in the farm, the laborer and his family are provided supper by the host in Sadangga. Harvesters may also be paid with a percentage of the harvest. Even cash loans are sometimes paid with goods.

TRADITIONAL METHODS OF STORING MONEY AND WEALTH

- ▶ Storing cash among the Philippine indigenous peoples is not a common practice, as they hardly possess sufficient amount of money to get by.
 - ▶ Individuals frequently store small amounts of money for short durations. The concept of “lugi”, a Visayan term synonymous to what is generally referred to as “piggy bank” defines the informal cash storing practices of the indigenous peoples.
 - ▶ The lugi is made of a wide array of materials, stored in various durations depending on purpose, and provided with different levels of safety measures based on its value.
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TRADITIONAL METHODS OF STORING MONEY AND WEALTH



Money was hidden underneath the plastic wrapper, then covered with lid and the green floor mat. Photo taken by Genevieve Labadan

TRADITIONAL METHODS OF STORING MONEY AND WEALTH



It's the real thing

TRADITIONAL METHODS OF STORING MONEY AND WEALTH



Bills and coins are displayed in the sari-sari store to facilitate monetary transactions. Money is hidden somewhere between clothing and inside the pillows. Photos taken by Jae Estuar (above) and Anthony Aquino (below).

INFORMAL METHODS OF STORING MONEY

Forms of Money	Method of Storing	Risks	Risk Minimization Strategies
Cash	In the body, house, farm, cooperative; in other people by lending and through installment payments for durable goods; in children's education	Stolen, robbed, or lost	Women's storing of money in multiple locations minimizes the risk of losing all the money at once, either from theft or from sheer temptation to spend. The strategy of allowing some money to be simultaneously displayed and hidden in the house. Coins tend to be visible but higher denominations are hidden

INFORMAL METHODS OF STORING MONEY

Forms of Money	Method of Storing	Risks	Remarks/Strategies
Non-cash	Raising livestock and producing cash crops	Death of livestock, crop failure	Livestock raising is part of an integrated farming system, farm animals also as a source of fertilizer, a means of increasing men's and women's productivity during lean months, and as a symbol of financial stability or some kind of insurance

INFORMAL METHODS OF STORING MONEY

Forms of Money	Method of Storing	Risks	Remarks/Strategies
Non-monetized relationship	Gift-giving; spending for celebrations; labor	Unreciprocated gifts and spending for celebration	Participating and investing in celebrations and social events generates social capital or “the aggregate of the actual or potential resources which are linked to possession of a durable network of more or less institutionalized relationships of mutual acquaintance or recognition” By spending for others in festivals, weddings, birthdays, and burials, families deposit their money, in the form of food or gifts, in the people within their community.

INFORMAL METHODS OF STORING MONEY

- ▶ money is defined as food shared during celebrations and rituals (i.e., wedding, death, birthday, fiesta). Individuals who “invested” in fiesta obtain their money back in the form of future invitations from others who will have their turn of spending for any form of celebration. Gifts are like rotating savings or ‘paluwagan’, although they are not called as such. Gifts given to others act as stores of value; the giver will receive gifts of similar value at different times. Money is a tracer of social relationships, as illustrated in gift giving, that “reveals the presence, strength and direction of social ties between individuals and between groups”

MONEY STORAGE AS THE INTERFACE BETWEEN MEN AND WOMEN

- ▶ Gender shapes practices on informal storing of cash, particularly in terms of duration, location, and purpose of storing. Indigenous women tend to store for short-term durations while men for longer terms, as the former address the immediate needs of the family, whereas the latter, the intermediate ones. Women tend to store money within the house, which is their realm of authority and their comfort zone. Women's stored money is more visible than men's, and hidden in a less fixed state as they often open it to pay for daily needs. On the other hand, because men tend to store money for a longer duration than women do, they tend to hide it in more permanent locations, inside their house, in a nearby empty lot, or in the rice granary. Aside from time, the value of money is also considered when storing. The more valuable the money, the more difficult it is to find the stash. Higaonon men for example kept monies in their house under dug cemented floors, inside bamboo house columns, or a well-secured chest

RISK MITIGATION IN INFORMAL MONEY STORAGE

- ▶ The indigenous peoples practice diversification of their economic resources. Although there is very little less cash stored, in the backyard are pigs and free range chicken, and relatives and villagers whom they can run to in times of need. Even as some of the livestock die, others also survive. Livestock not only have a commercial function but they are also for their subsistence, celebrations, gifts, and ritual offering. When they run out of one form of wealth, they can resort to their other stock of money.

ARIGATOU GOZAIMASU

MARAMING SALAMAT

