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EDITORIAL

GOING DIGITAL? NEW POSSIBILITIES OF DIGITAL-COMMUNITY CURRENCY SYSTEMS

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INTRODUCTION

In Japan, by 2016, about 800 community currencies were issued (Kobayashi, Miyazaki, and Yoshida, 2020), the majority being analog, and digital being in the minority¹. However, since 2017, new types of digital community currencies have emerged in Japan.

One example is Sarubobo² Coin—it was released on December 4, 2017 to revitalize the local economy and for diversification of payment methods for tourists. Through a smartphone app, it can be used in Takayama, Hida, and Shirakawa. Besides for payment at member stores, it can also be used for payments between individuals, city taxes, and counter fees in Takayama. As of October 14, 2019, the amount of charge was 946,951 thousand coins, total payment made 911,672 thousand coins, and number of payments 254,449. There are 1,136 member stores with 9,467 users. From August 2020, it has become possible to exchange the currency for Enepo, a wooden community currency issued in Takayama, thus forming a new link between digital and analog community currencies in the region.

Several other digital community currencies have also been issued in Japan, including Aqua Coin in Kisarazu, Chiba Prefecture, Shimokita Coin in Shimokitazawa, Tokyo, Kintetsu Shimakaze Coin in the Ise-Shima region of Mie Prefecture, NISEKO Pay in Niseko, Hokkaido, and Dacha Coin in Sado, Niigata Prefecture. Like analog community currencies, these too have been issued to revitalize local economies, but their issuing organizations, such as banks and corporations, are different from those of conventional community currencies. Which aspects of analog community currencies will be retained and which ones will be revamped by the digitization of community currencies? We need to rethink everything that will and will not be possible with digitization.

RAMICS 2019 IN TAKAYAMA

The 5th biennial RAMICS International Congress in Japan was held in Takayama, Gifu Prefecture, from September 11th to 15th, 2019. The theme was “Going Digital? New Possibilities of Digital-Community Currency Systems,” with the aim of estimating the possibilities of digital local currency from various perspectives. At the congress, an academic conference (September 11th to 12th), excursion (September 13th), and a practitioner’s conference (September 14th to 15th) were held. In the academic conference, 88 people from 26 countries participated. There were 60

oral presentations and three poster presentations (of these 63, seven were in Japanese and 56 in English)³. This special issue is a selection of papers from those reported at the academic conference.

The RAMICS Best Paper Award (BPA) was established at this conference. Based on the conference report, members of the RAMICS Management Committee, chaired by Jérôme Blanc, selected the following seven papers for the first round, apart from the awarded paper.

- Paul Weaver and Gabriella Spinelli, “Experimenting with a structured approach to building complementary economies for community resilience and positive social impact using digital social currencies and social valuation of transactions”.
- Meng Han and Akira Ueda, “Characteristics of Community Currency that Contributes to Endogenous Regional Activation”.
- Pavan Henrique and Luiz Arthur Faria, “An analysis of cryptocurrencies as a phenomenon of innovation: impact on monetary systems and possibilities of social appropriations”.
- Xebax Christy, Dante Edme-Sanjuro, Mathilde Fois-Duclerc, Yannick Lung, Julien Milanesi, Fabienne Pinos, Nicolas Piriou, and Txomin Poveda, “The impact of digitization on the trajectory of a local currency: The Eusko in the French Basque Country”.
- Yuji Aruka, “The rise of smart contract and its complex impacts on the digital ecosystem”.
- Sotheareth Seang and Dominique Torre, “Proof of Work and Proof of Stake consensus protocols: a blockchain application for local complementary currencies”.

These seven were further examined in the second round, after which a winner was chosen—Fabienne Pinos, “How could blockchain be a key resource in the value creation process of a local currency? A case study centered on Eusko.” The jury’s report stated, “This article displayed a clear and interesting research question: on the basis of a strong conceptual framework, the author explored how the development of a blockchain-based digital version of a local currency could contribute further to the public value creation of this currency. The paper especially analyzed the case of the Eusko, which is the most successful case of an associative local currency in France and Europe, and which is located in the northern Basque country. On the basis of a clear understanding of the nature of blockchains and the way they can be used for a local currency, the paper balanced pros and cons. In the peculiar context of the Eusko, it concluded that a blockchain would not add any public value to the project. What was especially interesting was the conclusion that, beyond the hype, blockchains are not the inescapable form of digitalization; but also the recognition by the author of the contingency of such a conclusion” (RAMICS 2019, 9).

CONTENTS

The special issue will be published in two volumes; this is the first, comprising the following eight papers.

1. Fabienne PINOS/ How could blockchain be a key resource in the value creation process of a local currency? A case study centered on Eusko.
2. Dante Edme-Sanjurjoa, Mathilde Fois-Duclercb, Yannick Lungc, Julien Milanesid, and Fabienne Pinos/ The Eusko’s trajectory. Understanding the success of the complementary local currency of the Northern Basque Country.
3. Marcus Petz/ When is money not a currency? Developments from Finland of proto-community currencies.
4. Han Meng and Akira Ueda/ Characteristics of Community Currency that Contribute to Endogenous Regional Activation: Based on case studies of three community currencies—Ma~yu, Tengu, and Awa Money.
5. Dmitry Berg and Olga Zvereva/ Complementary currency localization in closed contours of economic exchange: theoretical background and experimental verification.
6. Luiz Arthur S. Faria, Fernando G. Severo, Henrique L. Cukierman, and Eduardo H. Diniz/ Mumbuca E-dinheiro and the challenges of community governance: requirements, codes, and data.
7. Chikako Nakayama and Manabu Kuwata/ An investigation of social and credit theory of money focusing on regional and crypto currencies.
8. Rolf F.H. Schroeder/ “Monetary Plurality” and “Currencies for an Alternative Economy”: Two paradigms of complementary currency research.

The first two papers are on Eusko, a local currency in the Basque Country of France, with the former focusing on the contribution of blockchain to local currencies, and the latter on the factors that contribute to the development of Eusko; the first paper won the BPA at RAMICS 2019. The third paper is a case study of several digitally based schemes recently operating in Finland where some functions and properties of money are evident. The fourth is a survey of 49 community currencies in Japan, and focuses on the “community endogenous collaboration type” of community currency. The fifth examines the conditions under which complementary currencies function by using mathematical models and agent-based simulations. The sixth explores the governance process of digital complementary currencies for Mumbuca DCC, and the seventh the relationship between the state and market in monetary theory, using sociality as a keyword. Finally, the eighth, through a literature review, asks whether there is sufficient linguistic commonality between cryptocurrency and traditional complementary currency researchers.

Thus, using an analysis of digital community/complementary currency precedents, a literature review, and simulation analysis, this issue includes discussions on the technologies that lead to digitization of community/complementary currency, governance of issuing organizations, nature of digital money, and common debate based on previous community/complementary currency research and cryptocurrency research. Through these studies, we can consider the potential for digitization of community/complementary currencies.

Finally, we would like to thank the reviewers for their cooperation on this special issue; without them, the study of community/complementary currencies would not have been possible. The second volume of this special issue is scheduled for publication in March 2021.

REFERENCES

Blanc J. (2019), RAMICS2019 best paper award Jury’s report, RAMICS Newsletter #2, December 2019, 9.

Kobayashi, S., Miyazaki, Y., and Yoshida, M. (2020), “Historical transition of community currencies in Japan” *International Journal of Community Currency Research* Volume 24 (Winter 2020) 1–10; www.ijccr.net; ISSN 1325-9547; DOI <http://dx.doi.org/10.15133/j.ijccr.2020.001>.

NOTES

¹ In our research, we found 56 digital community currencies—32 IC-card type and 24 online-payment type—by 2016 in Japan.

² “Sarubobo” is a traditional doll made in Hida-Takayama and other areas of Gifu Prefecture in Japan. The word “Sarubobo” means “baby monkey.” In recent years, it is often seen as a souvenir of the Hida region, but it was originally used as a talisman to pray for good luck in childbirth and marriage, as well as for good growth and health.

³ Information related to the congress is posted on the following website: <https://sites.google.com/view/ramics-2019-takayama/top>