



**MAR
2023**

36th Sustainable Shared Growth Seminar



**Building the Next Singapore(s) in the Regions:
The Case of Butuan**

A seminar by

**Sekiguchi Global Research Association of the
Atsumi International Foundation
in collaboration with**

**College of Public Affairs and Development of the
University of the Philippines Los Baños
Faculty of Management and Development Studies
of the University of the Philippines Open
University**



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Dean of FMDS/OPOU

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Chief representative, SGRA/AISF

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CPAf/UPLB and SGRA/AISF

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Chiba Keizai College, Japan

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36TH SUSTAINABLE SHARED GROWTH SEMINAR

February 28, 2023 (Tues) 9AM to 12NN (PH TIME)

UP Open University + ZOOM



IN SEARCH OF COMMUNITY CURRENCY

(A Study in Community Innovations)

PRESENTER

DR. MAX MAQUITO

College of Public Affairs and
Development (CPAf)/University of the
Philippines Los Baños (UPLB),
Sekiguchi Global Research
Association (SGRA)/Atsumi
International Foundation (AISF)

- what is a community currency
- how could a community currency scheme be designed
- how do we move forward through joint explorations and research collaborations

DISCUSSANTS

DR. KENICHI KURITA

Chiba Keizai College (Japan)

- author of "the 2020 book "Community Economy and Community Currency" (in Japanese)
- co-author of paper presented at the 6th Conference of Research Association on Monetary Innovation and Community and Complementary Currency Systems (RAMICS) October 2022

DR. YOSHIHISA MIYAZAKI

National Institute of Technology,
Sendai College

- one of the authors of "the 2020 book "A Community Checkup Through Community Currency" (in Japanese)
- also presented in the RAMICS 2022 conference

DR. JOHN PEREZ

College of Public Affairs and
Development, UPLB

- co-author of a best paper on community currency presented at the 5th Asia Future Conference held in UPLB in 2020

CHAIR CES LUNA

Faculty of Management and Development Studies (FMDS)/
University of the Philippines Open University (UPOU)

accepting reservations (no charge)

<https://forms.gle/ZdM46uTV6gC6UXBD9>

LIMITED SLOTS



brought to you by: FMDS/UPOU, CPAf/UPLB, SGRA/AISF

INTRODUCTION

The Sustainable Shared Growth Seminars are also known as the KKK seminars. KKK stands for Kahusayan (Efficiency), Katarungan (Equity), and Kalikasan (Environment), which represents the economic goals of sustainable shared growth. It is also the name of the revolutionary organization that fought for the independence of the Philippines from Spain. Unlike in Western or Asian (Japanese) context, for the Philippines, therefore, KKK stands for what is noble in her traditions, and is very much against repression. We feel that the Philippines is in dire need of sustainable shared growth, and requires nothing short of a revolution, albeit peaceful, in our way of thinking and acting on these issues.

This seminar series is organized by the Sekiguchi Global Research Association of the Atsumi International Foundation, based in Sekiguchi, Bunkyo-ku, Tokyo, Japan. The Nihongo equivalent for KKK are kouritsu (efficiency), kouhei (equity), and kankyou (environment), for which the Japanese characters are 効率, 公平, 環境, respectively.

FEBRUARY 28, 2023

In Search of Community Currency: A Study in Community Innovations

KKK SEMINAR #36

INTRODUCTION

FEBRUARY 28, 2023

In Search of Community Currency: A Study in Community Innovations

KKK SEMINAR #36

As the term implies, community currencies are currencies that are tenable and circulate only within a certain geographical area. These are used for various purposes such as enhancing community resilience against external shocks and promoting community development. We consider it as a community innovation that contributes to sustainable shared growth. While adopted in other countries, we still have to discover a community currency scheme in the Philippines. In this seminar, we introduce the basics of community currency, with the aim of finding those interested in pushing forward this research and advocacy, through joint explorations or research collaborations.

PROGRAM

OPENING REMARKS

DR. JOANE SERRANO

Dean, Faculty of Management and Development Studies
University of the Philippines Open University

JUNKO IMANISHI

Chief Representative, Sekiguchi Global Research Association
Atsumi International Foundation

PRESENTATION

PRESENTATION | BASICS AND DESIGN OF COMMUNITY CURRENCY

Dr. Max Maquito, CPAf/UPLB and SGRA/AISF

DISCUSSIONS

Dr. Kenichi Kurita
Chiba Keizai College, Japan

Dr. Yoshihisa Miyazaki
National Institute of Technology, Sendai College, Japan

Dr. John Perez
CPAf/UPLB

CHAIR | CES LUNA, FMDS/UPOU

OPENING REMARKS:

DR. JOANE SERRANO DEAN, FMDS/UPOU

Distinguished guests, Ms. Junko Imanishi, the Chief Representative of Sekiguchi Global Research Association and the Managing Director of our partner for this seminar, the Atsumi International Foundation, our seminar Chair and Program Chair of D/MLVM of UPOU, Prof. Cesar Luna, our main presenter Dr. Max Maquito from our sister CU and college the College of Public Affairs and Development of UPLB, Our discussants: Dr. Kenichi Kurita, Chiba Keizai College, Dr. Yoshihisa Miyazaki, National Institute of Technology and Dr. John Erinorio M. Perez from CPAF, UPLB, colleagues from UP Los Banos, UPOU faculty members and staff, participants, students, and guests, it is my pleasure to welcome you to the 36th Sustainable Shared Growth Seminar, which is dedicated to exploring the important and fascinating topic of community currency.

The focus of today's seminar is on understanding the role of community currency and how it contributes to sustainable growth and development. I heard about community currency from one of the professors when I took a postgraduate course at the United Nations University in Japan in 2019.

**I heard about
community
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United Nations
University in
Japan in
2019....glad that
now we are co-
organizing a
seminar**



OPENING REMARKS:

DR. JOANE SERRANO DEAN, FMDS/UPOU

And I am indeed glad that now we are co-organizing a seminar focusing on this topic that enhances community resilience and promotes community development.

As you all know, the University of the Philippines as the national university of this country and where UPOU and UPLB are part of as constituent universities is committed to fulfill the 2030 agenda for sustainable development and continues to work towards the realization of the SDGs, specifically the six SDGs on Health and Well-being, Quality education, Gender equality, sustainable cities and communities, climate action, and partnership for goals.

We at the Faculty of Management and Development Studies of UPOU are also committed in achieving these SDGs through our diverse academic and continuing education programs which is a collective of various disciplines spanning from health to the environment to management and to the development fields. Our Faculty deals with policy, program and development concerns related to environment and natural resources management, land valuation, research and development, nursing, international health, social work, public management, entrepreneurship and ASEAN studies. These thematic areas have become the teaching, research, extension and public service areas of the FMDS over time.

Recently, our university has initiated the development of micro-credentials and FMDS will be contributing to this initiative by developing micro-credential courses towards sustainable development. The research and public service programs at FMDS are focused on sustainability and resiliency. FMDS is a member of the International Partnership for Satoyama Initiative or IPSI and has partnered with various institutions all over the world in achieving our goal of contributing towards sustainability.

OPENING REMARKS:

DR. JOANE SERRANO DEAN, FMDS/UPOU

published at the FMDS managed journal which is the Journal of Management We also hope that through this partnership with Atsumi International Foundation, there will be research articles that can be and Development Studies.

I am excited for this seminar as this will be used as an Open Educational Resources for our students and other students who would be interested to learn more about community currency. So let us all explore the potential of community currency and how it can promote sustainable shared growth through this seminar.

Thank you for joining us today, and I wish you all a productive and enlightening seminar.



OPENING REMARKS: JUNKO IMANISHI

CHIEF REPRESENTATIVE,
SGRA/AISF

Konnichi wa! We are happy to collaborate today with the Faculty of Management and Development Studies of the University of the Philippines Open University (UPOU) and the College of Public Affairs and Development of the University of the Philippines Los Baños. Today's seminar is our last of four sustainable shared growth seminars held in this Japanese fiscal year 2022-2023. It is the fifth one on the topic of Community Currency.

In the previous seminars, as well as from Japanese newspaper articles, I have also noted that community currencies play an important role not just in making it easy to buy and sell, but also in building communities by deepening person-to-person relationships.

It would be interesting to see if a community currency scheme exists or could exist, as well in the Philippines. I think this is what Max and Cesar intend to do in today's seminar. I hope that your active participation in this seminar would help them move one step closer to their goals of exploring collaborations on the ground, and with the help of the Japanese experts, collaborations in research. As before, thank you UPOU for your kind collaboration.

**community
currencies play
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OPENING REMARKS: JUNKO IMANISHI

CHIEF REPRESENTATIVE,
SGRA/AISF



The doctoral presentations of the new raccoons (a.k.a. "tanuki", which refers to a former recipient of the Atsumi Foundation scholarship), in a get-together with the old raccoons and their mentors, held during the "Hina Matsuri" (doll Festival), as the sakura starts blooming.

We thank you for your continued support of the KKK seminars!

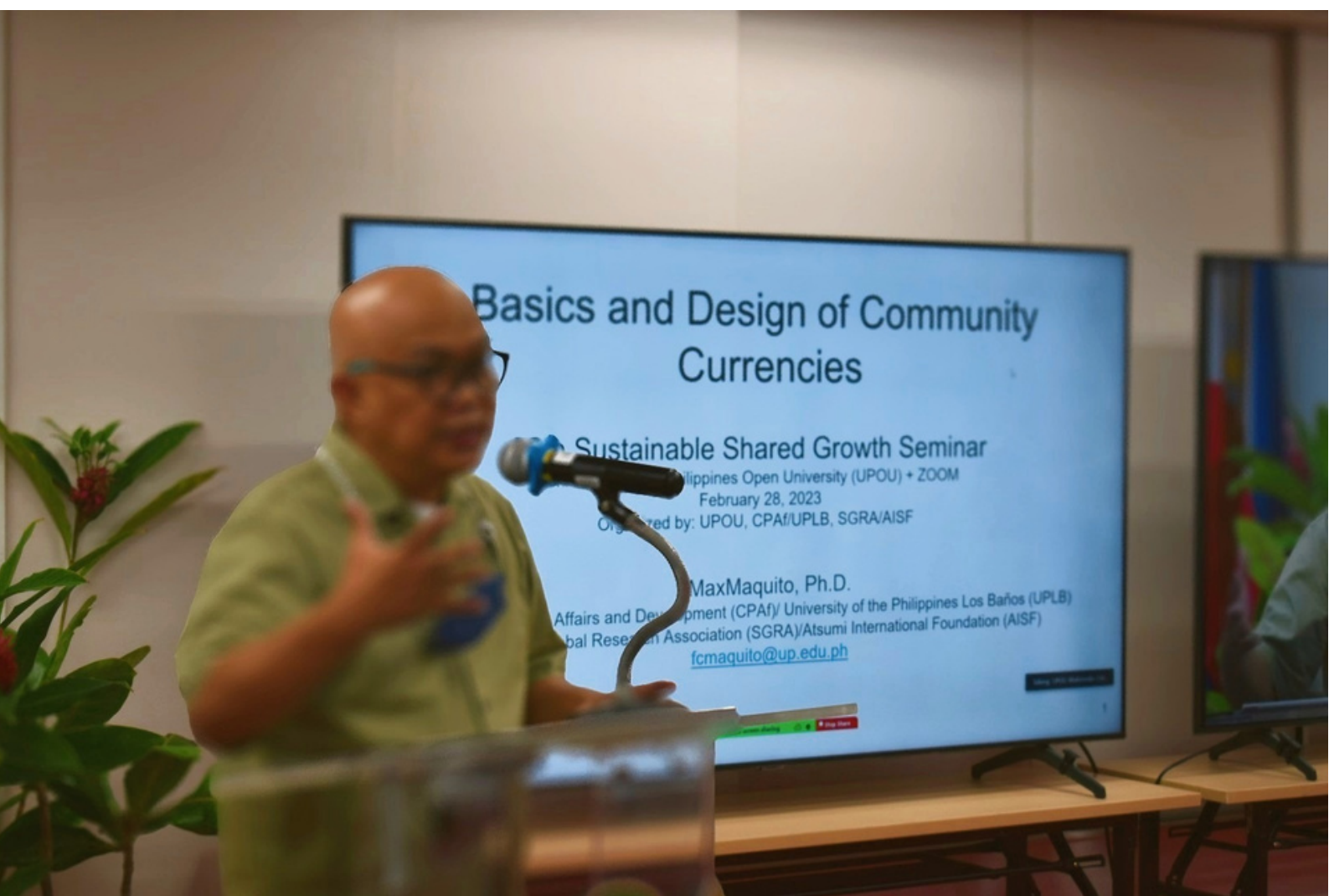
Presentation

PRESENTATION | BASICS AND DESIGN OF COMMUNITY CURRENCY

Dr. Max Maquito

CPAf/UPLB and SGRA/AISF

Introduction



2 PARTS

- Basics of the community currency scheme that we are interested in
- Thoughts on designing a community currency scheme

Presentation

PRESENTATION | BASICS AND DESIGN OF COMMUNITY CURRENCY

Dr. Max Maquito

CPAf/UPLB and SGRA/AISF

Part 1: Basics of Community Currency

How do we make money?

01

By working hard



02

Central Bank prints money

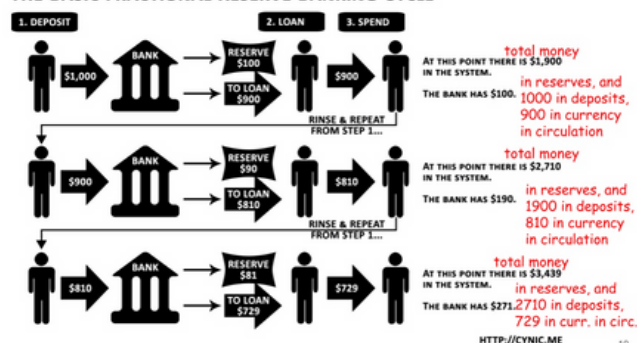
"Ang salaping ito ay bayarin ng Bangko Sentral ng Pilipinas at pananagutan ng Republika ng Pilipinas."



03

Private banks create money through deposits and loans

THE BASIC FRACTIONAL RESERVE BANKING CYCLE



Presentation

PRESENTATION | BASICS AND DESIGN OF COMMUNITY CURRENCY

Dr. Max Maquito

CPAf/UPLB and SGRA/AISF

What if I told you that we can make money other than the above methods?



No, it's not game money



No, it's not overthrowing the government and making your own money



No, it's not creating fake money



No, it's not a scam



No, I am not crazy

Presentation

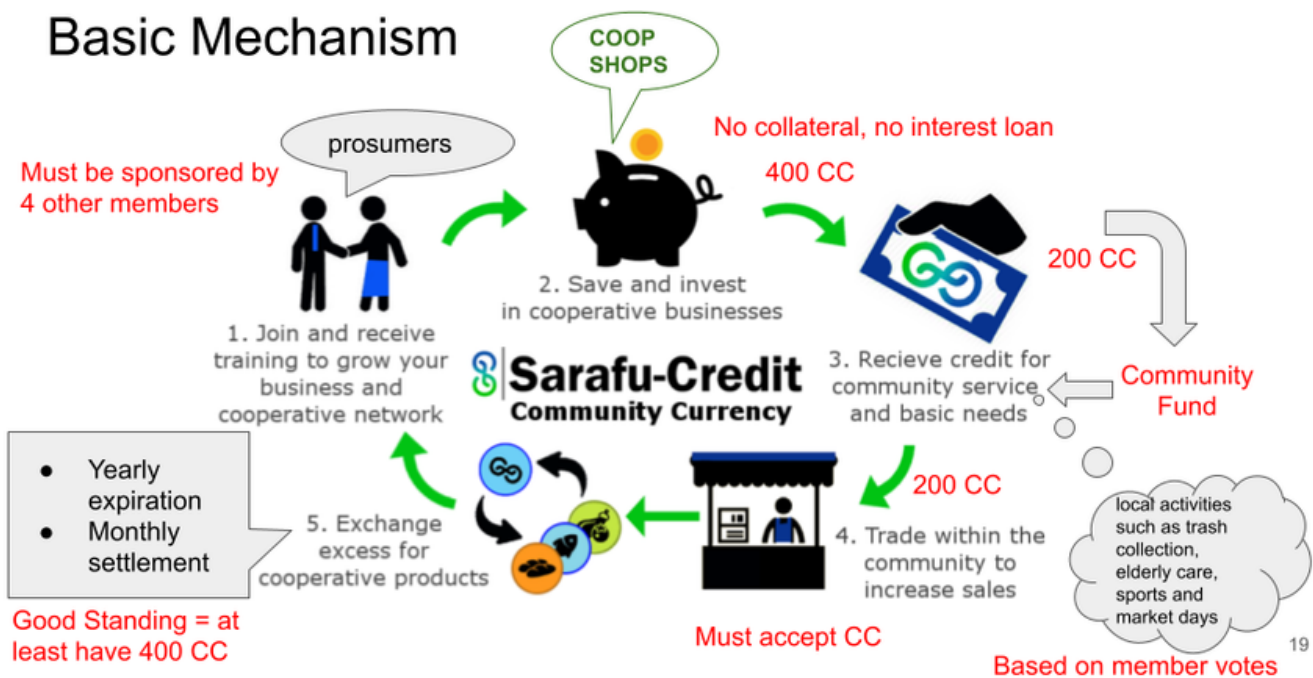
PRESENTATION | BASICS AND DESIGN OF COMMUNITY CURRENCY

Dr. Max Maquito

CPAf/UPLB and SGRA/AISF

It's community currency (a.k.a. complementary currency, local currency)

Basic Mechanism



Source: Adapted from Grassroots Economics

Red notes are those of the presenter

CC

- A community currency is currency issued by and usable only within a certain community
- The scheme presented here shows that the community currency circulates through the community
- It is essentially a mutual credit clearing system

CPAf/UPLB and SGRA/AISF

A circular network diagram consisting of approximately 20 colorful circular nodes arranged in a ring. Each node contains a black icon representing a different concept or object. The nodes are interconnected by a web of dashed blue lines, forming a complex, non-linear network. Some connections are straight, while others are curved, suggesting a dynamic or multi-path relationship between the concepts represented by the icons. The icons include symbols like a house, recycling symbol, car, person, hand, flower, apple, bicycle, coffee cup, factory, rocket, fish, shoe, lightbulb, gear, hammer, bowl, scissors, and a pair of hands.



Grassroots
Economics



(Community Inclusion Currency - Animated)

SARAFU CREDIT

- Introduced by the CSO Grassroots Economics in marginal communities in Kenya in 2009
- Has already gone digital

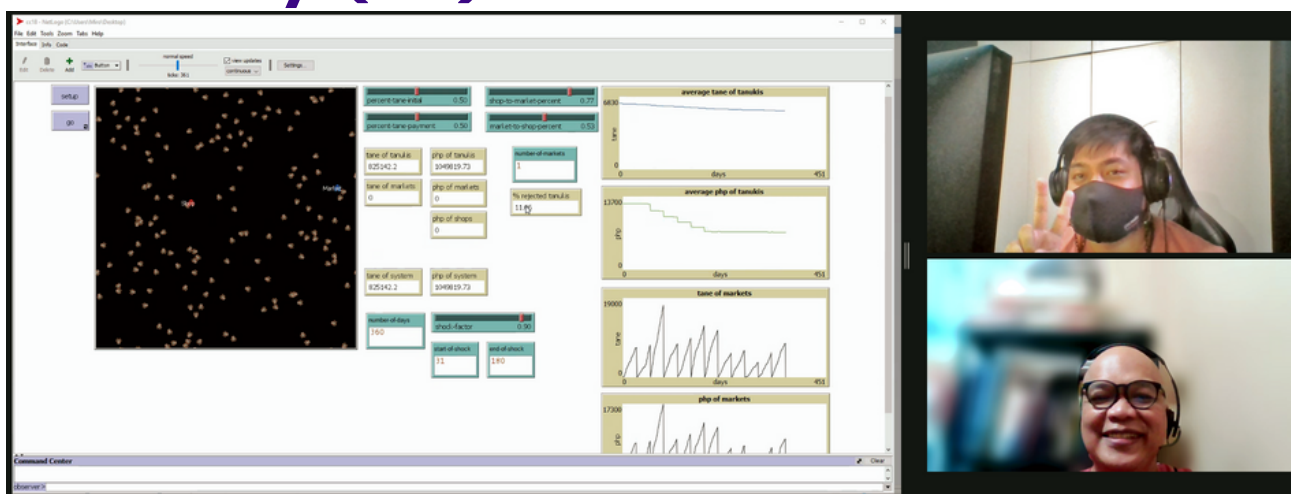
Presentation

PRESENTATION | BASICS AND DESIGN OF COMMUNITY CURRENCY

Dr. Max Maquito

CPAf/UPLB and SGRA/AISF

Part 2: Design of a Community Currency (CC) Scheme



- The methodology of using agent-based model (ABM) as a tool for designing a CC scheme was inspired by Yoshida, M., & Kobayashi, S. (2018) "Using Simulation and Gaming to Design a Community Currency System"
- Additional driving factors
 - No known CC scheme in the Philippines
 - Pandemic → impossible to do field research
- The model is a simplified version of the CC ABM set in the EU: Grinza, Elena, and Claudio Beqaraq. 2012. "Economic Simulation with NetLogo "A monetary experiment."" University of Turin. https://terna.to.it/tesine/a_monetary_experiment.pdf.
- Ultimate Objective: to use ABM as a tool for selling and designing a CC scheme for a particular community in the Philippines (simplicity is key)

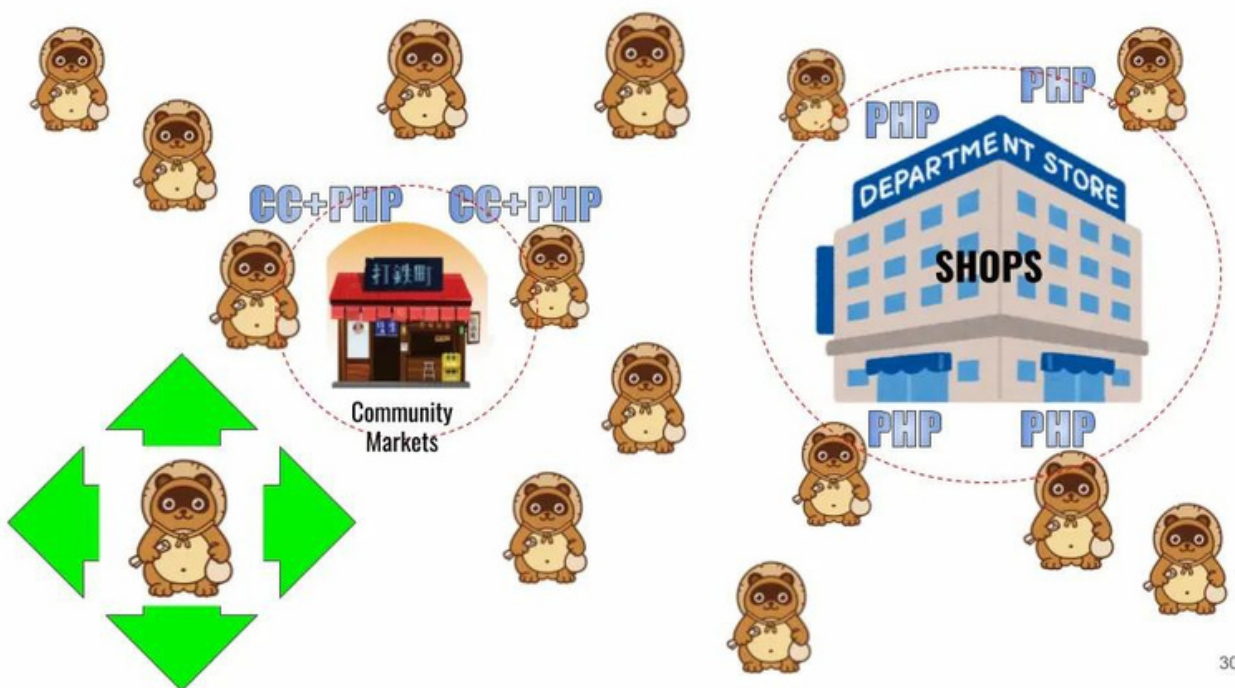
Presentation

PRESENTATION | BASICS AND DESIGN OF COMMUNITY CURRENCY

Dr. Max Maquito

CPAf/UPLB and SGRA/AISF

Part 2: Design of a Community Currency Scheme



30

- An agent in this model is called a "tanuki" and is endowed with certain behavioral rules
- The space is populated with 150 tanukis
- There are two generic vendors:
 - community markets which accept CC and PHP
 - shops which accept only PHP
- A tanuki moves randomly about the allocated space, and purchases from a vendor when s/he comes within a specified proximity

Presentation

PRESENTATION | BASICS AND DESIGN OF COMMUNITY CURRENCY

Dr. Max Maquito

CPAf/UPLB and SGRA/AISF

Part 2: Design of a Community Currency Scheme



- It is possible, however, for a tanuki not to have enough CC or PHP to buy, even though it is in proximity of a vendor
- This is especially true when the community is subjected to a shock that reduces the amount of PHP in the community
- Simulations show that introducing even a small amount of CC goes a long way in attenuating the shock effects

Presentation

PRESENTATION | BASICS AND DESIGN OF COMMUNITY CURRENCY

Dr. Max Maquito

CPAf/UPLB and SGRA/AISF

Reference

Yoshida, M., & Kobayashi, S. (2018). Using Simulation and Gaming to Design a Community Currency System. *International Journal of Community Currency Research*, 22(Winter), 132-144. DOI: <http://dx.doi.org/10.15133/j.ijccr.2018.011>

The design section of the presentation was based on a paper presented at the 6th Biennial RAMICS International Congress in Bulgaria “Complementary Currency Systems Bridging Communities” 27-29 October 2022, Sofia, Bulgaria. The title of the paper was "A Circular Flow Economic Framework for an Agent-Based Model of a Community Currency" and was co-authored with Eng'r. Mc Angelo Antonio Miro and Dr. Kenichi Kurita.

DISCLAIMER

The opinions expressed in the presentations are solely those of the authors. They do not purport to reflect the views or opinions of the institutions with which the authors are affiliated.

Dr. Max Maquito

PRESENTER

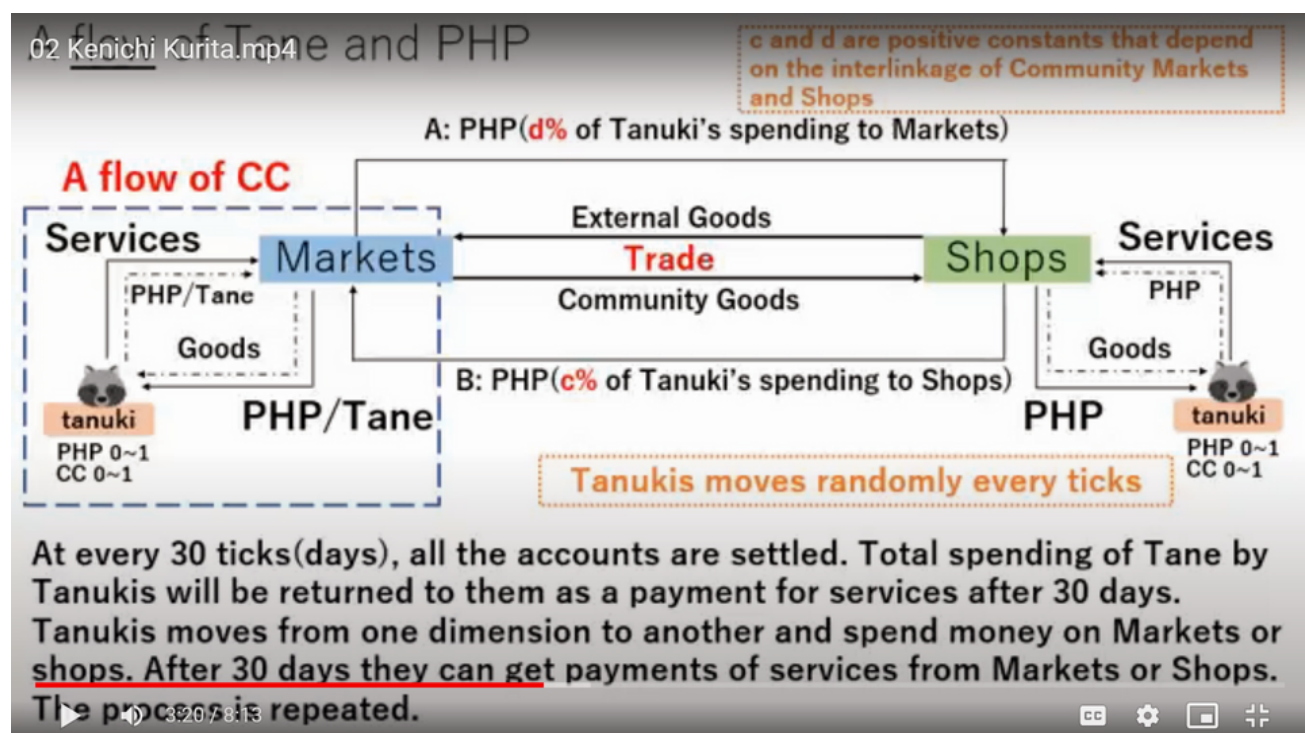


In his "previous life", Dr. Ferdinand C. Maquito (nickname: Max) was a mechanical engineer at a state-owned shipyard, after finishing his BS at the Engineering Department of the University of the Philippines, Diliman. A scholarship enabled him to shift specialization and earn his MS Industrial Economics from the Center of Research of Communication (now within the University of Asia and the Pacific). Right after which, he was able to get into the Japanese Ministry of Education scholarship to get into the PhD in Economics program of the University of Tokyo. A scholarship from the Atsumi International Foundation enabled him to finish his doctorate in Economics. Even while living in Japan, he regularly organized shared growth seminars in the Philippines with the collaboration of various institutions. He was an Adjunct Professor in Temple University Japan campus, before coming back to the Philippines to join CPAf, where he is now an Assistant Professor, hoping to spend, more fully, his remaining professional years for the service of his country. His long stay in Japan, and working with the Sekiguchi Global Research Association of the Atsumi International Foundation have fueled his lifelong research and advocacy on sustainable shared growth.

E-Mail: maquito.uplb@gmail.com

Discussion #1

Dr. Kenichi Kurita, Chiba Keizai College, Japan



Discussion #1

Dr. Kenichi Kurita, Chiba Keizai College, Japan

The results

02 Kenichi Kurita.mp4

Without tane				
Shock Factor	0.85	0.9	0.95	1
Minimum	38.87	40.20	38.26	37.50
Maximum	60.27	60.70	60.80	61.17
Average	49.57	50.45	49.53	49.33

The reject rate is high. This means malfunction of economy

With tane				
Shock Factor	0.85	0.9	0.95	1
Minimum	0	0	0	0
Maximum	1.21	1.36	1.50	1.62
Average	0.61	0.68	0.75	0.81

The reject rate is low. This means economy works well.

With tane/shares of tane is different				
Shock Factor	0.85	0.9	0.95	1
Minimum	0	0	0	0
Maximum	1.60	1.20	1.72	1.40
Average	0.80	0.60	0.86	0.70

The reject rate is low. This means economy works well.

NOTE

Thank you, Dr. Ken, for a very systematic discussion of our agent-based model.

Dr. Ken introduced here the shock factor, which ranges from 0.85 to 1. A 0.85 shock factor corresponds to a 15% drop in PHP income from outside the community. As you can see rejection rates (tanukis not being able to buy when they are in proximity of a vendor) are lower with the introduction of tane (the CC of this community)



Discussion #1

Dr. Kenichi Kurita, Chiba Keizai College, Japan

02 Kenichi Kurita.mp4

- First I hope the paper to show a type of Tane. We have many types. The community money that can be exchanged with fiat money. The community money that can be issued by way of LETS. the community money that mainly can be given as a gesture of appreciation and used for community services, and so on. We better show the type of community currency.
- Second. I hope you to try an experiment of LETS with local people. Because LETS is a cheaper way of using community money. With LETS system, we can attenuate a shock outside and sustain community economy without a fiat money. Here I want to introduce cyclos. It's free application software. With it, we can easily try community currency and look at outcomes and problems. A hand-made pass book is also good such as LETS used in Old Fujino city, Japan. We can integrate simulation outcomes with the experiment. By this, we can confirm the significance of community money.

NOTE

Thank you, Dr. Ken, for vey good comments. Let's do LETS :)

From Wikipedia: A local exchange trading system (also local employment and trading system or local energy transfer system; abbreviated LETS) is a locally initiated, democratically organised, not-for-profit community enterprise that provides a community information service and records transactions of members exchanging goods and services by using locally created currency. LETS allow people to negotiate the value of their own hours or services, and to keep wealth in the locality where it is created



Dr. Ken Kurita

DISCUSSANT

DR. KENICHI KURITA works now as an Associate Professor at Chiba Keizai college, in Chiba city. His main subject is economics. He studied economic anthropology, community currency and community development at graduate school of Hokkaido University after graduating from Yokohama city University. After submitting his doctoral dissertation on community currency, he worked at two local governments and at the Ministry of Foreign Affairs of Japan as an economic researcher. His main book is "Economy of Community and Community Currencies". This book shows the history of community currencies all over the world and discusses its effects and problems. E-Mail: kuririne@nifty.com



Discussion #2

Dr. Yoshihisa Miyazaki, National Institute of Technology, Sendai College, Japan

a Miyazaki.mp4

Questionnaire①

Assumptions of the ABM

On page 2 of the paper, it says "The acceptability of community currencies is treated as exogenous variables. " In this ABM, is this treated as an exogenous variable or an endogenous variable?

If it is endogenous variable, please let me know where I can find an explanation. If it is not possible or difficult to treat them as endogenous variables, in what ways is it difficult?

I believe that acceptability is an important factor in the introduction of CCs because it is a characteristic different from that of ordinary money.

3:24 / 8:10

NOTE



I quite agree that the acceptability of the CC is an important factor. In this ABM, we treat it as an exogenous variable, since it is essentially a design parameter. More specifically, the acceptability of the CC is found the pricing of goods and wages within the community and the amount of initial CC. Communities will differ in their degree of acceptability of CC. My idea is that these variables will be initially set in consultation with the communities thinking of introducing a CC scheme. Once properly calibrated, the ABM will then help in assessing the CC's performance based on some structural parameters of the community.

Discussion #2

Dr. Yoshihisa Miyazaki, National Institute of Technology, Sendai College, Japan

Questionnaire②

Simulation Settings and Methods

The model compares the case without and with CCs as a response to external shocks, but did you not simulate the case where the supply of fiat money increases (as in the past when the IMF provided official support for the Asian currency and financial crisis in 1997)?

Is this not possible in this model?

If such a simulation were possible, could the results be more significant than for CCs?

NOTE



That's an interesting scenario, and you are right that this model does not include the case where the supply of fiat money increases. This scenario could be included through an external increase in fiat money when the shock hits. For now, the simulation only looks at the possibility of some mechanism internal to the community that could help it weather the external shock. It should be noted that help from outside (like the national government) may not come immediately.

Discussion #2

Dr. Yoshihisa Miyazaki, National Institute of Technology, Sendai College, Japan

Questionnaire③

Outcome of the optimal level

The simulation results indicate that there may be an optimal level of CCs use.

What exactly is the exactly is the optimal level of resistance to external shocks, based on the results of this study?

Can similar results be measured in environments with different economic conditions, such as developed and developing countries?

NOTE



Parsimony was a design criterion in setting up this model. It could be very easily refined, I think, to include other factors. This is one strength of ABMs. Theoretically, in less dynamic models, the amount of CC should be commensurate to the shock so as to completely attenuate the resulting disruption. In a more dynamic system, such as the ABM, this might not be true due to the various interactions in the system. Like in this ABM, it seems to suggest that it would not take a large infusion of CC to nullify negative income shocks of up to 15%. This would be an optimal setup. Achieving such a setup may involve adjust the exogeneous design variables related to a community's initial conditions. One way to do this would be by educating the community in the principles of community development.

Thank you for your questions and insights, Dr. Miyazaki.

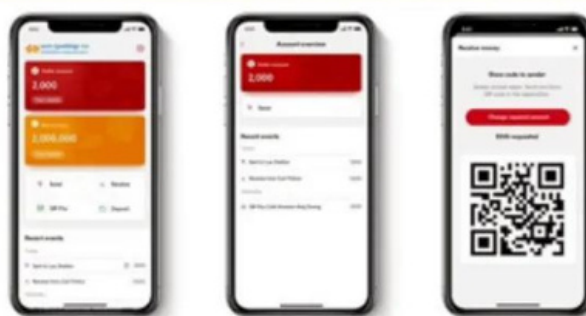
Discussion #2

Dr. Yoshihisa Miyazaki, National Institute of Technology, Sendai College, Japan

Domestic situation of Philippines

The central bank of the Philippines is exploring the introduction of a digital currency.

This initiative is supported by Japanese company 'Soramitsu' with experience in introducing CBDC 'Bakong' in Cambodia.



ソラミツのデジタル通貨

Nikkei news paper, 2022.6.16 9

Dr. Yoshihisa Miyazaki

DISCUSSANT

AFFILIATION

National Institute of Technology, Sendai College, Japan

RESEARCH TOPICS

- > History of economic thought on CCs
- > Endogenous development in rural areas in Japan
- > Social experiments with digital CCs

MAIN PUBLICATION

"Community currency and sustainable development in hilly and mountainous areas: A case study in forest volunteer activities in Japan" (co-author), In G. Gomez (Ed.) Monetary Plurality in Local, Regional and Global Economies, Routledge, 2018, and others.



Discussion #3

Dr. John Perez, CPAf/UPLB

1

Findings: simulations support the introduction of a community currency scheme (CCS) to enhance the resilience of a community to protracted reductions in fiat-based income from the external sector of the economy.

Insight: The potential use of CC becomes stronger when the community recognizes the lack of fiat money in the circulation because of external shocks in the local economy.

Challenge: The use of CC might be viewed as a threat in replacing the existing fiat money which is the Philippine Peso.

2

Findings: It is suggestive of the significant potential of CCS to attenuate income shocks that emanate from outside the community.

Insight: CC can become a medium for capacity building. It is something people in the community should learn to be prepared for in times external eventualities.

Challenge: CC can be used to enhance the transaction or exchange process but more than this is the importance of developing a strong relationship which features the value of trust, and integrity among the players in the market.

3

Findings: Community currency helps the people to protect their community's economy against the very shocks outside the community.

Insight: CC is beneficial to the economy of the community, as the CC can help continue its economic activities even at times of potential crisis brought by external shocks.

Challenge: A precondition is required to make the community effectively use CC during a potential crisis brought by external shocks.

Discussion #3

Dr. John Perez, CPAf/UPLB

4

Findings: CCS inherent ability to circulate a currency that does not leak out to the outside world.

Insight: The use of CC can become a community norm that can be observed and later on be subject to proper regulations

Challenge: CC's stability will depend on the number of members (its users) and players for local economic/market activities.

5

Findings: Attenuation effects create the possibility of greatly reducing the welfare support from the government during times of protracted shocks.

Insight: Support coming from LGUs and agencies in times of shocks may be complemented by the CC which is accessible to the affected members.

Challenge: Using CC here can be a temporary measure to address a potential crisis brought about by shocks.

6

Findings: Low acceptability could be due to limited use of the CC by the local market, use a limited number of shops, high transaction costs indicative of low community social capital, or low community volunteerism.

Insight: Community participation is very critical to community development. If only a limited number of members participate by patronizing the use of CC, then acceptability is low. Cohesiveness that will be developed could address issues of transaction costs, social capital and volunteerism and secure the CC's acceptability.

Challenge: Low recognition result to low acceptability. People should be aware about CC first before they can use it effectively. The integrity of an instrument like CC in achieving its purpose is expected to be one consideration people in the community will be looking at.

Discussion #3

Dr. John Perez, CPAf/UPLB

7

Findings: There is not really a need for a massive amount of acceptability for a CC scheme to provide significant resiliency.

Insight: CC scheme can truly provide significant resiliency to the community and its members especially in the times of shocks

Challenge: Acceptability of the scheme is extremely important in order for CC to be adopted by the majority of the community members.

Being patronized by more members creates a positive impact to the community.

NOTE



I totally agree with all your insights and challenges, Dr. John. Thank you. In the Kenyan case, it did take months for the NGO Grassroots Economics to have the community accept the CC scheme. They were starting from zero. And as you know, some of the organizers were incarcerated. This I think was the reason that you, I, and Prof. Roland Bello visited the Central Bank a few years back when we started looking into this matter. I think the reception of the BSP staff was not discouraging.

Dr. John Perez

DISCUSSANT



Dr. John Erinorio M. Perez is an Associate Professor at the Institute for Governance and Rural Development, College of Public Affairs and Development of the University of the Philippines, Los Banos. He obtained his Doctor of Philosophy in Community Development (minor in Management) in 2009 and Master of Management major in Development Management in 2001 at the University of the Philippines Los Banos (UPLB). His research areas of interest include Dual Training System, Family Farm School (Pedagogy of Alternation), Community Leadership, Social Enterprise, Institutions and Development, Corporate Social Responsibility, and Entrepreneurial Community Development. Dr. Perez worked at the British Chamber of Commerce of the Philippines as Deputy Executive Director and as Officer-InCharge at the Laguna Chamber of Commerce and Industry. He also served as Deputy Director of the Institute for Governance and Rural Development (IGRD) and as Assistant to the Dean at the College of Public Affairs and Development, UPLB. At present, Dr. Perez is a member of the Board of Trustees of the Dagatan Family Farm School, Inc. in Lipa City, Batangas. Email: jmperez3@up.edu.ph

ADDITIONAL THOUGHTS

from John Perez



Value of CC as medium of exchange

The fundamental feature of the community currency (CC) is its value as a medium of exchange, which community organizations and their members must first acknowledge before it can serve its purpose. CC does not replace fiat money or legal tender. Instead, the value of fiat money may be assigned to CC to be used exclusively by an organization or a community as a currency. But the use of CC must conform to the country's law on currencies and monetary systems.

Applicability in various situations

CC's complementation with fiat money can be evident, especially during or after natural disasters or extreme cases such as armed conflicts, where use of electronic or digital banking systems and payment mechanisms is not possible. This, however, may not apply under normal circumstances when electronic systems are in place. Even during the height of the COVID-19 pandemic, the use of CC could have been difficult also because contactless transactions were more encouraged. In situations like these, the utilization of digital banking systems for payment mechanisms and fund transfers, which have a similar purpose as the CC, could be found appropriate.

ADDITIONAL THOUGHTS

from John Perez



Conduct of further study

It is exciting to see how related models and simulations could be beneficial in anticipating possible outcomes and looking at significant results. These results could give us the opportunity to do the necessary interventions to strengthen community empowerment through CC. From the community development perspective, studying CC further through an action-research approach can be explored to experience CC in a local setting and actual situations. CC can be studied as a mechanism for shaping the values and behaviors of individuals, organizations/institutions, and communities; considering institutionalized conduct like culture, which is hard to break or change. The study will describe how using CC can help improve the economic condition and impact community engagement, participation, and cooperation. It will determine how CC could become an institution as a medium of exchange in the community.

ADDITIONAL THOUGHTS

from Ces Luna



During the pandemic, the movement of people and goods were limited and often restricted to the confines of provincial boundaries. Many experienced a reduction or loss of income. Local governments responded in some cases by sporadically distributing food such as rice or live chickens. Some people suddenly became entrepreneurs, delivering vegetables or cooked food door-to-door. Looking back, it may have been the perfect time to introduce community currency (CC). An opportunity to demonstrate the advantages of CC may have been missed. In any case, as a means of better appreciating the CC, I find it a useful thought experiment to imagine how a local community may have fared during the lockdown if a CC system was in place.

Imagine that a community with some prosumers using a CC before the pandemic. At the onset of the lockdown, these prosumers would have been less anxious than the uninitiated as they would have been more aware of local sources of goods and services and less fearful of shortages. It would have been easier for those using the CC to recruit the new entrepreneurs into the CC system as this would facilitate entry into the local market. As an alternative to directly providing food, the local government could have distributed CC. The number of CC users would have increased with the spread of information about its advantages.

With the lifting of the lockdown, some of the new entrepreneurs in the food business continued their entrepreneurial activity to augment their incomes while others discontinued their business and went back to their old jobs. One wonders,

ADDITIONAL THOUGHTS

from **Ces Luna**



though, if more such businesses that were hatched during the pandemic would have continued after the pandemic if a CC system was in place. If a well-functioning CC is in place, it would add a degree of stability to local markets and would foster a sense of sense of community cohesion, which would encourage community members to favor locally sourced goods and services over those that are externally sourced. I think that more such local businesses would have survived after the pandemic if a CC was in place.

When introducing a CC, it would be wise to work with a community or a cooperative initially and then involve the local government later. Essentially, the CC would augment the fiat money in facilitating the exchange of goods and services among participating prosumers. The local government can later support the CC system and increase CC utilization by, for instance, paying selected suppliers or contractors in CC, as was suggested in the open forum of this seminar. The local government can also give direct cash assistance in the form of CC. On the other hand, if the local government is the first entity approached by those initiating the CC, and/or the local government takes the lead role in establishing the CC, there is a risk that the system will be associated with the present elected officials. When such officials are replaced in the next elections, the new administration may withdraw support for the CC or even work against it, since it could be perceived as an accomplishment of the previous administration.

ADDITIONAL THOUGHTS

from Max Maquito



I, for one, believe that a community currency is a mechanism for achieving sustainable shared growth, because it could be efficient, equitable, and eko (Japanese for environmentally friendly). A community currency could be efficient when it resolves the problem of excess surpluses in a community during times of economic shocks that reduced the amount of fiat money within that community. It could be equitable when it is provided in the form of exchangeable credit without requiring interest payments or collateral. It could be eko when it is used as payment for volunteer services for protecting environmental resources of the community.

During the open forum of the 36th sustainable shared growth seminar, a few more benefits came to mind. A community currency could actually empower a community as it helps to build up the community's social capital or level of mutual trust. While it shares with fiat money, or any legal tender for that matter, the character of being based on the trust bestowed by the users on the issuing entity, a community currency avoids a "carpet-bombing" approach that fiat money actually takes when it is used to stabilize the macro-economy. Instead, it could adopt a "surgical strike" that is tailored to the needs of a particular subnational entity.

Given such benefits, I have often wondered why I have not yet discovered a community currency scheme in the Philippines, when in Japan there were nearly a thousand at its peak, and when even in a developing country like Kenya, it appears to be thriving.

A post in the chat box during the seminar asked if the currency declared by an organization based in Southern Philippines could be considered as a community currency. I was first excited to hear about this non-peso, locally issued currency a couple of years ago, as it would have rewarded my search for a community currency in the country. Unfortunately, based on the scant online information about this currency, I was forced to promptly abandon any plan for further exploration. The currency or its organizers strongly came across as more interested in issuing the currency outside of their small community. The currency was being issued to people flocking from many parts of the Philippines, and even to other countries, as donations.

ADDITIONAL THOUGHTS

from Max Maquito



The organizers, in unilaterally declaring their own nation, were clearly at odds with the Central Bank, as well as the National Commission on Indigenous People, which deflected the organization's attempt to have an indigenous people community's place of residence be declared as "ancestral domain". Disappointed as I was, my search for a community currency in the country, nevertheless, continues.

Fortunately, this 36th sustainable shared growth seminar appears to have sparked interests in doing a pilot study of a community currency in the country. As of this writing, I have already received four overtures. Moreover, the Japanese discussants, Drs. Kurita and Miyazaki, who are experts of community currency, displayed interest in research collaboration. More than ever, there seems to be a confluence of factors that would make feasible a pilot study of a community currency in the country. If you can't find one, why not make one? I indicated my willingness to pursue this direction, even without compensation. It would be greatly appreciated, of course, if some kind of funding could be obtained, but in its absence, I would be willing to accept community currency.

The 36th Sustainable Shared Growth Seminar was held on February 28, 2023 at the University of the Philippines Open University (UPOU) and ZOOM. It was jointly organized by FMDS/UPOU, CPAf/UPLB, and SGRA/AISF. Recently, I have obtained confirmation of my belief that the CPAf/UPLB should be collaborating with external institutions, in leading the charge for rural and agricultural development. In preparing for a new course on community economic development for the community development program of my college, my recent readings show that efficiency, equity, and eko are recurring themes in the literature on community economic development. I am greatly consoled and encouraged by these, that I am in the right direction with this seminar series. For it was, in part, to more fully devote my time to this seminar series that I left my second hometown, my community, Japan, and came back to the motherland. No matter what folks may say, this move was certainly not a trifle one for me.

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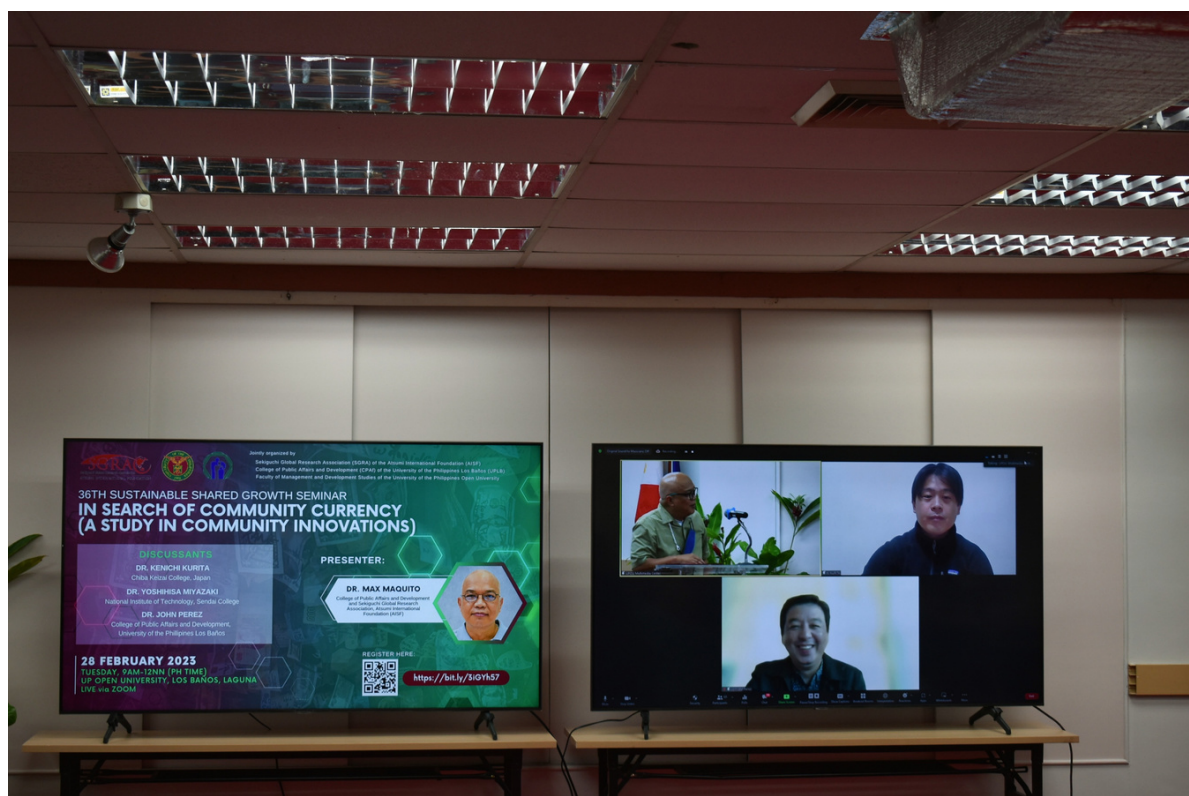
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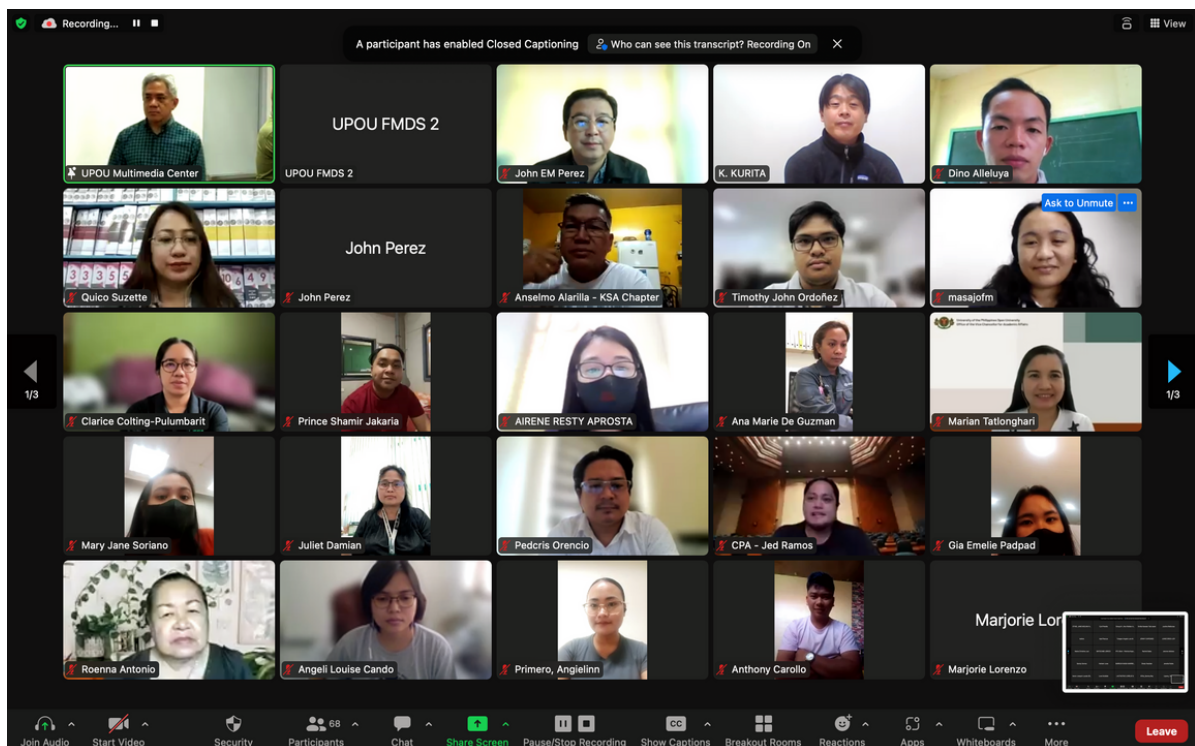
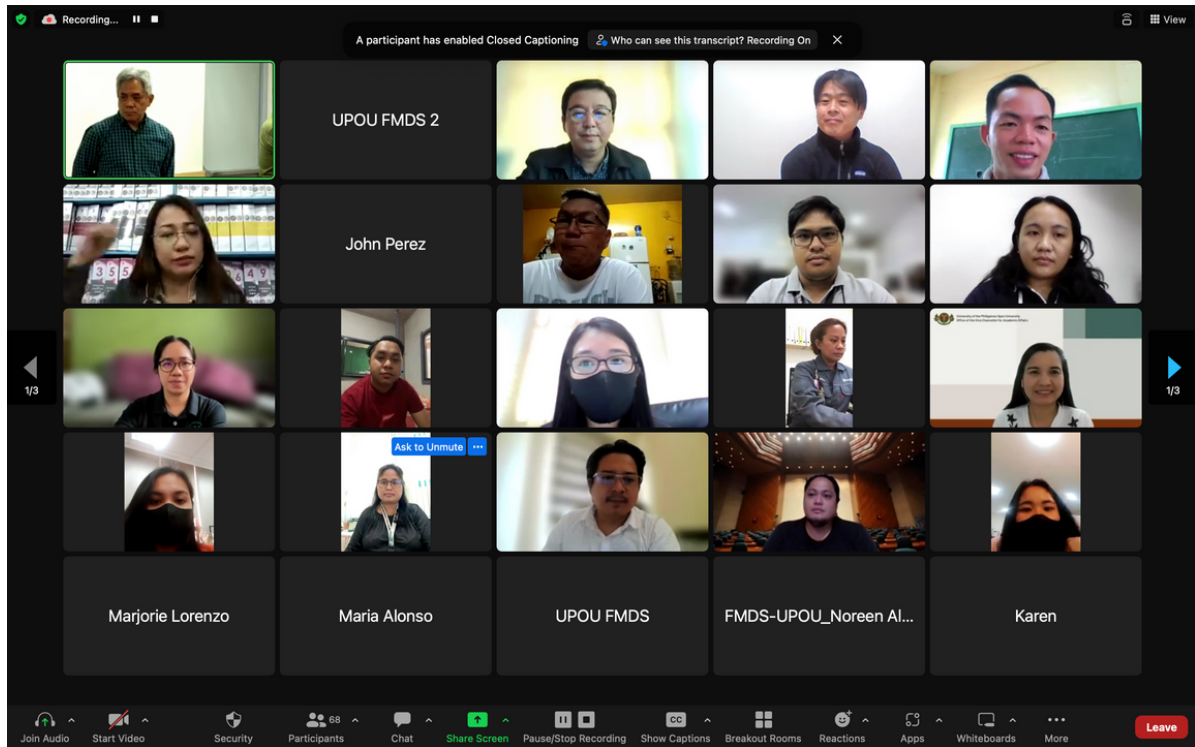
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thank you!

NEXT STEP



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EAST ASIA DYNAMICS 東アジアのダイナミックス

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**We thank you for your
continued support in our efforts
to contribute to Sustainable
Shared Growth.
Be safe!**



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