



SUSTAINABLE SHARED GROWTH SEMINAR #26 Community Currencies, Part 2

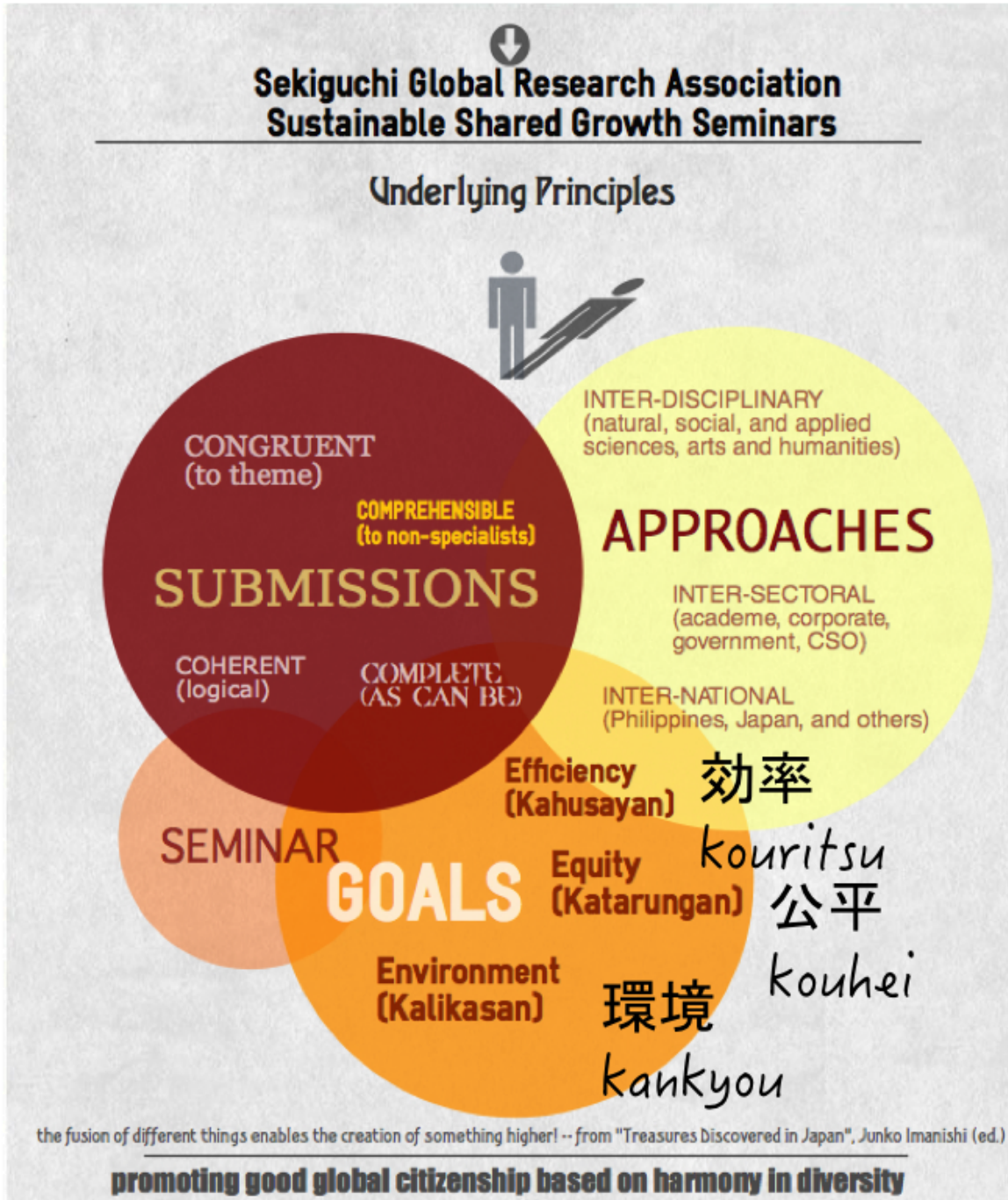


Table of Contents

Overview	2
Review of Community Currency (CC)	3
Significance to Sustainable Shared Growth	3
Basic Mechanism	4
Report on Activities Since Seminar #25	4
Visit to the Philippine Central Bank	4
Survey of Related Literature	5
The Gap in the Literature	5
CCs in Japan	6
Genki (Osaka, 2004)	7
Mori Ken (2012), NGO based in Miyagi Prefecture	7
Musubi Tsuka (2010) NGO based in Aichi Prefecture	8
The Makiling Experiment	8
Appendices	10
Appendix 1: Full Survey of Related Literature	10
Appendix 2: Post-Seminar#26 Presentation at Kyoto	18
Event	18
Main Points	19

Overview

Theme: Community Currencies and Sustainable Shared Growth, Part 2

Date: October 19, 2018 (Friday)

Venue: University of Tokyo, Komba Campus, Tokyo, Japan

Presenter: Dr. Ferdinand C. Maquito (University of the Philippines Los Baños, UPLB)

Facilitator: Dr. Toru Nakanishi (University of Tokyo)

Background: Playing a complementary role to state currencies, there are several thousands of community currencies now in existence all over the world. It is even claimed that community currencies have a long history, being used even before the barter system. Often issued without interest rate or collateral, community currencies maintain economic activities of the community in cases of scarcity of state currencies. Transactions that are not usually undertaken through the market system are made possible by community currencies. In other words, transactions that are not computed in the GDP become possible. In this seminar, we would like to investigate how community currencies could contribute to sustainable shared growth



第26回目持続的な共有型成長セミナー@東大
26th Sustainable Shared Growth Seminar @ Todai
August 19, 2018



Community Currency and Sustainable Shared Growth Part 2

地域通貨と持続可能な共有型成長 第2版

Max Maquito, Ph.D.

マックス・マキト

University of the Philippines Los Baños

フィリピン大学ロスバニョス校

College of Public Affairs and Development

公共政策・開発大学院

1

1. Review of Community Currency (CC)

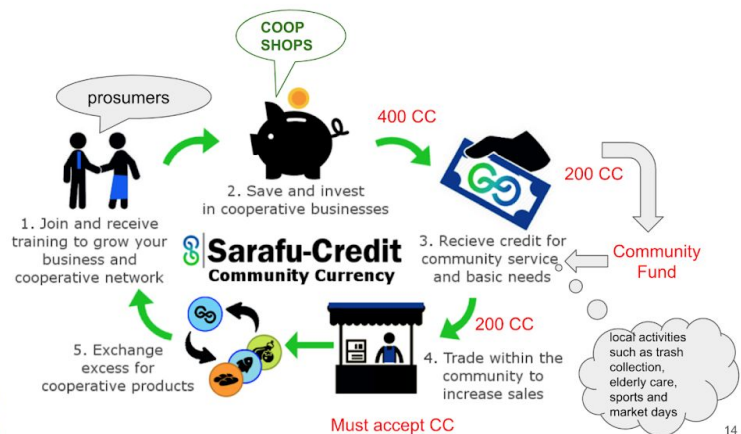
1.1. Significance to Sustainable Shared Growth

- 1.1.1. Sustainable shared growth has been used in these seminars to refer to three economic goals: efficiency, equity, and environmental friendliness, or simply ecology. As is discussed more in Appendix 2, these goals has been translated into Tagalog (the official language of the Philippines) *kahusayan*, *katarungan*, and *kalikasan*, respectively.
- 1.1.2. I consider community currencies, if used properly, to be a mechanism to achieve sustainable shared growth. This assessment is derived basically by looking at the Kenyan case of CC.
 - 1.1.2.1. Efficiency: CCs serve to reduce the possibility of artificial surpluses, brought about by a scarcity of fiat currency within a certain community. It, therefore, prevents a certain community from operating below its most efficient level.
 - 1.1.2.2. Equity: A CC is a form of credit, which requires neither interest rate payment nor collateral. Interest rates have been considered as one source of the widening gap in the distribution of wealth of an economy.¹ Interest rates constitute the source of wealth of owners of capital, who are seen as forming the richer but fewer segment of an economy. On the other hand, income per capita of owners of labor, who form the less affluent but bigger segment of an economy. Increasing disparity between these two segments are driven by periods when the interest rate is the higher than the growth rate of per capita income or wages.
 - 1.1.2.3. Ecology: CCs could be utilized to fund environmentally-related services, such as trash collection and processing, which might not be effectively availed through the market mechanism. In economics, environmental problems are usually treated as externalities, precisely because these emanate from decisions outside the private market-related decisions of consumers and producers. The CC, therefore, effectively, makes visible a market-invisible activity.

¹ See, for example, “Capital in the 21st Century” by Thomas Piketty published in English in 2014.

まとめ：地域通貨と持続的な共有型成長

- ❖ 環境
 - 見えざる手(市場)が見えない取引の見える化
- ❖ 公平
 - 利子率がゼロで、格差の原因の一つを解決 (Pikkety, 2014)
- ❖ 効率
 - 需要不足の解消



35

1.2. Basic Mechanism

In the Sarafu-Credit CC system of Kenya, the cooperative together with the NGO Grassroot Economics play an important role in the adoption of this system. A Coop Shop is formed by these two, which then serves as the inventory of goods and services that backs the CC. Each member of the CC, a prosumer, is given a certain amount of CC at the beginning of each month. Half of this amount is placed into a community fund, which is used to pay for community activities including garbage collection. The other half is used by the member to purchase goods and services sold by other members of the cooperative, who are obliged to accept the CC as a medium of exchange. Members are required to settle their CC accounts at the end of each month. This CC system has been found in the Kenyan case to significantly increase community transactions, as well as the level of trust (social capital).

2. Report on Activities Since Seminar #25

2.1. Visit to the Philippine Central Bank

It was observed in the Kenyan case, as well as in other cases, that the proponents of a CC system often run afoul with the local monetary authorities. The issuance of legitimate currency is in most cases a monopoly of the state.² It is perhaps but natural for the monetary authorities to

² Dr. Toru Nakanishi raises the intriguing point, however, that this monopoly power may not be of the state but rather of the private sector. This would be an interesting future research direction.

be suspicious of CC, which in the case of Kenya, led to the incarceration, albeit briefly, of its proponents. Our CC research team at UPLB, consisting of Prof. Roland Bello, Dr. John Perez, and myself, thought it prudent, therefore, to consult with the *Bangko Sentral ng Pilipinas* or BSP (Central Bank of the Philippines) to avoid future misunderstandings. Under the leadership of Prof. Roland Bello (now Dean of the College of Public Affairs and Development in UPLB), we have consulted Mr. Dennis Bautista, Deputy Director of the Department of Economic Research of the BSP.

“Strongly recommend that you write to the BSP Governor about this research”
「中央銀行総裁にこの研究について手紙を書くことを強く勧める」



Consultations with BSP



JULY 11, 2018

16

2.2. Survey of Related Literature

2.2.1. The Gap in the Literature

Our survey of related literature, the full version of which is given in Appendix 1, focuses on the cases of Japan, Brazil, and Kenya, representing three distinct cases of economic development. One intriguing observation from this survey, which we aim to pursue further in the future is that CCs tend to be more prolific in advanced countries than in developing countries. We think that this is ironic, since the functions that CCs serve in an advanced industrialized country such as Japan, could also be served in a developing country.

関係文献のサーベイ

- 76カ国を対象に、下記の条件が高ければ高いほど、現地通貨の存在確率あるいは数が高くなる
 - 金融的な安定性
 - 金融部門の発展
 - 経済の発展
- その含意
 - 現地通貨は、発展途上国より先進国の方に多く存在する

18

2.2.2. CCs in Japan

As of 2013, there is an estimated 4000 CCs being utilized in the world. In 2008, there were about 256 in existence in Japan. By 2011, this number rose to 662. I considered three cases below of CCs in Japan.

関係文献のサーベイ

- 現地通貨の数
 - 世界では、現地通貨がおよそ4000個まで存在している、Dunne & Lietaer (2013)
- 日本では、
 - 2008年12月には256個あった、Izumi (2014)
 - 2011年1月には662個まで増えた、Tokutome (2011)

17

2.2.2.1. Genki (Osaka, 2004)



こんにちは、♪みなさん地域通貨ってご存知ですか？
特定の地域の中だけで流通する貨幣のことです。
ひこにやんで有名な彦根では「産」があったり
高田馬場ではアトム通貨「馬力」があったり。
地域によっていろいろな楽しみ方がありますよね。

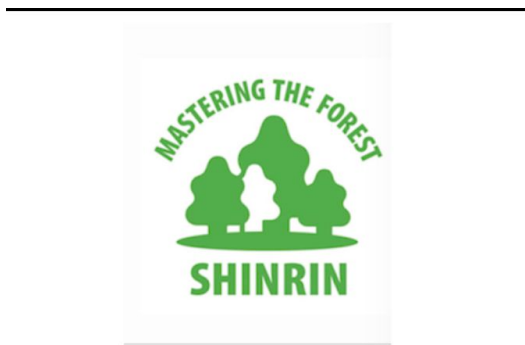
なんとこの武蔵野にもかわいい地域通貨があるんですよ！
武蔵野市の「武」と中央区の「中」を合わせた「むちゅー券」。
武蔵野市中央区だけで使える地域の通貨です。だけ、と言っても
あそこのパン屋にある居酒屋、花屋にコンビニ、病院まで！
いる～なお店で使えるんです！ スゴイ！

むちゅー券は各お店のサービスでもらえたり、地域ボランティア
のお礼としてもらえたりするんです。ホテルのすぐ近くにある
「ふれあいセンター」で購入することもできるんですよ！
私もパン屋さん和本屋さんでもらいました。
5円や10円、100円など小さな額の券ですが、そこには
武蔵野の人々のパワーやぬくもりが詰まっているのです。

もし「むちゅー券」を手にしたら、武蔵野でのお買い物に
ムチューになって楽しんでみてください！

Source: <http://www.tiikituukaneyagawa.org/>

2.2.2.2. Mori Ken (2012), NGO based in Miyagi Prefecture



私達は森林を”元気”にします。

団体名

特定非営利活動法人 しんりん

設立

地域の森林資源の有効活用と森林環境教育に取り組む特定非営利活動法人日本の森バイオマスネットワークが、森林環境を保全し地域経済を活性化させる自伐林業を推進する特定非営利活動法人土佐の森・救援隊の協力のもと、2012年8月より活動を開始し、2013年1月11日に特定非営利活動法人しんりんとして設立しました。



Source: <http://shinrin.org/moriken>

2.2.2.3. Musubi Tsuka (2010) NGO based in Aichi Prefecture



24

Source: <https://www.f-money.com/おむすび通貨とは/>

2.3. The Makiling Experiment

My college, the College of Public Affairs and Development (CPAf), is located at the foot of Mt. Makiling. As appointed Chair of the Socials Committee, I have been tasked by Dean Roland Bello to promote camaraderie among the constituents of CPAf. Towards fulfilling this mandate, I have been experimenting with developing a CC for CPAf, which I have tentatively dubbed as *cpafi* (sipapi). Through *cpafi*, I am hoping that the invisible volunteer work would become visible and, therefore, encourage CPAf constituents to participate more actively in volunteer work within the college, which I view as essential participation in community building.



マキリング実験

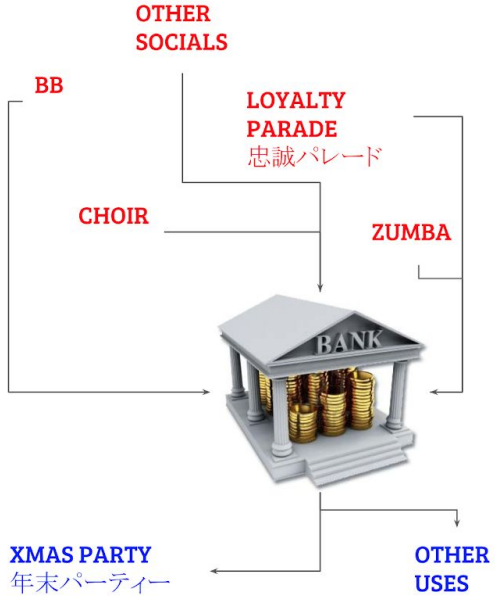


27

The basic scheme of *cpapi* is shown below. The CC is essentially earned through participation in social activities deemed legitimate by the Socials Committee. These are the activities shown in red in the flow chart, and includes Brown Bag (BB) lunches, loyalty parade, choir (Himig CPAF ATBP), and zumba dancing. The earned CC could then be used in activities such as the year-end Christmas Party of the college. We are at this stage still thinking of other uses.

CPAf Community Bank コミュニティ銀行

1. CPAfの一員
2. 交流委員会が認定された活動に参加して、CPAf Piso (シパピ)が得られる
3. 活動の特徴
 - 3.1. 非競争的
 - 3.2. 非排他的
 - 3.3. 学院長が狙う大学院の団結をサポートする
4. 使用
 - 4.1. 年末パーティーで
 - 4.1.1. Most Outstanding Comrade(s)
 - 4.1.2. ビンゴカードや入場券などの購入
 - 4.2. その他は募集中



SGRA Chief Representative Junko Imanishi raises a valid point that such a system may effectively dilute the spirit of volunteerism, which is essentially to do *pro bono* work that benefits

the community. Such thinking in fact could be found in the Japanese cases of CCs that I've surveyed. My thinking on this, however, is that there should be no conflict. A CC system could promote volunteer work, which is ultimately the common aim. The color of the cat should not make a difference, for as long as it is a cat (to paraphrase Deng Xiaoping). And, indeed, the Japanese case of CCs have devised ways to overcome this problem.

With *cpafi*, I adopt, however, a strict definition of voluntary participation that could earn *cpafi*:

1. The activity should be open to all constituents of the college (no turfing)
2. Participation in the activity is not ordered by an Administrative Order (truly voluntary)

Comment from Dr Toru Nakanishi: My main comment is about the bidirectional or interactive relationships between local currency and communities. Local currency contributes to developing community-based resources, while one of the necessary conditions for the spread and well-working of the currency is a rich community-based resources. Discussion on Homo Deus by Harari shows that the owner of big data among us can rule our world. But local currency or community money may be an important weapon of the weak to dodge the strong.

3. Appendices

3.1. Appendix 1: Full Survey of Related Literature

Community Currency as a Mechanism for Sustainable Shared Growth

Ferdinand C. Maquito³, Rolando T. Bello⁴, Jose E. Perez⁵
College of Public Affairs and Development
University of the Philippines Los Baños

July 2018

Introduction

Our interest in Community Currencies (CCs) grew out of discussions with Toru Nakanishi of the University of Tokyo, who has had a long-running interest in informal urban communities in the Philippines. This has led us to embark on a research agenda that has basically two branches. One branch consists of a search for actual cases of CCs in the Philippines. The other branch aims to probe the sentiments of local communities towards this concept. In February of this year, two authors (John E. Perez, and Ferdinand C. Maquito) presented a developing country case to a community development council in Laguna, which elicited a feedback open to trying out the CC idea.

³ Assistant Professor, Institute for Governance and Rural Development, email: fcmaquito@up.edu.ph

⁴ Dean, College of Public Affairs and Development, email: rtbello@up.edu.ph

⁵ Assistant Professor, Institute for Governance and Rural Development, email: jmperez3@up.edu.ph

Thus far, we have not yet found an actual CC implementation in the Philippines. One possibility is that posited by one of the authors (Rolando T. Bello)⁶ wherein indigenous people may actually be implementing a certain type of CC in the exchanging gifts.

We present here an overview of CCs, touching on the cases of an East Asian developed neighbor, Japan, and two developing countries, Brazil and Kenya. We conclude with our thoughts regarding our future research on CCs in the Philippines.

Overview of Community Currencies
(Makoto Nishibe, 2018) reports that

CCs spread worldwide rapidly in the 1990s. The number of CCs in the world was estimated to reach 4,000 (Dunne & Lietaer, 2013) and that of Japan was counted 259 in December 2008 (Izumi, 2013) and 662 in January 2011 (Tokutome, 2011)⁷. In Japan, several volunteer citizen groups initiated CCs in the late 1990s, then local governments, Chambers of Commerce, Societies of Commerce and Industry and private corporations had gradually joined as partners or promoters of CCs, and many NPOs were established mainly for management and administration of CCs.

State of Community Currencies

In a study of 76 countries, (Damjan Pfajfar, Giovanni Sgro, And Wolf Wagner, 2012) found that the higher the monetary stability, the level of financial sector development, and the general level of economic development, the higher the likelihood of existence and the number of alternative currencies.

Alternative currencies refer to unofficial currencies that exist parallel to the national currency and which can exist for a variety of stated purposes. A common element, however, is that they are often established on a local or regional level, backed by some form of local interest group, such as private nonprofit organizations, small businesses or local institutions. (Damjan Pfajfar, Giovanni Sgro, And Wolf Wagner, 2012), p. 46

This implies that community currencies are more popular in developed countries than in developing countries.

Survey an East Asian neighbor: Japan

We consider the case of a fellow East Asian nation at a higher level of development than the Philippines: Japan.

⁶ Presented in the 25th Sustainable Shared Growth Seminar held at the College of Public Affairs and Development, UPLB last March 21, 2018 in collaboration with the Sekiguchi Global Research Association, Atsumi International Foundation

⁷ Accessing this website on July 12, 2018, the most current estimate as of April 19, 2017 is 677.

(Miyazakia & Kurita, 2015) provides a classification of CCs in Japan using a Polanyian perspective of the evolutionary process, characterized by the interaction of state, market, and society (community).

In the early stage, Japanese CCs appeared in the social field as a countermovement to the market expansion that devastated the old way of mutual assistance in communities. In the second stage, CC coupons appeared for use in non-commercial and commercial transactions. This type took advantage of social and market features. These days, the third stage of CCs has appeared, that is, a new type of currency to develop local residents' skills and protect forests. (Miyazakia & Kurita, 2015), p.5

The first stage covers the period from 1970s to early 2000s. The CCs of this stage were meant to facilitate the exchange of services that could not be readily exchanged in the market. One example of such a CC is that "deposited to" and "withdrawn from" the Volunteer Labor Bank (VLB), which was established in 1973 by Teruko Mizushima, a social benefactor. This CC was meant to help working women as well as full-time housewives. An hour of service earns a point in the VLB, which could later be converted back to an hour of labor to service one's needs. A similar CC is the "Fureai Kippu", which was established by the Sawayaka Welfare Institute in the 1990s and uses tickets to represent scores earned when rendering volunteer services. Yet another variation of this CC was the eco-money introduced in 1999 by Toshihiro Kato, a former director of the Services Industries Division of the Ministry of International Trade and Industry. This CC involved an issuer of the currency, and a list of services that could be offered and needed by the members of the eco-money network.

The second stage covers the early 2000s and involves the use of CC coupons that were awarded to volunteers. Apparently there was a psychological barrier to accepting cash payment for volunteer services, which the CC coupons were able to overcome. The CC coupons were also could be exchanged for goods and services sold in the community shops. This also served to revitalize the shops which were confronted with dropping sales due to demographic factors (e.g., aging society, dropping fertility rate, rising popularity of nuclear families). An example of such CCs are "genki" issued in 2004 at the Neyagawa, Osaka by the NPO Chiiki Tsuka Neyagawa. Other examples are "Gau", which started in Nerima, Tokyo in 2001, "Mu-chu" in Musashino, Tokyo in 2008. Experiencing some resistance from shopkeepers are "Orion" in Kitakyushu City, issued in 2004, and "Sarari" in Sarabetsu Village, Hokkaido, issued in 2008.

The third stage covers the mid-2000s to the present. The CCs developed during this period extends the scope of utilization of CCs. One extension includes services for protection of environmental resources, such as the forest. A famous example of such CC is "Mori-ken" (forest ticket), which was issued by the Tosa-no-Mori Kyuentai. This type of CC has spread throughout Japan through the "Ki-no-Eki" (tree station) projects. Another extension allows the re-use of the CC among member businesses as in the case of "Omusubi Tuka" of Toyota City, Aichi Prefecture, where it is used by SMEs and large firms, creating the traditional multiplier effect of money. This CC has an expiration date at which time it could be exchanged for rice.

As could be inferred from the above evolution of CCs in Japan, CCs could also yield benefits to developing countries. Demographically speaking, developing countries have younger and growing populations. Nevertheless, these countries are beset by problems of unemployment or underemployment, environmental degradation, and poor linkages among businesses and within communities.

This begs the question: But why are CCs rarer in LDCs? Could this be due to higher transactions costs in instituting CCs? Towards answering such questions, we turn to the experience of developing countries with respect to CCs.

Community Development Bank (CDB): The Case of Brazil

(França Filho, de França Filho, Júnior, & Rigo, 2012) gives a good analysis of Banco Palmas, the first CDB in Brazil. The highlights of its evolution are as follows.

1. In 1998, the residents of Conjunto Palmeiras, a poor district of approximately 40,000 inhabitants in the outskirts of Fortaleza, capital of the Northeastern state of Ceará (FRANÇA FILHO and SILVA JÚNIOR, 2006). Banco Palmas, the CDB of Conjunto Palmeiras, was created by the Residents' Association of Conjunto Palmeiras (Associação dos Moradores do Conjunto Palmeiras - ASMOCONP). The stated goal of Banco Palmas is to create employment and generate income through the use of various tools to provide solidarity finance services to producers and consumers in the territory (SILVA JÚNIOR, 2004).
2. In 2003, the Banco Palmas Institute of Development and Solidary Socioeconomy - Palmas Institute (Instituto Banco Palmas de Desenvolvimento e Socioeconomia Solidária - Instituto Palmas) was created, to help in replicating this social technology in partnership with various institutions in Brazil and abroad, in the wake of surging interests.
3. In late 2004, Banco PAR was established as a replication of Banco Palmas in Paracuru, a small municipality in the state of Ceará
4. In 2005, the Brazilian government, led by the National Solidarity Economics Department within the Ministry of Labor and Employment (Secretaria Nacional de Economia Solidária/Ministério do Trabalho e Emprego - SENAES/MTE), invested in the project to support the establishment and consolidation of CDBs, in partnership with the Palmas Institute.
5. The next step was the creation of the Brazilian Network of Community Development Banks (Rede Brasileira de Bancos Comunitários de Desenvolvimento - BCD). The Network aims to contribute to the exchange of experiences, knowledge and coordination of resources and partnerships for the institutional development of all the CDBs in the country. As of April 2012, 68 CDBs have been created and have joined this network.⁸

The CDBs are jointly managed by the community association and the technical staff of the bank. The CDBs provide consumption and production loans. Consumption loans are given in community currency, Palmas in the case of Banco Palma, while production loans are given in

⁸ By 2015, the network had over 120 branches all over the country. (North & Scott Cato, 2017), p.201

the Brazilian fiat currency, Real. Both loans are aimed to develop the local community that the banks serve. The production loans have interest rates, albeit much lower than commercial rates. There is no interest rate on the consumption loans issued in the CC, but there is an administrative fee of 1% of the loan amount, and a requirement to repay the loan in 30 to 60 days. Repayment rates are very high due to the CDB's reliance on community solidarity which acts as a peer pressure mechanism. A parity rate of one Palma to one Real is maintained by depositing one Real in Banco Palma.

Eco-Pesa: The Case of Kenya

In (Ruddick, Richards, & Bendell, 2015), the creator of the Kenyan CC, Eco-Pesa, documents the process of creating this CC.

1. The CC Eco-Pesa was created in 2010 by Koru-Kenya, a community based organization that is partnered with Community Forge, a Swiss NPO. Funds from donors backed the CC, which was primarily used for paying community members who participated in donor-desired environmental projects, such as waste collection. The members used the CC in their purchases from 75 participation community businesses, which in turn used the CC in transactions among themselves.
2. While showing gains (e.g., collection of 20 tons of trash, planting of thousands of trees, and an estimated 20% increase in profits of participating businesses), this CC project was ended when the donor funding was exhausted as the issued CCs were redeemed.
3. Koru builds the base for the successor CC program in an informal settlement near Mombasa, called Bangladesh, by organizing 200 small businesses into the Bangladesh Business Network. Discussions regarding the possibility of a CC program started in November 2012. The CC for this network was launched in May 2013.
4. Grassroot Economics foundation was created
5. Bangla-Pesa system is replicated in other communities, which formed the umbrella organization Sarafu Credit. Each community uses their own CC but operates under the same system as that of Bangla-Pesa

Comparison of the Two Cases

Both cases target marginal communities, and show significant benefits to the community being developed. One major obstacle to establishing CCs appear to be coordination failures. To organize a whole community to accept a totally new currency is no simple task. In the Brazilian case, this was facilitated through the formation of a community association, while in the Kenyan case, an NGO acted through a community cooperative.

Both cases seek to resolve the scarcity of fiat currency, which particularly plagues marginal communities.

Both cases also experienced misunderstanding from the monetary authorities. The issuer of the first Palmas currency, Joaquin Melo, was accused by the Brazilian Central Bank of issuing fake currency. The court ruled, however, that it was entirely constitutional that citizens have access

to funds (Dunne & Lietaer, 2013). For the Kenyan case, the inventor, William Ruddick of the NGO Grassroot Economics, and five others were arrested and charged with the possession of illegal currency (“Business Daily,” 2017). The Director of Public Prosecution terminated the case based on consultations with the Central Bank of Kenya and the Kenya Revenue Authority leading to the conclusion that no offense has been committed (“Business Daily,” 2013).

One difference in the experience of the two cases with their respective financial authorities, however, is the change of heart of the Brazilian Central Bank after losing a lawsuit against a community bank issuing a community currency formed an alliance with the National Secretary for Solidarity Economy of the Brazilian Labor Ministry to develop and promote the network of community banks (Place, 2011). The emergence of such a champion appears to be an important factor in the widespread diffusion of community banks.

If we were to adopt a particular CC model for our research in Laguna, we tend towards the Kenyan model since it is more open to involvement from someone outside the community. Moreover, it is the simpler of the two CC models since it requires only the issuance of the CC, without microcredit financing, and focuses on prosumers instead of dividing the community into consumers and producers. The Kenyan model is also more aligned to our zero-interest rate preference which is relevant to our search for a CC that contributes to sustainable shared growth.

Sustainable shared growth refers to three economic goals: efficiency, equity, and environmental-friendliness. We propose that a CC is efficient in that it helps a community reach its production possibility frontier when incomes are reduced, so that the budget line is below its efficient point. We propose that a CC is equitable since it seeks to empower a marginal community, but more importantly because it applies a zero-interest principle. We propose that a CC is environmentally friendly, since it could be utilized to pay for environmental services, among other services that are not usually traded in the market.

The Chosen Scheme in More Detail

The figure below shows a schematic diagram of the Sarafu Credit

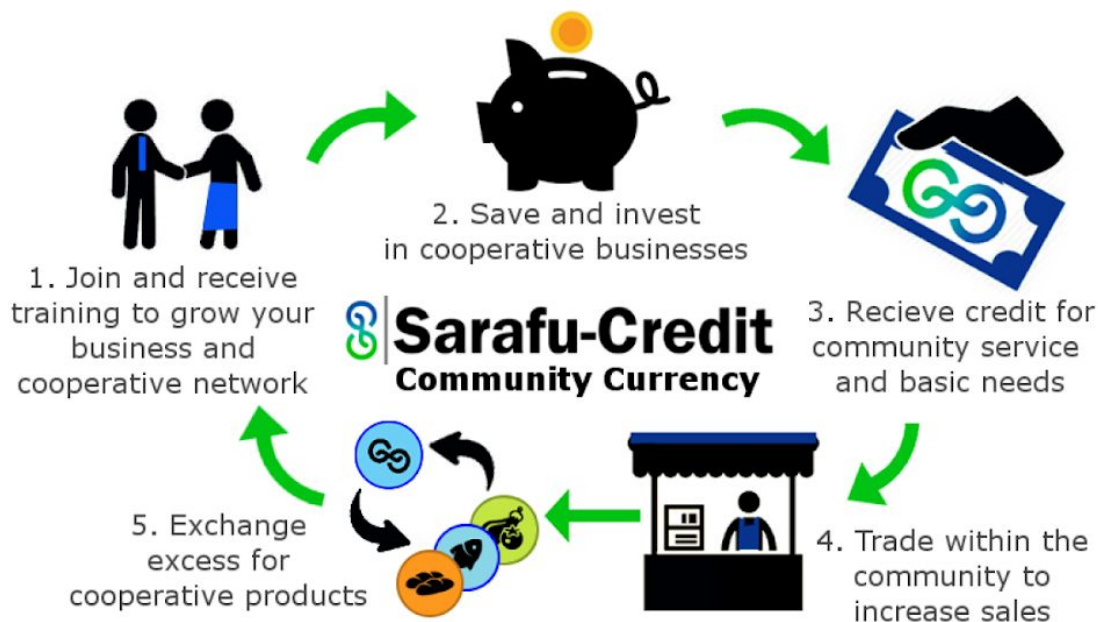
Step 1. Prosumers organize themselves into a cooperative network. Members must be sponsored by four other members.

Step 2. The members save and invest in a cooperative business, which will provide the backing for the issued CC.

Step 3. Each member is given a credit of 400 CC, interest- and collateral-free. Each member donates 200 CC to a community fund, which is used to pay for local services, e.g., trash collection and elderly care. The specific services are decided based on the votes of the members.

Step 4. The CC is re-circulated within the community. Members have the obligation to accept CC in payment. Usually, payments are made in CC and the fiat currency.

Step 5. Members are in good standing if they are able to clear their 400 credit line at the end of each month. Those that have either excess or deficit amounts of CC will be assisted in clearing their credit line. The ones with excess CC could purchase from those with a CC deficit. The cooperative business could also be used as a clearing house, buying and selling CC in exchange for its inventory or profits (in fiat currency). A new credit line is given to members of good standing at the beginning of each month.



Source: (Cauvet, 2018)

Features of the CC

1. The exchange rate between the CC and fiat currency is kept at parity.
2. The Bangla-Pesa artwork was done by a local artist, Karol Opondo, Head of the Art Department at the Mombasa Academy, Kenya. The computer graphics and security printing were done by Punchlines Ltd. (Kenya's top security printers based in Nairobi). Micro-lettering, specialty paper, serial numbering, and the UV ink are the primary means of reducing the risk of counterfeit. Bangla-Pesa vouchers are security printed in four small denominations: 5, 10, 20, and 50. (Ruddick et al., 2015)⁹
3. The CC could only be used within the community it serves.
4. The CC expires after one year, and new ones are re-issued.

Current Status of this Research

⁹ There is currently a move towards going electronic.

We are at this stage waiting for feedback from the Laguna cooperative that showed interest in the community currency scheme. Upon receiving feedback, we intend to hold a workshop to work out the details of the research prior to the implementation of a Random Control Trial, where we will try to verify the effects of a community currency scheme.

We are also in consultation with the Bangko Sentral ng Pilipinas for an advice regarding rules and regulations, as well as any methodology or resources we could utilize in this research.

References

- Business Daily. (2013, August 25). Retrieved July 18, 2018, from <https://www.businessdailyafrica.com/news/Bangla-Pesa-six-freed-after-State-drops-charges/539546-1967676-epps5kz/index.html>
- Business Daily. (2017, May 11). Retrieved July 18, 2018, from <https://www.businessdailyafrica.com/markets/currencies/Mombasa-County-opposes-use-of-Bangla-Pesa-currency/3815522-3923426-8eqvds/index.html>
- Cauvet, M. (2018). *Voucher Systems for Food Security: A Case Study on Kenya's Sarafu Credit*. University of Copenhagen.
- Damjan Pfajfar, Giovanni Sgro, And Wolf Wagner. (2012). Are Alternative Currencies a Substitute or a Complement to Fiat Money? Evidence from Cross-Country Data. *International Journal of Community Currency Research*, 16(Section A), 45–56.
- Dunne, J., & Lietaer, B. (2013). *Rethinking Money: How New Currencies Turn Scarcity Into Prosperity (Large Print 16pt)*. ReadHowYouWant.
- França Filho, G. C. de, de França Filho, G. C., Júnior, J. T. S., & Rigo, A. S. (2012). Solidarity finance through community development banks as a strategy for reshaping local economies: lessons from Banco Palmas. *Revista de Administração*, 47(3), 500–515.
- Izumi, R. (2013). 'Nihon no Chiiki-tsuka seido (Local currency systems in Japan). In M. Nishibe (Ed.), *Chiiki-Tsuka (Community Currency)*. Minerva Publishing.
- Miyazakia, Y., & Kurita, K.-I. (2015). The Appearance and Development of Community Currency

in Japan. Presented at the Third International Conference on Social and Complementary Currencies, School of Administration, Federal University of Bahia, Salvador, Brazil.

Nishibe, M. (2018). Understanding the Diversity of CCs Worldwide in Globalization and Deindustrialization as an Evolutionary Tree Diagram. *International Journal of Community Currency Research*, 22(Winter), 16–36.

North, P., & Scott Cato, M. (2017). *Towards Just and Sustainable Economies: The Social and Solidarity Economy North and South*. Policy Press.

Place, C. (2011). Community Currency Progress in Latin America. *International Journal of Community Currency Research*, 15(Special Issue D), 39–46.

Ruddick, W. O., Richards, M. A., & Bendell, A. J. (2015). Complementary Currencies for Sustainable Development in Kenya: The Case of the Bangla-Pesa. *International Journal of Community Currency Research*, 19(Summer), 18–30.

Tokutome, Y. (2011). Shiiki-Tsuka Zen Risuto (The Complete list of CCS in Japan). Retrieved January 2011, from <http://cc-pr.net/list/>

3.2. Appendix 2: Post-Seminar#26 Presentation at Kyoto

3.2.1. Event

I had the good fortune of presenting on “Japan-Philippine Shared Growth Seminar: Past, Present, and Issues (Sustainable Shared Growth: Towards Our Common Home and Happiness)” at the 3rd East Asian Consortium of Japanese Studies Annual Meeting, held at the International Research Center for Japanese Studies, Kyoto, Japan on October 27, 2018. This was organized by SGRA Chief Representative Junko Imanishi. The presentation focused on the activities of SGRA in the Philippines.



**【発表2】日比共有型成長セミナーの経緯、現状と課題
「持続的な共有型成長～みんなの故郷(ふるさと)、みんなの幸福(し
あわせ)～をめざして**

マキト、フェルディナンド (MAQUITO, Ferdinand)
フィリピン大学ロスバニョス校准教授
公共政策・開発大学院

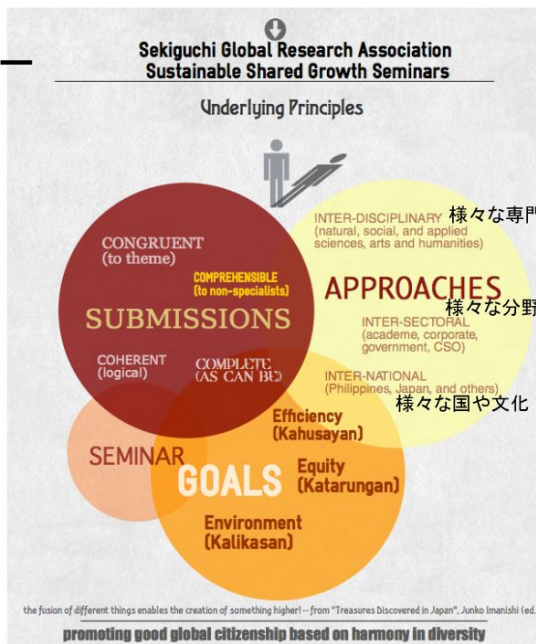
"Japan-Philippine Shared Growth Seminar: Past, Present, and Issues (Sustainable Shared Growth: Towards Our Common Home and Happiness), 3rd East Asian Consortium of Japanese Studies Annual Meeting, International Research Center for Japanese Studies, Kyoto, Japan OCT 27, 2018

While this event was not part of 3Ka Seminar #26, it is being added here to put the whole 3Ka Seminar Series in proper context.

3.2.2. Main Points

- 3.2.2.1. Since 2004, SGRA Philippines has held 26 seminars on the theme of shared growth (later, sustainable shared growth) with the cooperation of various local universities, such as the University of Asia and the Pacific, Ateneo de Manila University, University of the Philippines Diliman, University of the Philippines Los Baños, and government agencies, such as the Department of Agrarian Reform. The seminars also benefited from the support of Dr. Hitoshi Hirakawa (Professor Emeritus, Nagoya University) and Dr. Toru Nakanishi (University of Tokyo).

2004年以来、
26回のセミナー



From Left: Prof. Kelly Ellis (2nd presenter), Dr. Jeng Reyes (Closing Remarks), Mr. Junko Imanishi (Opening Remarks), Dr. Tomo Kodawari (1st presenter), Dr. Alex Magueta (2nd presenter), Dr. John Perez (Moderator/Facilitator)



3.2.2.2. The theme of sustainable shared growth has become my main research and advocacy, which drives me to look for mechanisms that could enable the Philippines to achieve this type of development. It refers to three economic goals: efficiency, equity, and environmental friendliness or ecology. These have been translated to Nihongo: 効率 (kouritsu), 公平 (kouhei), and 環境 (kankyou), respectively; as well as to Tagalog: *kahusayan*, *katarungan*, *kalikasan*. Note that in *baybayin*, one of the traditional scripts of the Philippines, the letter *ka* (meaning, connection) actually looks like the kanji for *takumi* 工 (craftsman). The sustainable shared growth seminars, therefore, could be called as 3Ka Seminars, for short. We pronounce “3Ka” using the Japanese reading of “san ka”.

2004年以来、
26回のセミナー



3

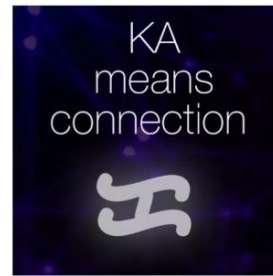
3.2.2.3. The three K letters, in Philippine history, symbolize the heroism of the revolutionaries who stood up against the Spanish colonizers. Unlike, perhaps, in the Western World or even in Japan,¹⁰ these letters have positive connotations for Filipinos. These letters refer to the revolutionary organization called *kataastaasan, kagalanggalang, katipunan (ng mga anak ng bayan)*. In English, these would translate to the "highest and most respected assembly" (of the sons/daughters of the country). This allusion is appropriate even today given that the Philippines is engaged in a revolution of sorts to achieve sustainable shared growth. For relative to ASEAN countries at the same level of development, the Philippines unfortunately has not performed well in terms of efficiency, equity, and environmental friendliness.

¹⁰ In fact, there has been criticisms from Western colleagues against the use of KKK, given its strong White Supremacy undertones. In Japan 3K refers to jobs that are dirty (*kitanai*), demanding (*kitsui*), and dangerous (*kiken*), but I never received complaints from my Japanese friends. While there was resistance against such criticism and its implicit recommendation, SGRA Philippines decided to use 3Ka instead in deference to the request of a good East Asian neighbor (Japan). Unfortunately, what was considered as good in the East was abandoned because it was not considered as good in the West. Mind you, our (SGRA and Atsumi International Foundation) interest here is not to sow division but to foster harmony amidst diversity. It is, however, as we expect it to be: an uphill climb.

Kataastaasan, Kagalangalangan, Katipunan ng mga Anak ng Bayan
 母なる大地の息子たちと娘たちによるもっとも高貴にして敬愛されるべき会



KATIPUNAN ni 'Botong' Carlos V. Francisco



スペインからの
 独立運動を進
 めたカティプナ
 ンの旗



3.2.2.4. It is a source of inspiration for me that on January 2020, SGRA in collaboration with UPLB and SGRA Philippines will be held under the theme of 'Sustainable Shared Growth: Our Common Home and Happiness'. We look forward to active participation from all like-minded global citizens.



- ❖ 我々は運命共同体である
 - 家を共有している
 - 充実した一生を過ごしたい
 - 幸せを共有している

For more details: <http://www.aisf.or.jp/AFC/2020/>

Published by: Sekiguchi Global Research Advisory Philippines Ltd Co. March 2019
Address: 28 Taurus St., Cinco Hermanos, Marikina City 1800, Metro Manila, Philippines
Telephone No: 02-635-3917
Website: www.aisf.or.jp/sgra-in-english
E-mail: sgraphil@gmail.com
DTP by: Lenie M. Miro
Edited by: Columbus E. Maquito, Ferdinand C. Maquito

In Collaboration with: Sekiguchi Global Research Association
Chief Representative: Junko Imanishi
Address: % Atsumi International Foundation 3-5-8 Sekiguchi, Bunkyo-ku, Tokyo 112-0014 Japan
Telephone No: +81-3-3943-7612
Fax No: +81-3-3943-1512
Website: www.aisf.or.jp/sgra
E-mail: sgra-office@aisf.or.jp