



The International Conference
on the Economics of Happiness 2017, Jeonju

Governance for Localization

Sep. 21.– 22. 2017

KOREA TRADITIONAL CULTURE CENTER

Host  **Asiart** Jeonju  **Local Futures**

 Association of Korean Local
Governments for Social Economy
and Solidarity

Supervision The organizing committee of the
international conference on the economics
of happiness 2017 Jeonju

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PROGRAMS

Sept. 21 (Thurs.)			
09:00 ~ 09:30	Enrollment		
09:30 ~ 10:00	Opening ceremony		2F Performance Hall
10:00 ~ 10:40	Keynote speech	· From Principles to Practice : Visions of Hope from Byron Shire, Australia / Simon Richardson (40')	2F Performance Hall
10:40 ~ 10:50	Photo session & break		
10:50 ~ 12:00	Lecture 1	· Local food : a solution-multiplier for systemic change / Anja Lyngbaek (35') · Local Money and Investment for Local Economies / Gwendolyn Hallsmith (35')	2F Performance Hall
12:30 ~ 13:30	Lunch		
14:00 ~ 17:00	Session 1 'Local Futures'	Speakers Simon Richardson, Yusuke Sakata Lee Yu-jin Chairperson Lim Gyoungsoo Panel Kim Jae-byeong, Yang Jun-hwa	2F Performance Hall
	Session 2 'Local Food'	Speakers Anja Lyngbaek, Kang Seong-wook Chairperson Kim Jeong-seop Panel Kim Hyeon-gon, Jo Gyeong-ho, Park Su-yeong	4F Education Room
	Session 3 'Local Finance'	Speakers Gwendolyn Hallsmith, Yu Jong-il, Lee Jae-min Chairperson Eom Yeong-suk Panel Jeon Dae-uk, Eom Yeong-ok, Park Hyeon-jeong	4F Seminar Room

Sept. 22 (Fri.)			
09:30 ~ 10:00	Comprehensive Workshop		
10:00 ~ 11:15	Lecture 2	· 2050 Energy Strategy of Korea for a Sustainable Future / Hong Jong-ho (25') · Governance for Localization / Yun Nan-sil (25') · Neighborhood Politics that changed my life / Kim Young-bae (25')	2F Performance Hall
11:15 ~ 11:45	Closing ceremony	Closing performance and Closing	

The International Conference on the Economics of Happiness 2017, Jeonju

■ Main Guests



keynote speaker
Simon Richardson

- Mayor of Byron Shire, Australia
- Advisor on biodiversity and sustainability
- Former Byron Shire Council
- Founder of Tribe, a magazine on the environment and alternative culture
- Advocate for unrestrained development regulation, community conservation, and sustainable urban planning



lecturer
Anja Lyngbaek

- Program director of Local Futures (Denmark)
- Coordinator with the International Alliance for Localization
- Co-founder and program director of Microcuenca del Rio citlalapa, an NGO based in the Veracruz region of Mexico
- Has participated in various projects since 1986, including British local food programs, and delivered lectures on diverse topics related to food, farming, localization, and environmental resources



lecturer
Gwendolyn Hallsmith

- Director of planning and community development for the City of Montpelier, Vermont
- Founder of the Global Community Initiative and executive director of the Public Banking Institute
- Advocate for innovative local currency projects and implementation of public currency systems
- Author of many books on sustainable communities and economic reform, including Vermont Dollars and Vermont Sense, and co-author of Growing Local Economies and Local Currencies



Session 1
lead presenter
Yusuke Sakata

- Professor of business management at Kindai University
- Assessment of sustainability in local administration based on knowledge of economics
- Major areas of interest : forest management, waste management, fair trade, and climate change

■ Domestic Key Figures



Kim Seung-su
Jeonju Mayor

Since his election as mayor of Jeonju in 2014, Kim Seung-su has devoted himself to shaping Jeonju into the Korean city that most values its citizens, based on human-centric administration. With the motto "City of Humanity, Jeonju of Dignity," it is a city where everyone is happy and enjoys a sense of inclusion. Kim has been striving to create a livable community, where everyone lives in harmony, through the realization of a social economy that values people over money and common interest over personal gains. He has also been committed to achieving balanced regional development, having called for a mandatory quota system that requires public organizations in all cities nationwide to recruit at least 35 percent of their workforce from among local residents. He is the author of Pitapat Jeonju 36.5 Degree.



Kim Myeong-ji
chairman of Jeonju City Council

A four-time lawmaker of the Jeonju City Council, Kim Myeong-ji now serves as the 10th chairman of the Jeonju City Council, seventh president of the Jeonbuk Governors Council, and secretary general of the National Association of Local Council Chairmen, contributing to the development of local communities and local parliamentary politics through his exemplary political activities. In particular, he has played a vital role in boosting the local economy by proposing a bill that aims to create jobs for youths, protecting and supporting small and medium enterprises, and supporting the management of Good Prize Stores.

In recognition of his accomplishments, he won the grand prize in the local parliamentary politics category of Pride Korea Awards 2016, held in August 2016 under the sponsorship of the Korea Awards Committee. He was also awarded the grand prize for his excellent political activities in the Korea Loyalty and Filial Piety Grand Awards, held under the sponsorship of the Korea Journalist Association and Korea Newspapermen's Association.



Min Hyeong-bae
president of the Council for National Social Solidarity, Economy and Local Government

Min Hyeong-bae has served as the mayor of Gwangsan-gu since 2010. With "Gwangsan, a Better City for People" as its motto, Gwangsan-gu strives to create a "Community where People Live in Harmony in a Wholesome and Welcoming Environment." Currently, he is also acting as the president of the Council for National Social Solidarity, Economy and Local Government, in which capacity he is working to help create a bond with the heads of local governments in Korea and encouraging them to participate in the social economy. He also serves as the chairman of the Democratic Party Decentralized Autonomy and Democratic Leaders Planning and Promotion Committee, representative of the Local Governors Council GwangjuBranch, vice president of the Local Government Council for Village Making, and joint head of the Mongmingwan Club. He is also the author of Power of the Future and Self-autonomy is Progress.



Kim Young-bae
mayor of Seongbuk-gu, Seoul

Kim Young-bae has been the mayor of Seongbuk-gu, Seoul, since 2010. Under the slogan "A group of minds make a village," Seongbuk-gu has introduced a new paradigm for happy communities including a social economy and town democracy, to its local policies, allowing it to be reborn as a city where residents are empowered to lead truly happy lives. Kim played a key role in the launch of Social Economy and Solidarity and the Local Government Association as its secretary general. Now, he serves as the president of the association and devotes himself to uniting the directors of primary local governments nationwide with the aim of establishing a social economy. He won the Minister of Government Administration and Home Affairs Prize at the Local Government Chief's Manifesto Awards. He is also the author of There is a Country within a Town and A Small Democracy and a Town of People.

■ Domestic Key Figures



Park Jin-do
conference chair and
president of the Korea
Regional Development
Foundation

Park Jin-do graduated from Seoul National University with a degree in economics and went on to earn his Ph.D. in economics from Tokyo University in Japan. He also spent some time at Harvard University and New Castle University (United Kingdom) as a visiting researcher. By the time he retired, he had taught courses on the theories of economic development, agricultural economics, and political economics for 35 years at Chungnam National University. Currently, he serves as an honorary professor. In 2004, he founded the KRFD to teach local leaders how to create sustainable communities, and since 2014, he has served as the chairman of the KRFD. His books include *The Secret of Happiness in Bhutan* and *Agricultural Cooperatives in Crisis Find a Way*, among many others.



Kim Jeong-seop
Session 2 chair

Having earned his Ph.D. in community development from Seoul National University, Kim Jeong-seop has been working at the Korea Rural Economic Institute since 2006, conducting research on social economy, family-run farms, and the back-to-the-land movement. His published works include *The Outlook for the Back-to-the-land Population and Policy Direction* (2017), *The Social Economic Structure of Rural Areas: Its Reality and Tasks* (2016), *Multiple Economic Activities and Rural Differentiation as Livelihood Strategies* (2016), *Hired Farm Labor and Policy Direction on Agricultural Labor Markets*, (2015), and *Cooperatives and the Autonomy of Rural Communities* (2013), among others.



Hong Jong-ho
lecturer

A professor of economics at the Seoul National University Graduate School of Environmental Studies, Hong Jong-ho conducts research on environmental economics and sustainable economic policy. After completing his Ph.D. at Cornell University, he worked at the Korea Development Institute (KDI) and taught at the Hanyang University College of Economics and Finance. He has been a vocal critic of national policies that lack economic and environmental validity and seeks policy alternatives for realizing a sustainable nation and future. Currently, he serves as the president of the Korea Environmental Economics Association; director of Korea Social Investment, which promotes social banking; director of Environmental Justice, a civil society organization for environmental protection; and policy advisor to the Korea Chamber of Commerce and Industry (KCCI).



Yun Nan-sil
lecturer

Yun Nan-sil is the head of the Gwansan Community Support Center, which is a platform for citizen engagement that aims to provide comprehensive support for the training of village activists and building of communities and create a social economic system. Yun served as a member of the Gwangju City Council from 2002 to 2006, chair of the Executive Committee for Healthy School Lunch, member of the May 18 Memorial Foundation Planning Committee, and president of Sophia School. Currently, she is active as the director of the Center for North Korean Defectors in Gwangju and a member of the Jeonnam Women's Association United Guidance Committee.

■ Domestic Key Figures



Lee Yu-jin
Session 1 lead
presenter

Lee Yu-jin is the chairperson of the Green Party Korea Eenucleation Special Committee. Launched in 2012, the Green Party Korea is a political party that pursues grassroots democracy, ecologism, social justice, edgrowth, nonviolence, and peace. Currently, Lee serves as a member of the Energy & Climate Policy Institute Research and Planning Committee and a non-standing executive director of Seoul Energy Corporation. He is also active as the general administrator of the One Less Nuclear Power Plant Action Committee and advisor to the Ministry of Environment Green Energy Transition Committee.



Kang Seong-wook
Session 2 lead
presenter

Kang Seong-wook started his public career as a contract civil servant in Wanju-gun in 2010. Since then, he has been working at various organizations related to local food and community-supported agriculture (CSA), such as the Wanju Local Food Cooperative. Currently, he is involved with the Jeonju 2025 Food Plan and is promoting the supply of safe and healthy food for Jeonju citizens at the Jeonju Food Foundation.



Lee Yu-jin
Session 1 lead
presenter

Yu is a professor at the Korea Development Institute (KDI) School of Public Policy and Management and head of Jubilee Bank. He graduated from Seoul National University, majoring in economics, and received a Ph.D. in economics from Harvard University. He served as a visiting professor at California State University in the United States and Peking University and Tsinghua University in China, and was also a member of the Presidential Committee on Northeast Asian Cooperation Initiative Promotion Committee and the general policy committee presidential candidate Noh Moo-hyun and chairman of the Democratic Party Economic Democratization Special Committee. Currently, he serves as the chairman of the Korea Cooperative for Good Governance and an advisory member on the National Assembly Special Committee for Constitutional Revision. He is also the author of *Economics 911*, *Yu Jong-il's Progressive Economics*, and *MB's Cost*.

■ International Conference Organizing Committee



Oh Chang-hwan
chairman of
Organizing Committee

Having earned a Ph.D. in earth, energy, and environmental sciences from Stanford University, Oh Chang-hwan has served as a professor of earth and environmental sciences at Chonbuk National University. He has launched various campaigns that aim to ease the social tensions caused by the ongoing Saemangeum development project, which has been viewed as detrimental to the environment, by suggesting alternatives. Currently, he serves as the joint chair of the Korea Federation for Environmental Movements and president of the Jeonju Council for Sustainable Development. Through his work as a member of the Jeonju Council for Sustainable Development over the past 15 years, he has also played a critical role in transforming Jeongju into one of the regions with the best public-private partnership structures in the country.



Heo Mun-gyeong
chairperson of lanning and
Operating Committee

Holding a Ph.D. in tourism sciences and working as research professor at Jeonju University, Heo Moon-kyung teaches and conducts research on local government policy. She is also active in planning, providing consulting services, and assessing local government policy. Her published works include a research article titled "The Roles of Social Enterprises and the Socio-cultural Effect of the Sustainable Development of Tourism" and translated work Gross National Happiness. By extending an invitation to Helena Norberg-Hodge, Heo played a critical role in attracting the International Conference on the Economics of Happiness to Jeonju.



Go Eun-ha
member of Organizing
Committee

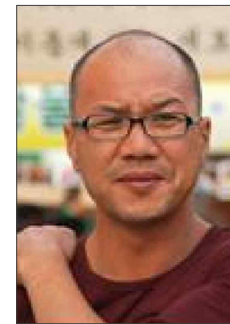
Go Eun-ha serves as the head of the Jeonju Self-support Center. She dreams of creating a world in which everyone uses their own talents and capabilities to help others lead happy and prosperous lives. She is also committed to creating a labor-integrated social economic enterprise complex in Jeonju, based on communication and bonding through Jeonju's socioeconomic network, and spreading the value of sharing. Currently, she serves as the chairman of the Jeonbuk Coalition for Cooperative Society Committee and director of the Jeonbuk Medical Welfare Social Cooperative.



Kang So-yeong
member of Organizing
Committee

Kang So-yeong is the secretary general of the Jeonju Council for Sustainable Development, a public-private cooperative organization that aims to overcome environmental crises. The council engages in a wide range of activities, including assessments of the sustainability of Jeonju, campaigns for green transportation through the promotion of the use of public transportation and bicycles for commuting, campaigns for energy conservation through home solar power systems, and campaigns for urban regeneration through the vitalization of local education.

■ International Conference Organizing Committee



Kim Chang-hwan
member of Organizing
Committee

Kim began to see old downtown areas, traditional markets, and rural areas from a new perspective while working with the public studio SimSim and social enterprise Ieum. Having studied community and social economy theories and policies at the Wanju Center, Kim is now working at the Jeonju City Social Economy Urban Regeneration Support Center, conducting diverse experiments and challenging himself in an effort to create a sustainable city that truly values its citizens.



Jang Wu-yeon
member of Organizing
Committee

A researcher with the Jeonju Policy Research Center, Jang Wu-yeon conducts research on urban regeneration and community policy. While majoring in architecture and city in college, he joined the Hope Institute, a private think tank consisting of civil activists, and conducted research on citizen-participatory urban planning, communities, community businesses, and other community-based, field-oriented areas. He settled in Jeonju in 2016, since which time he has carried out various research projects on future heritage and gentrification as a continuation of his previous research. He is scheduled to participate in the third session, "Local Currency Workshop," of this year's International Conference on the Economics of Happiness.



Lee Byeong-ha
member of Organizing
Committee

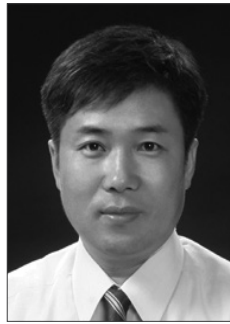
As a member of the 10th Jeonju City Council, Lee Byeong-ha serves as the chairman of the Urban Construction Committee, vice president of the Jeollabuk-do Taekwondo Association, vice chairman of the Wildlife Conservation Corps, director and co-leader of the Jellabuk-do Taekwondo team for the U.S. Open Taekwondo Championships, and referee of the Korea Taekwondo Association. He also proposed the ordinance for the creation of a "hope city for youths" in Jeonju and an ordinance for parental education in Jeonju.



Eom Yeong-suk
member of Organizing
Committee

Eom, Young Sook is a professor of economics at Chonbuk National University and a co-editor of an International Journal of Environmental Economics and Policy Studies as well as serving as a member of the board of directors of the Asian Association of Environmental and Resource Economics. Having earned a Ph.D. in environmental economics from North Carolina State University, USA Eom has mainly carried out research on the area of non-market valuation of measuring impacts on the natural ecosystem services and human health from various environmental sources. Recently Eom expanded her research interests into the area of sustainable regional development by incorporating the concepts of circular economy with those of community-based social and sharing economy

■ International Conference Organizing Committee



Lee Jae-min
member of Organizing
Committee

With a Ph.D. in economics and working as an associate professor at Woongji Accounting and Tax College, Lee Jae-min is a member of the Council of Jeonbuk Social Economic Solidarity Policy Committee and is also affiliated with the Jeonbuk Regional Development Cooperative.

Lee argues that the dominant role of the market and the principle of voluntary exchange are important features of the capitalist economy. He also presents new directions in economics ("new economics"), stressing that as reciprocity, redistribution, and household economy can be prevalent in society without dominating society, the principle of voluntary exchange can also exist subordinately in society, dominated by other principles.



Im Gyeong-su
member of Organizing
Committee

Im Gyeong-su holds a Ph.D. in environmental engineering and serves as the head of the Urban Regeneration Support Center. Currently, he is the president of the social enterprise Eejang and the executive director of the Wanju Community Business Center. He is also active as the chairman of the Hwaseong Produce Distribution Business Organization and the chief of the Nonsan Community-based Economics Bureau.

■ Workshop Participants



Kim Jae-byeong
Session 1 discussant

Kim Jae-byeong majored in biology in college and studied environmental planning and landscape in graduate school.

After stints at the Christian Academy Continuing Education Center and Jeonju Local Agenda 21, he joined the Jeonbuk Federation for Environmental Movements, where he is in charge of all areas related to enucleation, the Saemangeum project, and ecosystem. He even worked at a landscaping firm briefly, with the aim of restoring the ecosystem himself. He also participates in the Jeonju City Energy Transition Forum as a member and seeks ways to encourage citizens to participate in the energy transition process.



Yang Jun-hwa
session 1 discussant

Yang Jun-hwa works as secretary general of the Jeollabuk-do Council for Sustainable Development and Jeollabuk-do Climate and Environment Network. He also served as the citizen engagement team leader on the research project for the General Plan for Jeonju Ecological City. As a branch chief of the Jeonbuk Headquarters of the Korea Sustainable Development Center, he engages in various activities aimed at solving local problems related to the environment, society, and economy in partnership with members of the community, including citizens, businesses, and local organizations.



Kim Hyeon-gon
Session 2 discussant

Kim Hyeon-gon is an aide to Kim Hyeon-gwon, a Democratic Party lawmaker affiliated with the Parliamentary Agriculture, Food, Rural Affairs, Oceans & Fisheries' Committee. He has served as the director of the Democratic Party Farmers and Fishermen Committee, chief of the Chamber of Jinan-gun Agriculture and Fisheries, secretary general of the Jinan-gun Agriculture and Fisheries Promotion Council, secretary general of the Korean Cooperatives Research Center, director of education of the Gyeonggi-do Branch of the National Farmers Union, joint chair of the Gyeonggi-do School Lunch Headquarters, and policy chief of the Gimpo Branch of the National Farmers Union.

He has engaged in diverse campaigns for farmers, school lunch, and cooperatives based on his desire to contribute to discovering new businesses for rural communities and drawing on his experience at the Chamber of Agriculture and Fisheries and in politics and political party campaigns.



Jo Gyeong-ho
Session 2 discussant

Holding a Ph.D. in economics from Chungnam National University, Jo Gyeong-ho is the director of the Region and Agriculture Research Institute. As a farmer himself, Jo has been committed to farmers' movements. Currently, he is conducting research on local agricultural systematization and the endogenous growth theory.

■ Workshop Participants



Park Su-yeong
Session 2 discussant

After working for a time as the secretary general of the Wonju Catholic Farmers Association, Park Su-yeong is now the secretary general of the Wonju Food Co-op and executive director of Hanal Maeul. He is interested in local farming, local food, cooperatives, and social education, and is active in the Wonju area as a local activist.



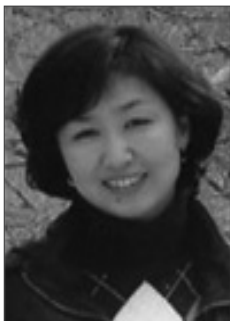
Jeon Dae-uk
Session 3 discussant

Jeon earned a Ph.D. in management engineering from the Korea Advanced Institute of Science and Technology (KAIST) and worked as a senior researcher at the Korea Research Institute for Local Administration. Currently, he holds various positions, including director of the Village Community Development Center under the Korea Local Promotion Foundation, co-representative of the Future Value and Resilience Forum, vice president of the Korean System Dynamics Society, and editor-in-chief of an academic journal registered under the KCI.



Eom Yeong-ok
Session 3 discussant

Eom Yeong-ok has served as a member of the Jeonbuk Education Policy Research Institute Public-Private Committee and a review, evaluation, and consulting member of the Jeonbuk Innovation School. She has been active as a member of the Lesson Fee Mediation Committee and civil organization, advocating for educational autonomy, education for children promoting their growth as democratic citizens, and normalization of innovative education and public education. As she believes that welfare policy, as a social safety net, should be people-centric, sustainable, and preemptive, she is active as a member of a Jeonju-based civil organization that promotes citizens' voluntary social engagement and promotes local development and welfare.



Park Hyeon-jeong
Session 3 discussant

As a policy researcher studying welfare in Jeonju, Park Hyeon-jeong has devoted herself to realizing universal human rights, in addition to minority human rights, for all citizens of Jeonju. She has worked to strengthen the welfare system under the state's responsibility while restoring the vitality of communities and securing welfare independence through relationships and sharing. Through community participation and growth, social economy will become a key driving force behind the emergence of a new welfare paradigm. Recognizing this, she has strived to develop a human-centered and compassionate welfare policy through her work at the Jeonju Policy Research Institute.

Declaration of Hosting

JEONJU CITY

Prospectus for the International Conference on the Economics of Happiness 2017, Jeonju

We are pleased to host the International Conference on the Economics of Happiness in cooperation with Local Futures (ISEC) and the Council for National Social Solidarity, Economy and Local Government. By hosting this event, we hope to find ways to create communities in which everybody is happy through economic localization, allowing us to grow beyond competition and overcome social disparity. This year's conference is the third to be held in Jeonju and the 13th hosted by Local Futures.

Jeonju City's hosting of the International Conference on the Economics of Happiness for the third consecutive year is a clear sign of the paradigm shift toward the local economy that is taking place in the city, on the one hand, and an initiative to vitalize the local economy at home and abroad, on the other.

Based on the theme "Governance for Localization," the International Conference on the Economics of Happiness 2017, Jeonju will serve as a platform for discussions on partnership between the city administration and civil society in building an eco-city and restoring communities in the area under the leadership of Jeonju Mayor Kim Seung-su.

We have invited a group of experts on localization, including Simon Richardson, Anja Lynbeck, Gwendolyn Hallsmith, and Professor Sakata Yusuke, to give lectures and lead workshops, with Dr. Park Jin-do, chairperson of the Korea Regional Development Foundation, serving as chairperson. Each session of the workshops will suggest the future directions communities should take for sustainable development through a discussion between the presenters and panelists with "local futures" "local food," and "local finance" as the topics.

Simon Richardson, mayor of Byron Shire, Australia, will deliver the keynote speech, in which he will introduce the 10-year plan for local energy policy and Bhutan's gross national happiness (GNH) system as policy-making tools. At the workshop, he will present practical ways of leading change by

incorporating citizens' ideas into local administration.

Anja Lynbeck will introduce world leaders in the areas of food and agriculture and present ways of restoring communities while resisting corporation-centered global growth and economic development. At the workshop, she will also talk about the program she runs to promote the self-sustainability of regions in Mexico.

Based on her book, Dr. Gwendolyn Hallsmith will present diverse examples of local currencies in the United States and other nations. She will also play educational games with participants and show how to apply new ideas and tools in the field.

Professor Sakata Yusuke will give a presentation on the "slow life" movement in Japan as well as on transition towns and alternative energy sources, such as biomass.

On the second day of the conference, Professor Oh Chang-hwan, joint chair of the Jeonju Council for Sustainable Development and chief researcher for the basic plan for Jeonju as an Eco-city, will lead a discussion on "Governance for Localization."

Professor Hong Jong-ho of the Seoul National University Graduate School of Environmental Studies, who also serves as director of the Asian Institute for Energy, Environment and Sustainability, will talk about energy strategies and policy tasks in Korea.

Yun Nan-sil, chief of the Gwangsan Community Support Center, will share some examples of governance that embraces community, social economy, resident participatory platforms, and the culture of non-profit organizations. Kim Young-bae, the mayor of Seongbuk-gu District, Seoul, and chairperson of the Council for National Social Solidarity, Economy and Local Government, will present innovative models of social economy policy.

We look forward to meeting all of you and exchanging ideas about how we can build a happier future together.

Thank you.

Organizing Committee for the International Conference on the
Economics of Happiness

CHAPTER 01

OPENING SESSION

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- (Opening Address) Oh Chang - hwan Chairperson of the 2017 International Conference on the Economics of Happiness
 - (Celebratory speech) Kim Seung - su Jeonju Mayor
 - (Congratulatory Message) Kim Myeong - ji Jeonju City Council Chairman
 - (Congratulatory Message) Min Hyeong - bae
president of the Council for National Social Solidarity, Economy and Local Government

Opening Address



Oh Chang-hwan

Jeonju City
Council Chairman

Ladies and gentlemen,

it is my pleasure and privilege to welcome all of you to the International Conference on the Economics of Happiness 2017, Jeonju. I would also like to express my sincere thanks to all speakers and participants from Korea and abroad for coming to this very special event. Over the next two days, we will be sharing our ideas about the economics of happiness, in which we all have great interest, and holding discussions on related issues. I believe that these activities will prompt Jeonju and local governments across Korea and the entire world to pay more attention to and attempt to gain a better understanding of the economics of happiness, which was also the effect of the First and Second International Conference on the Economics of Happiness. This year's conference aims to serve as the foundation for the realization of a future full of happiness for every nation

around the world.

In order to find happiness, we all strive to live life to the fullest. Ironically, however, most of us gradually forget what happiness really is as we go through the motions of our daily routines. Amid fiercer competition at home and abroad, we buy things we do not really need, eat dangerous amounts of unhealthy foods, and indulge ourselves in all kinds of pleasures and conveniences that ultimately put our health at risk by turning us away from exercise, all under the illusion that these things will make us happy. What they really do, however, is destroy our humanity and gradually alienate us from true happiness. Not only that, they are also causing substantial environmental damage, putting all living organisms on Earth (including humans) at serious risk, and leading the world economy toward collapse. As a result, underdeveloped nations are already suffering due to famine and economic failure, and many animal species, including polar bears, are going extinct. Developing and advanced nations are not free from these problems, as the middle class is shrinking around the world due to the increasing concentration of wealth among a handful of corporations and people, leading to rising tension. Given the urgency of these issues, it is crucial that we address them promptly.

As part of our effort to come up with solutions and build a happy future, the International Conference on the Economics of Happiness 2017, Jeonju, based on the theme of "Governance for Localization," aims to

invite participants to engage in in-depth discussions on various issues that need to be addressed by Korean local governments and residents based on the results of the first and second conferences.

This year's conference also seeks to find practical ways of achieving the sustainable development of various regions of Korea through intensive discussions on various issues, such as the creation of a local food system for sustainable cities, which was dealt with during the second conference as well, and community-based social banking for the vitalization of the local economy. At the conference, participants will share their ideas with the aim of coming up with comprehensive measures for protecting the environment, such as vitalizing local agriculture and distribution to create jobs and reducing the use of fossil fuels for the distribution of fresh produce to remote regions. They will also discuss how to strengthen the competitiveness of local communities and vitalize the local economy through economic partnership for shared growth among local residents.

Last but not least, the participants of this year's conference will discuss what we really mean by "the economics of happiness" and how local regions should pursue it.

I would like to end my welcome speech by expressing my sincere appreciation to those who went above and beyond to make the hosting of this event possible, including the mayor of Jeonju, the head of the Local Government Association, and relevant public officials, as well as the staff of the Local Future Secretariat, officials of Jeonju City, and experts, who held meetings for seven months in preparation for this conference, and the various organizations who lent a helping hand along the way.

Address of Welcome



Kim Seung-su

mayor of Jeonju

We all dream of a world where everyone enjoys prosperity. Although we are not sure how long we have been doing it, we have been constantly driving ourselves to find answers on how to live well. After much trial and error, I have finally found solutions in the material wealth and convenience of everyday life.

While competition has been growing increasingly fierce, we have made great strides in social development. Many of us have taken great pride in our achievements, firmly believing that quantitative growth would lead to the creation of our long-desired ideal world. As we cling to the material world more and more, however, the values we have long cherished are disappearing one after another, leaving various social problems in their place, such as the widening gap between the rich and poor, environmental destruction, and the collapse of communities. Even while we achieve greater quantitative growth, people are feeling less and less happy. We then wonder again, "What is the problem? And how can we solve this problem?" While searching for answers to this fundamental problem, we have turned our attention back to humans, the center of everything, and the social economy, as an alternative. The social economy pursues a sustainable, people-centric economic system based on trust, partnership, reciprocity, and bonds. It contributes to economic democratization by distributing economic power, which is concentrated in large corporations, through a system for self-sufficient production and consumption and aims to realize an economy where everyone enjoys happiness and prosperity rather than a winner-take-all market based on infinite competition. We citizens of Jeonju, a city where citizens are valued, dream of a world where everyone is able to thrive. Toward this end, we have been focusing on the value of the social economy and striving to promote and spread it. In this city, which stands at the forefront of the economics of happiness in Korea, we will do our best to attract people's attention to the social economy and encourage them to participate in it. Happiness is not something to pursue, but something we discover; it is a choice, not a condition. I hope that the International Conference on the Economics of Happiness 2017, Jeonju, to be held for three days from September 20 to 22, 2017, will serve as the beginning of your search for a happier life.

Thank you.

Congratulatory Message



Kim Myeong-ji

chairman of Jeonju
City Council

It is my great honor and pleasure to welcome all of you to the Third International Conference on the Economics of Happiness 2017, Jeonju here in the "City of Art." I would like to express my sincere appreciation to all those who have traveled here from all over the world to attend this event.

I would also like to thank everyone who helped prepare this event, which aims to share the vision of the "economics of happiness" and the realization a society where everybody lives in harmony and social inequality has been overcome. It is a great honor for Jeonju to host this international conference for the second consecutive year, and the city has gone to great efforts to make itself the ideal venue for this event.

While the world is rushing toward mammonism, pursuing the constant gratification of desires, and engaging in monotonous industrialism, the gap between the rich and poor is growing wider and wider and people are increasingly losing their humanity and becoming alienated, finding themselves mired in the "economics of unhappiness."

It is our mission to restore people's sense of community and humanity through communication and learn more about the economics of happiness and develop the concept further.

We also aim to strengthen our focus on local development and its prospects for the future as well as on social banking as a future business model.

I hope that this event will serve as a catalyst for jump-starting local development and accelerating the spread of the economics of happiness around the world.

Again, I would like to congratulate everyone who contributed to the successful opening of the Third International Conference on the Economics of Happiness 2017, Jeonju, and I look forward to your continued support and interest.

Thank you.

Congratulatory Message



Min Hyeong-bae

president of the Council for
National Social Solidarity,
Economy and Local
Government

A Means of Achieving Happiness

As the president of the Association of Korean Local Governments for Social Economy and Solidarity, I would like to offer my sincere congratulations, on behalf of all 35 member local governments, on the opening of the International Conference on the Economics of Happiness 2017, Jeonju.

Serving as co-host of this event, the Association of Korean Local Governments for Social Economy and Solidarity is an administrative association of local governments in Korea that are committed to solving local problems through the social economy and creating a world in which community members thrive in harmony with one another. As one of our member cities, Jeonju shares this

vision.

Local Futures Director Helena Norberg-Hodge has emphasized localization as the key to overcoming the crises caused by globalization, an assessment with which I agree. I would also like to add that "localization" refers to solutions found within local communities, which are the main focus here.

Our member local governments have found solutions to the social problems Korea faces in their local communities, where citizens live out their day-to-day lives, and have come to realize, through long experience, that "decentralized autonomous local governments" are the core of localization. We have thus come to the conclusion that the future of a community depends on whether its members can make their own decisions regarding the future of their community as well as the fact that when local communities are made the primary focus of attention, rather than seen as a secondary concern, they are capable of ushering in a new world.

We have also come to an agreement on the economic system best suited to communities and the decentralized local autonomy, which is why we have strived to create models of the social economy and share and spread them. It is our great pleasure to share some of our activities with scholars of and experts on the social economy and localization. We look forward to your support and interest.

The social economy and decentralized local autonomy are tools with which citizens may pursue greater happiness. The numerous systems we humans have created so far benefit only the center and a select few. However, now is the time for local communities to present solutions for all. I firmly believe that this year's conference will serve as a platform upon which all participants will be able to share their ideas and experiences for the purpose of giving everyone the chance to achieve happiness in their lives in the future.

Last but not least, I would like to express my sincere gratitude to Kim Seung-su and the Organizing Committee for their efforts in preparing this global event, and I thank all of you for participating in this conference. I would like to conclude by saying that learning and solidarity are what drive progress. Thank you.

Min Hyeong-bae, president of the Association of Korean Local Governments for Social Economy and Solidarity

The International Conference on the Economics of Happiness 2017, Jeonju

Governance for Localization

CHAPTER 02

GREETINGS

-
- Simon Richardson
 - Anja Lyngbaek
 - Gwendolyn Hallsmith
 - Yusuke Sakata

Greetings



**Simon
Richardson**

Hello, Jeonju City!

Thank you so much for inviting me to visit Jeon Ju- your 'perfect region'.

It appears both Jeon Ju and Byron Shire have much in common. We are both festival and event centres, we are both tied to the tourism wagon and we include both urban and rural communities.

I am excited about learning of your work on enhancing local resilience to developing systems that ensure the unique local cultures and values can thrive.

It seems around the world, we are all focused on riding the waves of change that are gathering momentum in the areas of local energy, decision making, cooperative and community housing and a new focus on small acreage farming and agricultural practises. Though the globalised current of sameness, centralisation and disempowerment seems impossible to swim against, the force of this current slackens and slows when we inspire each other, when we share our tales of success and warnings of resistance and when we commit ourselves to act to bring a vision of a different way to life.

I hope to share my shire with you all- it is a small place in terms of land area and population- but prides itself in being a community that can take its place amongst other lighthouse centres around the world; providing beacons of hope, lighting up a new way forward.

Greetings



**Anja
Lyngbaek**

First of all, thank you inviting me to participate in the third Economics of Happiness Conference in Jeonju. It is an honor. I am particular delighted to have the opportunity to participate in a region with such a clear commitment to localization. I look forward to learning from your process and to share your vision and experience with people in other parts of the world. At a time, when the dominant media worldwide has become corporatised and their doors are closed to news of systemic alternatives to the global consumer culture, our role as bearers and sharers of alternative strategies and initiatives for the common good, is more important than ever. Jeonju's story can help inspire other local governments and communities to make a concious commitment to the building up of strong and healthy place-based economies.

I am here to talk about local food systems, which has been at the heart of my work and personal life for several decades. Across the world, local food is bringing people together, helping to rebuild communities and strengthen local economies. Local food is also leading the way for a broader localization movement that holds the key to the creation of new economic models, operating in the service of people and within nature's limit. Such models must prioritise basic needs first, and local needs before that of distant markets. The key importance of food and farming in building up fair economies and the pivotal role of small and medium farmers for future food security, cannot be underestimated. In particularly as we move from a fossil fuel-based economy, towards the reliance on renewable energy.

We have long been suffering under a naive and misguided focus on specialisation and a blind reliance on narrowly-focused experts, whilst disregarding common-sense, hands-on experience and place-based knowledge and skills. This path has led to a wealth of information, an array of mind-blowing technologies and high levels of so called economic growth. However, it hasn't led to greater wisdom or to increased wellbeing for people and planet-quite the contrary. Aside from the urgent need to shift away from the existing destructive corporatised economic model, we likewise need to shift away from a focus on narrow specialisation. Instead we must embrace diversity and holistic thinking and adopt common sense as a primary guide in decision-making, taking into account local needs, conditions, knowledge and skills. I believe we have a lot to learn from Jeonju in this regard.

Thank you.

Greetings



**Gwendolyn
Hallsmith**

Hello City of Jeonju!

Thank you so much for inviting me to join you at this Economics of Happiness conference.

Happiness and economics are not words that are normally found in the same sentence, so I applaud your efforts to connect them. In the U.S., economics is known as the "dismal" science-dismal is a word that means the opposite of happiness. Economics as a whole tends to make people unhappy, when the income they make is barely enough to provide the food, clothing, housing, transportation, education, and health care they need.

How do we meet our needs in ways that help our local community, minimize the destruction of the natural environment, strengthen democratic practices and institutions, build relationships, and contribute to the well-being of society as a whole? This is a critical question as we enter the 21st Century, and it is a question I have contemplated for many years.

What I have found is that human civilization is a large and voracious needs-satisfaction machine; all of the institutions, customs, laws, companies, and governments have our human needs at the heart of their business plans, their traditions, their systems. These systems exhibit characteristics and patterns we can understand and-unlike the 2nd Law of Thermodynamics-civilization and its habits were created by human beings, and they can change so that we all can be happier and healthier.

Creating a truly happy local economy is a worthwhile challenge for the City of Jeonju-I look forward to learning more about what you have done and what you will do to meet the challenge. The rest of the world can learn from you. Congratulations for your efforts!

Greetings



Yusuke Sakata

Dear every people living in Jeonju-si.

I would like to congratulate to hold the third conference of Economics of Happiness in Jeonju-si. I had attended the first conference held in 2015. I am eager to know what has tried and achieved in Jeonju since then.

In 2015, I had been introduced various activities in Jeonju. I was very impressed that Jeonju city had strong social economic sector and city office gave various support to the sector. Also, Jeonju tried to protect the traditional areas and cultural ecosystems.

I thought that research and practice of happiness economics could be promoted in Jeonju because it had the strong social economic sector.

I live in Kumamoto, Japan. Kumamoto experienced a large earthquake last year. Our local society and economy had been damaged badly. Some local shops closed and some are still struggling to reopen their business. Actually, our local economy were not ready for the earthquake. We were reminded that the foundation of the local economy was very brittle.

Many traditional buildings had been broken by the earthquake including Kumamoto Castle. It is very difficult to re-build those buildings. Kumamoto are asked how we could maintain our local culture and economy without those buildings. In that sense, I am personally interested in this conference.

In Japan, I teach environmental economics and regional economics in Kindai University, Fukuoka campus. Since the visit in 2015, I had tried my localization project with my student. I had started a fairtrade movement in Iizuka city, Fukuoka and farming in our campus. The farm gave my students for the faring experiences and they understood the importance of local food.

I heard that the conference will be related to the issues of a localization economy and a energy localization. The energy localization is the crucial factor to local economy since most energy sources are imported from outside of the country in Korea and Japan. But there are excessive expectations for

some sources of energy especially biomass and solar energy. We need to consider carefully how to localize energy source.

Localizing energy source would have a wide impact to local energy because it has rather large local multiplier effect in monetary aspect and employment. Most people agree the existence of the effect but it is not often to implement numerical estimation for the local economic impacts. These days, the estimation for the local multiplier 3 (LM3) are proposed in United Kingdome. LM3 is easier method to estimate local impacts compared to traditional methods.

I expect to implement the estimation project for the localization effect numerically in Jeonju city.

CHAPTER 03

KEYNOTE SPEECH

-
- From Principles to Practice
 - | Visions of Hope from Byron Shire, Australia
 - Simon Richardson

From Principles to Practice : Visions of Hope from Byron Shire, Australia

Simon Richardson

When botanist, inventor, environmentalist and 'black Leonardo' George Washington Carver stated that, "Where there is no vision, there is no hope" he perfectly encapsulated the challenges currently faced by communities in villages, shires, regions and States around the world.¹⁾

Currently, competition and perpetual growth are the undisputed World Champions. The omnipresence of political decision making based on competitive adversarialism alongside economic markets that swallow small and bulging consumerism to feed the global economic machine has affected us all. It appears hopeless to imagine a different paradigm. But there are Challengers, and their vision of cooperation and a steady economy are growing in impact and importance. Within the concepts of cooperation and economic localism, sustainability and diversity – ideas, projects, case studies and movements of inspiration have begun to colour a vision of another way. I look around at the strands of visionary actions that bring hope and outcomes to strengthen a web of localised community empowerment and offer the actions occurring within my area– the Byron Shire – as another strand of this web.

Byron Shire, New South Wales, Australia.

Byron Shire is both a place and an ideal. Byron Shire covers an area of 566.7 square kilometres (218.8 sq mi) and is the Eastern most point in Australia and part of the Northern Rivers region in NSW. Its population is 31,556.²⁾ Byron Shire has extremely high biodiversity at the ecosystem, species and genetic levels. The Shire is centred in the Wet Subtropics Bioregion, an area of great ecological significance. This is one of the richest and most diverse regions for fauna and flora in Australia and is exceeded, or equalled, only by the south west of Western Australia and the Wet Tropics in Far North Queensland.

Economically, Byron Shire is largely dependent on tourism, especially visitation to its most famous town, Byron Bay. Approximately 2 million visitors generate a yearly tourism expenditure estimated to be well over half a billion dollars.³⁾

1) https://en.wikipedia.org/wiki/George_Washington_Carver

2) http://www.censusdata.abs.gov.au/census_services/getproduct/census/2016/quickstat/LGA11350?opendocument

3) <http://www.byron.nsw.gov.au/tourism-research-and-resources>

Byron Shire shares the many disruptive challenges that have arisen as a product of globalising our economic and cultural identities : insecure employment, a lack of housing affordability, the sense of losing our unique identity and a State and Federal governance system that strips our local communities of decision making and local flavour. These are further exacerbated by the specific challenges that come from being a small coastal town of 32,000 residents with a massive tourist destination brand that brings with it 2 million visitors.

Byron Shire' s social sustainability challenge is how best to support our community so we can continue being empowered to be guardians of our public spaces. Locals within Byron Shire have a vision for the world and for Byron' s place in it. It' s a vision of local empowerment, respect for the planet and each other and living in an honourable, sustainable and respectful manner. As a result of such an audacious vision, it has, for many decades, been a place filled with people who have resisted globalisation and its mantra of 'There Is No Alternative'. The Shire' s residents have resisted fast food chains, high-rise or suburban sprawl housing, and environmental destruction in the name of progress. Residents have pioneered the permaculture land use movement, communal living arrangements such as Multiple Occupancy communities, alternative medicine and health practices and have been one of the highest Green party voting areas in Australia.

Though not always successful, we have a community nonetheless who has never given in and accepted that which has been presented to us. It is this audacity that also empowers the community to resist an onslaught of sameness and to celebrate visions of a better place and planet, actions to bring them to life and a sense of hope that people and communities can control their own destiny.

■ Localised Energy

It is in the area of localised energy that Byron Shire is bounding forward. Currently, the energy sector in Australia is beset by traditional economic systems of corporate monopolies, attachment to fossil fuel generation and a centralised, hugely expensive energy supply and retail chain. Locals in Byron Shire are committed to shifting this paradigm towards one that ensures that generation, ownership and the benefits of energy are local.

Allow me to share an occasion and decision that illustrates our thinking and values. In 2015, Byron Shire Council received a proposition to receive an investment of \$50 million to establish a solar powered micro grid that would make Byron Shire 100% renewable, with all residents and businesses

paying at least 10% below market electricity prices, on a 20 year contract. We thanked the representative from the massive global company and declined the offer. Firstly, right on the cusp of a global energy transition, the community of Byron Shire did not wish to have its control of its energy security transferred from the current global corporations to another one. Our community wants to pursue decentralised energy, locally generated, locally owned, locally beneficial renewable energy –we cannot see this being delivered by one global company.

Secondly, a 20 year contract within the flux of the current energy revolution is a lifetime. Most of the Byron community would be assuming they will be well and truly generating their own energy from their individual households within 20 years. The quick and impressive residential take up of roof top solar has ensured the wider Northern Rivers area has one of the highest percentage take ups of anywhere in Australia.⁴⁾ Thus, we decided to instead focus on establishing our own energy security and transition.

Council has also been a progressive, innovative representative of its wider community in its own right. In particular, Council has focused on the energy challenge of pricing and incentivisation of producing renewable energy. It is also in this area of localised energy that collaborative and cooperative governance outcomes are being forged. When it comes to increasing renewable energy targets, Council has increasingly hitched its wagon to community led and community focused local energy projects and solutions. This shift was most tellingly the result of the formation of Zero Emissions Byron (ZEB).

Zero Emissions Byron (ZEB)

Zero Emissions Byron (ZEB) was initiated in March 2015, with a meeting between the CEO of Beyond Zero Emissions (BZE) and myself, when we hatched a plan to create ZEB as a prototype for regional and national emissions mitigation in Australia and more locally, to achieve zero emissions in the Byron Shire by 2025. The desire to dilute centralised control whenever possible was also an explicit component of ZEB' s mission to 'implement zero emission strategies to reduce the impacts of climate change, and develop new economic opportunities by inspiring and working with the community.'⁵⁾ ZEB goes beyond simply increasing use of renewable energy – it tackles the main sources of emissions across the whole shire: energy, buildings, transport, land use and waste to trigger major social, economic and environmental benefits.

Zero Emissions Byron Limited was incorporated as a not-for-profit company limited by guarantee, with

4) <http://pv-map.apvi.org.au/historical#4/-26.67/134.12>

5) <https://zerobyron.org>

charity status. Quickly, ZEB focused on 3 project stages : 1. Calculate baseline of current emissions in energy, transport, buildings, land use and waste sectors. 2. Develop 10 year Action Plans and 3. Implement, Monitor and Adjust short-term practical action such as energy efficiency and rooftop solar and longer-term strategies to move to zero emissions.

Community members interested in working on the project signed up to participate in five working groups covering each of the identified sectors and by August 2015, the five volunteer working groups had started phase one of the project : establishing the baseline greenhouse gas emissions inventory for each sector in order for clarification and prioritisation of emissions sources to be realised across the region and because, quite simply, we can't manage what we can't measure.

ZEB completed this task by May 2016. The baseline calculations came to Energy: 134,967 tonnes CO₂e per annum, equating to 8 tonnes CO₂e per person- half the Australian average, though nearly double the global average.⁶⁾

Stage 2 is now well underway, with the first action plan-focusing on energy now complete. ZEB commissioned a report which aimed to help identify and implement the most appropriate mix of renewable energy and energy efficiency to reduce Byron Shire's electricity emissions to zero by 2025.

More recently, ZEB has found its position in and around other community groups working in this local energy space. It has now more formally sat alongside Council, with Council now taking on a lead role, formalised through recent Council resolutions allocating the role of funding and developing the action plans for the other sectors to Council. Moving forward, community engagement and grassroots collaboration with Council will continue to be an integral strength of ZEB. Community groups have led the development of the baseline inventory and continue to be a core part of ZEB. Also, ZEB will strengthen its role as an umbrella group, with two main roles - to assess and monitor emissions abatement; and to facilitate emissions abatement.

Enova

Enova Community Energy is Australia's first and only community-owned energy retailer.⁷⁾ It is based in the Byron Shire and is 75% owned by people living in the Northern Rivers region. It is a

social enterprise, with objectives to assist communities to reduce carbon emissions and to benefit the community by enabling all to participate in the shift to renewables. Being a social enterprise, in addition to the retail arm, Enova Energy Pty Ltd, a not for profit arm, Enova Community Ltd, a registered charitable organisation, has been established to receive 50% of profits (after tax and re-investment) in order to deliver programs.

Enova's aim is to build an energy conscious community that shares common goals and to keep profits and jobs in the community, reduce the region's carbon footprint, create an energy supply model that benefits all socio-economic groups, establish an energy supply model that can be recreated by communities across the country, influence government energy policy and ultimately, produce enough renewable energy locally to meet all customers' energy needs.

Alison Crook, Enova Chair, recently shared, "Our vision is to assist communities around Australia to take control of, and own their own power. We see that the future for energy is renewable, decentralised, and distributed. The rapid developments and reducing costs of renewable energy and storage technologies makes it feasible for consumers to play an increasing role. The certainty of increasing numbers of climate driven events, and natural disasters means a decentralised and distributed energy system is more resilient and will provide greater energy security."⁸⁾

Enova took 18 months from concept through feasibility study, business plan, retail licence application, and capital raising, to raise \$4 million from 1100 investors. It took 6 months to recruit and train staff, and establish and test systems. Enova has now been offering services for 12 months and has more than 3000 customers, with a target to more than double that in the next 12 months.⁹⁾ Already Enova is purchasing from local rooftops, more than 40% of the volume of electricity that they are using and selling.

At the time of writing, Enova also has 3 pilot projects for generation within the shire in development : a possible solar garden targeting renters, in planning with the Byron Council and our distributor Essential Energy; a residential solar program partnering with a social housing provider to provide solar benefits for parts of the community who would not be able to afford to install it for themselves, and a shared solar farm, partnered by COREM and Council on Council's land at Vallances road, Mullumbimby.

The challenges in establishing local control of energy are acute. The energy market is complex and

6) zen stuff

7) <https://enovaenergy.com.au>

8) Alison Crook, in Conversation with the author, July 24, 2017

9) Enova Shareholder Update July 2017

regulators are persistently and heavily lobbied by those benefitting from the status quo. We also have a hugely expensive network and grid system that charges high network costs – often constituting 50% of energy bills. A small retailer operating at the scale of Enova, is vulnerable to very volatile pricing of wholesale energy– over the last 6 months costs rose from a steady average of \$65 per MGhr in 2016 to over \$100 average for the first half of 2017, with spikes of \$14000! These challenges are exacerbated by a severe lack of any sensible or stable government climate change policy and the sloth–paced shift to renewables. This makes it very hard to plan – especially when modelling returns on investment. Lastly, the biggest challenge is apathy and habit. While people may like the concept of community owned, it takes a lot to get people to actually make the change, even in a progressive area of the Northern Rivers. With assistance from the likes of Enova, communities can become their own generators. This in turn means the money leaving regional economies in energy bills can be kept circulating in regions for their economic development.

Community I Owned Renewable Energy Mullumbimby(COREM)

Community–Owned Renewable Energy Mullumbimby (COREM), is a not for profit community action group dedicated to setting up community–owned renewable energy projects in the Mullumbimby area, in the pursuit and promotion of a 100% renewable energy future for the region. Like Enova, COREM works towards enacting its shared vision into action to create hope and a path forward. After a hugely successful campaign to stop Coal Seam Gas mining in the region, COREM was formed as a result of a small group discussion on ways it can take action, responsibility and inspire leadership in our sustainable future. COREM's vision is one that also celebrates and is empowered by community engagement and community ownership. Recently, it facilitated a Solar/Battery Bulk Buy scheme. By completion, 110 participants had purchased 424 kW of solar and 600kWh of storage, with \$11,000 raised for the recent flood relief and \$11,000 raised for community partners. Many also then signed on as Enova customers.¹⁰⁾

Since forming, COREM has installed 4 Community Owned Solar projects on community halls and roofs of community organisations; together they produce about 48,000 kWh of renewable electricity annually.¹¹⁾ Savings in electricity bills are split between COREM' s Revolving Community Energy Fund and the community group(s).

COREM' s most striking project was formulated at its first meeting– to reactivate the Mullumbimby hydro–electric power station. First turned on in December 1925, as "excitement prevailed in Mullumbimby on Wednesday night, when the electric light from the scheme was switched on for the first time"¹²⁾ and decommissioned in 1990, the vision is for this site to once again ensure excitement prevails in Mullumbimby

The proposal envisages a community owned company, with a minimum 51% ownership in the Mullumbimby area (and possibly neighbouring areas) producing up to 1 MW of energy via a pumped hydro storage system. Though only in the preliminary stage of its development, the project is in negotiations with ARENA, (the main Australian renewable energy funding body), 5 State government agencies and departments, Council, the grid network owner, Charles Sturt University, individual local philanthropists and COREM.

From a meeting on July 27 2017, with representative from these stakeholders, the biggest obstacles remaining involve water licensing and simply moving through the bureaucratic minefield. Currently, hydro proposals are not considered relative to size – thus, a 1 Kw system is required to jump through the same regulatory hoops as Australia' s great Snowy Mountains Hydro scheme; even if every required step gains a tick of approval, there are still 19 steps within the Office of Environment and Heritage alone required from beginning a hydro assessment to installation and operation. Luckily for Byron Shire, COREM and the other stakeholders are a hardy and resilient bunch.

Lessons and Upcoming Examples

Council and its community led organisations and businesses such as ZEB, COREM and Enova are realising great outcomes for the provision of local, renewable power for the Shire. To be formally supported by Council in September in order to develop further, the Vallances road Sewerage Treatment Plant project could become an exemplar development for a fully realised, collaborative, community focused precinct. Consisting of biomass crop sites and bio–energy generator in partnership with industry businesses, a solar farm in partnership with COREM and Enova, an affordable housing precinct in partnership with social housing and affordable housing organisations and industry leaders and a large biodiversity enhancement in partnership with local environmental and land care groups.

¹⁰⁾ <http://www.corem.org.au>

¹¹⁾ <http://www.corem.org.au/projects-2/>

¹²⁾ <http://www.environment.nsw.gov.au/heritageapp/ViewHeritageItemDetails.aspx?ID=5060490>



Figure3: Indicative Proposed Zoning and Activities for Vallances Road Project

On May 24, 2016, a Memorandum of Understanding was signed between Council, Enova and COREM. The MOU outlines the vision for the project and articulates the action to be taken by each party.

Looking back over the last few years of the Shire's frenetic response to the need to decentralise and democratise local energy, a few key lessons have been learnt. Firstly, action needs ambition. With so many individual players working in the energy space, having a set ambition, (in Byron's case, being a zero net emissions shire in 10 years), provides vision and a collective direction that practitioners crave. The ambition also provides extra leverage for seeking grants and partnerships, as everyone is aware of the direction and the form of collective action required.

Secondly, community ownership is the key to success. Quite simply, Council could not have the commitment it currently has, nor the persistence to work through regulatory and legislative flow charts (seen in the Hydro example, Figure 1) if it was working alone. The community provides its own expertise, specialists, advocates, volunteers and supporters. On the board of ZEB sit many highly influential national figures in the energy sector. Enova's board too contains nationally expert energy professionals and COREM has members from universities and practitioners. Also, as all of Council's projects rely on community 'buy-in', they must develop projects that reflect the values of the community.

Thirdly, Byron can and must continue to pursue localised energy solutions, and can and must share what it does. Byron has the head, heart and will: the expertise, passion and activist energy to acknowledge the problem, demand to be part of the solution and to get to work to make it happen. Beautifully described by words of E.F. Schumacher, 'I can't myself raise the winds that might blow us or this ship into a better world. But I can at least put up the sail so that when the winds come, I can catch it'.¹³⁾

■ Localised Planning

In my introduction, I ruminated that although globalisation brought with it standardisation, corporatisation and banality of sameness; it also presented opportunities between communities, states and nations to learn from each other and teach other. This can be wonderfully illustrated through the work that Byron Shire Council is undertaking in the development of its overarching, 10 year Community Strategic Plan (CSP). A major review and consultation process will be held in 2017–2018 to prepare a new Community Strategic Plan 2028 that will enshrine and articulate the values of the community, its priorities and its vision. To assist with this development process, Council will be learning from the nation of Bhutan, and its Gross Happiness Index (GHI).

The Bhutanese Gross National Happiness (GNH)

Bhutan uses Gross National Happiness (GNH) to evaluate, monitor, set goals and raise national consciousness about conditions that are conducive to wellbeing.¹⁴⁾ Contrasting with the common Western perception of happiness as the fleeting experience of pleasure, wellbeing best describes the Bhutanese concept of happiness.

In Bhutan it is not possible to start a business without a proposal that passes Bhutan's GNH screening process, and the GNH Commission (GNHC) undertakes screening on all government bills and policies before they are submitted to Cabinet. GNH indicators make public policy-making frameworks more holistic and thus more consistent with development that best serves socio-ecological interests, rather than development that prioritises economic prosperity or the attainment of individual policy targets. Four GNH Pillars guide Bhutanese development: sustainable and equitable socio-economic development; preservation and promotion of culture; conservation and sustainable development; and good governance.

¹³⁾ <http://www.schumacherinstitute.org.uk/small-is-powerful-e-f-schumachers-ideas-in-the-21st-century/>

¹⁴⁾ For information about GNH in Bhutan see <http://www.gnhc.gov.bt>, www.grossnationalhappiness.com.

An important part of the GNH screening process has been the development of an excel tool. This application is used by the GNH Commission to assess and review all draft policies, programs and projects through a GNH lens. Whilst it is not the determining factor for ultimate approval or endorsement, GNH screening highlights specific recommendations and feedback to review all proposals within the scope of the 9 GNH domains and 22 variables shown in Table 1.

Table 1_GNH Screening Index	
9 GNH Domains	22 GNH Variables
1. Living standard	Economic security, Material wellbeing, Engagement in productive activities
2. Good Governance	Decision-making opportunity, Anti corruption, Legal recourse, Rights, Gender, Transparency
3. Education	Skills and learning
4. Health	Public health
5. Ecology	Water and air pollution, Land degradation, Bio-diversity health
6. Community vitality	Social support, Family interaction
7. Time use and balance	Leisure
8. Culture	Culture, Values
9. Psychological wellbeing	Spiritual pursuits, Stress

The process generally follows a similar path: A diverse group within an agency, comprising people with relevant skills/qualifications is formed. Within this group, representatives for women and children, universities and the environment are also ideally present. There is a minimum of 15 participants, who consolidate and present the results of the screening back to the Agency.

The screening itself follows a clear, and consistent scoring regime. Each of the 22 selection variables has a point scale from 1 to 4: The 4 point scale is ranked from most negative to positive, with 1 denoting a negative score, 2 uncertain, 3 a neutral and 4 a positive score. An assessed policy or project would have to average 3 points per variable, thus accumulating at least 66 points after all 22 variables are added.

Adaption of the GNH screening tool for use in Byron Shire

Originating from a local resident, applying for and receiving a Charles Sturt University (CSU) Rural and Regional Community Initiated Research Program to initiate a research project of embedding a GHI layer into a local government planning system in 2016, the ease of application and benefits of this

soon became apparent. The research project quickly established tangible benefits, including: developing a cross cultural exchange of sustainability knowledge and planning leading to ties being established between Byron Shire and Bhutan; determining ways to adapt these for wellbeing oriented planning measures, for sustainability achievement in differing cultural contexts such as Australia and; specifically identifying how these measures might be utilised in the Byron Shire by the Council.

After completion, the report noted, 'Whilst the tool has been advanced specifically for raising GNH in Bhutan, the domains and variables represent universal sustainability and wellbeing goals that ideally inform development anywhere.' The GNH concept could be used as a way to engage with the community regarding how Council is making decisions and planning in the best interests of wellbeing for Byron Shire. As with the use of GNH in Bhutan, Council could establish working to increase wellbeing or 'happiness' in Byron Shire as a driving force of Council. Working with the community to screen all new BSC policies and projects using a modified GNH tool incorporating the CSP themes and aims might reassure the community that Council is implementing the CSP in all of its decisions, and provide a way for the community to actively participate in this process.

Case Study #1 Community Strategic Plan (CSP)

As the CSP sets out the strategic direction that Council will follow in achieving community needs, a process of community engagement is essential to incorporate community ideas into Council planning and operations to contribute to this vision. As the CSP is the community' s plan, they must be integral to its creation.

It was seen that the process of assessing community suggestions could be structured using the GNH tool to determine whether if adopted, these would increase 'happiness' (wellbeing) in Byron Shire. This would be achieved by assessing each suggestion using the screening tool, to determine whether the initiative achieves a neutral or better score to pass the assessment process. Suggestions could be prioritised according to their potential to increase wellbeing in the Byron Shire, the highest scoring initiatives becoming those that are adopted.

For Byron, the transference of the GNH screening tool over our planning themes is relatively straightforward. The 5 key themes of the Community Strategic Plan (CSP) and their aims are already covered in the domains and variables of the GNH screening tool, as seen in the following example within Council' s Economy theme:

CSP	GNH
Community Concerns and Priorities "...Encourage sustainable tourism... Develop long term, sustainable and diverse industries..." (p.23)	Domain : Living standard Variables : Economic security, Material wellbeing, Engagement in productive activities Community Outcome
Community Outcome A sustainable tourism industry that respects and promotes our natural environment and community values	Domain : Ecology Variables : Water & air pollution, Land degradation, Bio-diversity health Domain : Culture Variables : Culture, Values

For brevity’ s sake I have only illustrated one example, though the overall synergy between the two planning processes are starkly apparent. Each theme, and their particular outcomes, aims, priorities and concerns are neatly matched to the GNH domains and variables.

Case Study #2 Zero Net Emissions by 2025

The research project applied the screening tool over a current Council policy of becoming a Zero Net Emissions Council by 2025, as part of its Low Carbon Strategy. An example below shows the mechanism behind the overall score, 77.

Table 2 : example of GNH tool variables & scoring–case–study Byron Zero emissions 2025

GNH Domains	GNH Variables	Score	Reason
Living standard	Equity	3	Will not have any negative effects on income equity
	Economic Security Material wellbeing	4	Will increase economic security
	Engagement in productive	3	Will not increase economic costs
	activities	4	Will increase engagement in carbon reduction activities

As the overall score for adoption of the Byron Zero emissions 2025 strategy is above 66, the case study determined that the strategy would increase wellbeing in the Byron Shire. This does not mean that the project would necessarily be adopted. Rather, it would provide support for the strategy to be adopted and implemented. Also, as there were no negative scores on any variable or domain, mitigation measures would not need to be taken to make this strategy acceptable.

Moving Forward

What has become apparent through this research and case study process, is that there is both benefit and greater community ownership of planning strategies with the application of the GNH screening

tool. It may be trialled and further adapted for BSC planning and policy purposes – improving the sustainability achievements of BSC operations, and wellbeing in the Byron Shire. It has also become apparent that the application of the screening tool will bring to fruition the understanding that as Council represents the community, the community must be integral to policy and strategic planning creation.

Recently, Council voted to include the development of a wellbeing framework to inform decision making into its Delivery Program for 2017–21.¹⁵⁾ This will form a key part of the new CSP with baseline wellbeing/happiness measures to be developed for ongoing reporting and decision making. Sitting alongside possibly other leading wellbeing and happiness frameworks – both nationally and internationally– the Gross Happiness Index (GHI) work from Bhutan will certainly be included as part of this mix. Moving forward, the new CSP will have wellbeing/happiness front and centre as to how we measure our success.

Concluding Thoughts

In Byron Shire, the resistance to the globalised models of 'Competition' and 'Perpetual Growth' continues. However, now, as much energy is being spent pursuing what we want as has traditionally been spent on resisting what we don' t want. The projects and actions mentioned are only part of the frenetic pace of proposals, actions, plans and projects. The Brunswick Eco Village¹⁶⁾ and the Eco Park Solar Schreber Garden, (a 5MW solar PV and 1MWh Community Battery Storage Bank to help offset local grid demand, occupying an area of around 8ha¹⁷⁾), are two more exciting, community led visions that are developing into tangible, important examples of localised energy; providing hope for those seeking collective solutions to our collective challenges.

Community led decision making, community focused land trusts, community beneficial agricultural planning, community transport programs and community generated economic and social centres are all developing at great pace within Byron Shire. We will increasingly look outwards for examples from others from which to learn. We will increasingly deepen our processes and projects inside the shire so they can be of greater benefit to those from afar wishing to adapt our systems.

George Washington Carver' s musing that 'where there is no vision, there is no hope' is as true now as

15) http://www.byron.nsw.gov.au/files/publications/delivery_program_2017-2021_and_operational_plan_2017-2018.pdf).

16) <http://brunsecovillage.com.au>

17) <http://byronecopark.com/index.php/en/>

when he uttered it. Within Byron Shire, the community continues to try and match its vivid, imaginative conception of more localised and democratic systems under which to live with bold and relentless actions to fully realise what this will look like. We look forward to taking this journey alongside other communities around the world .

The International Conference on the Economics of Happiness 2017, Jeonju

Governance for Localization

CHAPTER 04

PLENARY SPEECH 1

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- Local food: a solution-multiplier for systemic change
Anja Lyngbaek
 - Local Money and Investment for Local Economies
Gwendolyn Hallsmith

Local food: a solution-multiplier for systemic change

Anja Lyngbaek

Imagine someone observing the predominant food and farming systems for the first time. Such a person would have to wonder at its absurdities. Fish caught 50 km off the coast of Scotland, travelling some 10,000 km before it reaches Scottish consumers; import and export of identical food products between countries; food transported thousands of kilometres available at a lower price than the self-same food from a neighbouring farm; entire regions dedicating their best agricultural lands to the production export crops before meeting local needs, farmers selling their produce below production costs...the list is endless.

As food has been reduced from its primary function of providing for our most basic need-nourishment-to being a mere commodity on the global market, food and farming has become subject to speculation. Massive bets on agricultural commodities can cause their prices to collapse (driving farmers into bankruptcy), or to spike (causing millions of people to go hungry)-as happened in 2008, when food riots broke out in many developing countries.

In the global economy, food and farming is now characterised by industrialisation, centralisation, corporatisation and the dependence on fossil fuels. Diverse small and family farms are squeezed by large-scale monocultural entities of unprecedented sizes, where human labour has been reduced to the bare minimum and replaced with increasingly more sophisticated machinery, agro-chemicals and bioengineered crops.

The large-scale industrialised agriculture goes hand-in-hand with centralised and corporatized distribution systems and long distance transport. The production and sale of farm inputs and outputs are characterised by ever-larger mergers of a few corporations. The majority of seeds, fertilisers and pesticides used worldwide are now controlled by a handful of companies. Similarly, with the processing of food. We may have a sense of meeting variety when we enter a supermarket store, but the majority of the industrial foods sold globally, is now owned by only ten corporations. The same story is repeated at the retailing end, where the market-share of transnational retail chains such as Walmart is growing worldwide.

The decrease in numbers and increase in size at every level of the food system, coupled with the

availability of cheap imported foods, leave many people with the impression that large-scale agro-industrial production and big retailers are simply more efficient. However, a closer look at the global economy shows that it has less to do with efficiency and more to do with "corporate welfare programmes".

The reality is that agribusiness is heavily subsidised. Take USA, the country that spearheaded agribusiness. From 1995–2012, the US government paid \$256 billion dollars to support large-scale industrial production of corn, cotton, wheat and soybeans. Of the total US agricultural subsidies, 75% percent is paid to the largest 10 percent of industrial agribusinesses. A similar situation can be seen within the European Union, where 90% of EU's agricultural subsidies goes to large-scale industrialised agriculture.

Agricultural subsidies are not the only form of support. The fossil fuels that underpin every aspect of the industrialised and globalised food system are likewise heavily subsidised. A report by the International Monetary Fund (IMF) from 2015, shows that fossil fuel industries worldwide receive \$5.3 trillion a year in government subsidies. If the externalities – pollution, health problems etc. – caused by the use of fossil fuels is taken into account, the amount is \$10 trillion.

Additionally, many countries provide trade-related subsidies to big business. Again, the US provides a good example. Its Market Access Program provides about \$200 million annually to companies and trade associations to expand international markets for a host of food products. The US has also provided over a billion dollars in subsidies to the nation's largest retailer, WalMart, which has moved on to become the largest retailer in the world.

Additional support – mechanisms are used to favour big business. Indirect subsidies in the form of tax exemptions and free land, for example, is often offered by state or local governments to attract mobile businesses, such as transnational supermarket chains. The chief motivation is a misguided attempt to create more jobs. While job will increase initially, the long-term result are fewer jobs, as local independent and unsubsidised businesses are "outcompeted". In the UK, the net loss of jobs per new supermarket was calculated at 276 in the 1990s. Stores are currently much larger, so the net loss of jobs is likely to be greater today. Note, these figures do not take into account the job-loss multiplier effects in other sectors.

The massive costs of creating transport infrastructure for long-distance trade – new and wider highways, mega-ports for container ships and so forth – are largely borne by taxpayers and constitute yet

another indirect subsidy to mobile corporations and globally-traded products.

When we take all of these subsidies into account, it is no wonder that big business is growing, while smaller place-based businesses are losing out. Nor is it a surprise that industrialised and imported foods end up being cheaper than food produced closer to home.

However, the direct and indirect subsidies and skewed tax systems are largely (but not exclusively) an effect of the deregulation of trade and finance through so called "free trade" treaties. The deregulation is allowing corporations – industries, retailers, banks and finance institutions etc. – to move around the globe at will, in search of the highest possible profit margins. Consequently, countries are made to compete for the internationally mobile capital. They do so by offering incentives such as the above subsidies, as well as other "business-friendly" conditions like lower wages and lax labour and environmental standards. This leads to a race-to-the-bottom, socially, economically and environmentally. Economist Jeffrey Sachs points out that all nation states essentially lose out under this model in the long run.

"Free trade" treaties – the chief mechanisms of the corporate global economy – have led to increased global trade and higher economic growth, which widely are considered measures of progress. Yet in real terms, we have seen a decrease in wellbeing for people and planet. For example, parallel with the increase in global trade, we have had a similar level of increase in CO2 emissions. Alongside with economic growth, we have seen an unrepresented extraction of natural resources and destruction of the environment, an ever widening gap between rich and poor and extreme concentration of wealth and power in the hands of the few.

In terms of food and farming, farmers are pitted against farmers in the global economy and squeezed by agribusiness at both ends. The cost of inputs has gone up, while the price they receive for their products has gone down. In 1910, US farmers received an average of 40% of the retail price – i.e. 40 cents for every \$1 spent by the consumer, by 2014 their share had been reduced to only 10%.

The deregulation of trade, coupled with direct and indirect subsidies, has also led to redundant trade of food – where identical products are being imported and exported. For example, Britain exports over 100,000 tons each of milk, bread, and pork, while importing nearly identical amounts. This is no exception.

Another consequence of the deregulation of trade and finance is a new type of colonialism – corporate

land grabbing. According to the World Bank, at least 60 million hectares of fertile farmland were leased or sold to foreign investors for large-scale agricultural projects, only between 2008–2010. A new report by the organisation, GRAIN, shows that "food and energy industries are shifting farmland and water away from direct local food production to the production of commodities for industrial processing." The land area occupied by just four crops – soybean, oil palm, rapeseed and sugar cane – has quadrupled over the past 50 years. Food security is being jeopardised as a consequence, as more productive small diverse farms are squeezed out by the less productive mega-farms that furthermore produce industrial crops, rather than food for basic needs. We urgently need to shift direction and strengthen local food systems, globally. Rebuilding local food economies means shortening the distance food travels from the farm to table. It doesn't mean putting an end to all trade in food, but rather to prioritise the production for local needs, before production for export. Localising food and farming provides multiple benefits for consumers, farmers and the environment, both in the global North and South:

- Lower fossil fuel use & CO2 emissions. By shortening the distance between producers and consumers, we reduce the dependence on fossil fuels and the associated CO2 emissions dramatically, as the need for long distance transport, processing, refrigeration and packaging is minimal in comparison with production for distant markets.
- Less waste. Around 300 million tonnes of plastic are produced globally each year, of which two-thirds is used for packaging, largely created to be disposed of after one use. By producing primarily for local markets, the need for packaging of food is drastically reduced. Similarly, the problem of food waste in the global food system – as high as 40% – is also dramatically reduced when you produce for local markets instead.
- Healthy food & farms. Producing for local markets facilitates a switch from chemical-based monoculture to diversified organic production, which can further decrease energy consumption and CO2 emissions, (organic agriculture on average uses 30–50% less fossil energy than industrial agriculture), while regenerating agricultural land and providing healthy food in the process.
- Greater diversity & food security. Producing primarily for local needs also means a shift towards smaller and more diverse farms, which have proven to be more productive per unit land in comparison with their large-scale monocultural farms. Twenty EU countries report higher productivity on small farms. Likewise, in many other countries. If Kenya had the current productivity of the country's small farms, it's agricultural production would double. In Central America and Ukraine, it would almost triple. According to the UN, small farmers, produce 70% of the world's food, but only hold 25% of the world's available farmland. These farmers also conserve up to 75 percent of the world's food crop seeds.
- Stronger communities and local economies. Local food initiatives help to revitalise communities by linking producers, consumers and independent retailers. They provide more jobs and livelihood

opportunities in both farming and retailing and help to strengthen the local economy. Buying local produce directly from farmers or through locally owned shops, creates an economic multiplier effect, as these place-based enterprises are likely to re-spend the majority of their income locally, thus generating more jobs and stronger economies. According to a UK study, the money spent when buying directly from farmers, circulates 10 times more in the community, compared to the same amount spent in a supermarket, while money spent at local independent retailers circulate 3.5 times more, compared to money spent in non-local chain stores.

Across the world, people are working to reclaim food and farming. A cascade of local food initiatives is in process, leading the way for a broader localisation movement. Here are a few inspiring examples:

Feria Verde. In only four years, a small group of enthusiastic people built-up two weekly farmers' markets in San Jose, Costa Rica. The markets provide organic food to 3000 weekly consumers. 500 families – local farmers and food processors – now earn their main income from the market. The market is a vibrant and celebrative weekly occasion. Their greatest measure of success is that many of the sons & daughters of the producers now want to become farmers.

Food assemblies is another type of farmers' market that rely on online pre-orders. Consumers order online and the farmers only go if they get enough orders to make it worth their while. The farmers pay 16% of their sales to a food assembly coordinator and the company that runs the website. There are 450 food assemblies in France and Belgium and new ones springing up in UK and Spain. In France, 2,600 producers sell a total of 50,000 orders/month.

Community supported agriculture. There are a large variety of CSAs in process across the world. Their common denominator is that there are no middlemen and that consumers provide a guaranteed market, sharing the risks and benefits of production with the farmers. Skipper Otto in Vancouver, British Colombia (Canada), is an example of community supported fishing. Consumers become members of Skipper Otto by buying a share of the expected seasonal fishery. In return, members receive local seafood regularly, fished in a sustainable manner throughout the fishing season.

Food Cooperatives. Copenhagen Food Coop with its 3000 members, was inspired by a food coop in the USA that in turn was inspired by the Seikatsu club in Japan. The Copenhagen Food Coop, buys local, organic and in season food directly from producers. The model has spread and there are now 21 such food coops in Denmark.

Community food stores. The Real Food Store (Exeter, UK) is run by a Community Benefit Society, which has 300 members/co-owners. The shop was started with the dual aims of bringing healthy local food into Exeter town and supporting local farmers. 70% of their food is produced locally, while almost a 100% is produced regionally. The shop also includes a bakery and a coffee shop, which also provides a space for producers and consumers to meet, for communal dinners, cultural events and workshops.

Cargomania, Hungary. This is an impressive collaborative effort involving a bicycle manufacturing cooperative, a bicycle delivery company, an organic vegetable farm and an organic bakery. Together they produce and deliver fresh local food directly to consumers in Budapest.

Local business alliances. The most well-known is the Business Alliance for a Local Living Economies (BALLE) in the US. This and other such alliances are helping to strengthen independent businesses and local economies. They make a joint front against transnational companies, create "buy local campaigns", educate local politicians on the importance of strengthening local economies and negotiate better conditions for local independent businesses.

Local investment schemes. Slow Money in the US, is a movement created to canalise money for the investment in local sustainable food systems. There are 23 slow money networks in the US and 8 local investment clubs that connect investors and local philanthropists with local farmers, food processors and retailers in need of investment. They lend money at low or zero interest rates.

These and other initiatives of renewal are empowering communities, enhancing food security, giving small farmers a decent income, while providing consumers with good quality food from trusted sources. However, while we urgently need a shift from global to local, renewing on a local level, is not sufficient alone. We need to adopt a two-pronged approach of resistance and renewal – resistance to the corporate global growth economy and renewal locally. To do so, we must connect with others and change the I to a We. We also need to engage in education-for-action around these issues, as part of a strategy to build up the critical mass we need to turn the tide.

While this may seem be daunting, it is encouraging to see that more and more people across the world are realising that today's crises are inextricably linked to a global economy based on rampant consumerism, 'free trade', and corporate control. We need to remind ourselves and each other that the current economic model is entirely man-made and that it can be remade for the common good, through

a shift in rules, subsidies and taxes. At Local Futures, we believe that localization has the potential to unite diverse groups in both North and South in a movement powerful enough to challenge the might of the mega-corporations and point the way to a better world.

Local Money and Investment for Local Economies

Gwendolyn Hallsmith

What is the Local Economy?

Dividing the economy into "local" and "non-local" seems simple, but it can be quite confusing. If you walk into a local store, owned by a neighbor, and buy an electronic device made in another country, have you contributed more to the local economy or the global economy? One would hope that your neighbor makes a small profit on the purchase by pricing the device slightly more than his cost, but it might be that the majority of the profit goes out of your town, out of your country into the pockets of the company in the other country where the device was made.

Why do we care about the local economy? Well, for one thing, it's where all of us live and work. The possibility of going to a store and buying an item made thousands of miles away is a relatively recent phenomenon if you look at the long sweep of human history. The merchant ships in the 1600s and 1700s made it possible for the elite, as exotic items like coffee, tea, pasta, and tobacco were introduced to Europe from the rest of the world. But for everyday people to rely on distant farmers for their food, and distant manufacturers for their clothing has only been possible for the last 50-75 years. For my grandparents, the entire economy was the local economy.

My mother and grandmother made most of their own clothes, and I wore clothes my mother made for me when I was young. "Store bought" clothes were expensive by comparison, not cheap like they are today. The cloth itself came from the mill towns nearby, which produced bolts of material that was sold in smaller pieces for people to use. The food my family bought to eat was from local farms – I still remember the farmer delivering the milk in the morning to a silver box we kept outside our door exactly for that purpose. People had large gardens and canned most of the food they ate in the winter. Large grocery stores with lots of prepared foods were still fairly new. My grandmother took pride in the fact that she never made a cake from a box.

When my mother bought the milk from the local farmer and my grandmother made clothes with local material, the money the farmer made and the money the fabric store made stayed in town. The farmer could buy the things they needed at the local market, the fabric store could hire people from the same town. The economy might not have been as rich as it was in distant cities, with a lot more people working, making, and consuming, but farmers and people who made things could make a decent living.

By a decent living, I mean enough money for housing, healthy food, clothing, education, health care, transportation, recreation, and care for children and elders.

The farmer's investment was in his land and equipment. The labor he put into growing food was paid by the prices he could command when he sold his milk. The fabric store owner invested in the store itself, and he bought the cloth from a nearby factory. His labor was paid by the prices he got for the material. Prices of food and fabric back then were supported by government policies. Imports were charged an extra tax, or tariff, so it would be more expensive to buy things from other countries. Farmers were paid by the government to restrict production and keep prices high. Prices for commodities like milk, cheese, bread, and rice were also supported by direct government purchases to provide food for people who had very low income.

What is the Global Economy?

As I write this, I am typing on a computer that is a true citizen of the world. The microchip processor is made in Asia, the case in the U.S., the keyboard in Japan, and the other parts from countries all over the world. I purchased the computer in a small, locally-owned store in Vermont. I drove there in a car made in Japan, with gasoline drilled in Romania and refined in Louisiana. I am a writer, so these tools of my trade are important to me, as is the internet I will use to transmit this paper to the conference organizers in South Korea so it can be translated and you, ultimately, can read it.

I will fly to the conference via Hungary – I need to give another talk at Lake Balaton before I arrive, and Finland. My stay in Finland, sadly, will be less than four hours, even though I have never been there before and would like to see more. When I fly home, I'll go through Tokyo, so by the time this paper is delivered, I will have been halfway around the world. I'll fly on planes made in Europe and the U.S., using fuel drilled in Saudi Arabia. I may buy souvenirs made in China, even if it is a souvenir ostensibly "from" Finland or South Korea.

We have become highly dependent on each other, which ultimately could be a good thing, international interdependence could even lead to world peace. Unfortunately, the powers controlling the global economy work hard to insure that the wealthy and powerful stay that way. It isn't necessarily individual countries who are at fault anymore, it's a class of people at the helm of the large international corporations – the plutocrats – who are responsible for the damaging impacts of globalization on lots of the local economies around the world. The plutocrats wield their economic power for their own benefit, not ours. They have worked at the global level to deregulate banks and corporations, which has undermined and often eliminated environmental and social protections enacted by democratic

governments. But what if there were possibilities within one key system to start to reverse this trend? Might it be that much of the consolidated power and wealth in the world can be attributed to one, partly invisible system?

Money Makes the World Go Around

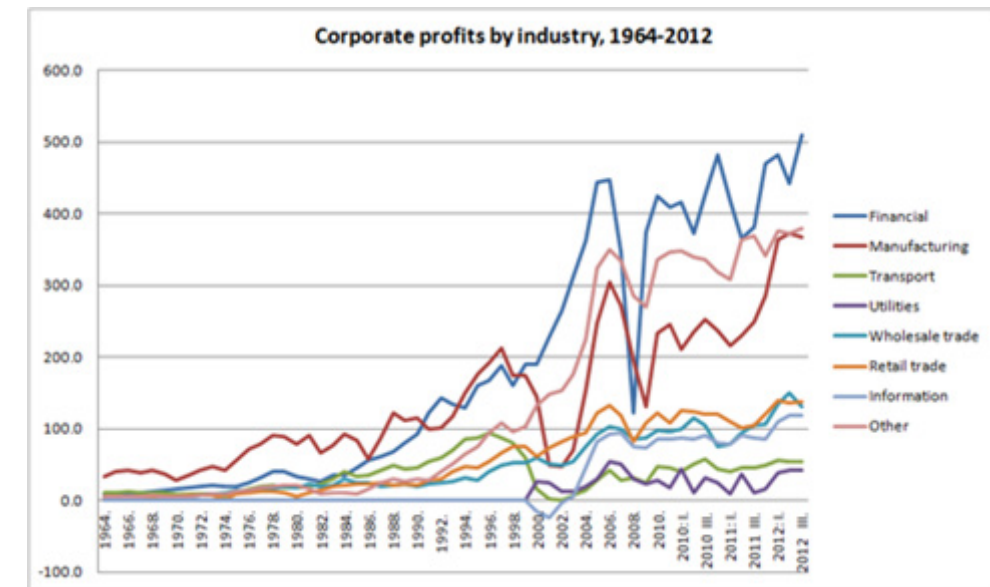
"Money makes the world go around," is a cliché I heard a lot growing up, to which I would respond – "No, because for that to be true, you have to love money, so love actually makes the world go around." I guess I've had an antipathy toward money since I was very small. Nonetheless, to use a car metaphor, money serves as the vehicle, the lubrication, and the accelerator of the economy, so understanding money is a critical step to take before you can make significant improvements.

The globalized economy has demanded ways to make trade easier and easier. Suddenly it became the norm to eliminate trade barriers like tariffs on imported goods, and banks sprang up in London at first – a longstanding trade capital – from other countries that were outside the banking rules and regulations of their national governments. Now "offshore" banks exist all over the world, rules that slowed the movement of large sums of money have been erased or rendered obsolete, and the global economy is financed, fueled, and accelerated by a truly global monetary system. Unlike monetary systems of the relatively recent past, however, this one has no government with power to regulate it or change it substantially. The mother ship of the system, the Bank of International Settlements in Basel, Switzerland, sets the rules – but the Swiss government has no more control over it than any of the other national governments do. All central banks are part of the system, whether they are publicly owned, like the Bank of Canada, or privately owned, like the Federal Reserve Bank of the United States.

All these banks issue the same kind of money as well – it does not matter if they are dollars, won, euros, yen, yuan, or pesos – they are all issued as debt. Debt is the true international currency, and compounding interest on debt, combined with proceeds from the legalized international casino known as the derivatives market, are the true sources of the vast wealth of the global plutocrats, not anything useful and real like, say, clothing or food. When all the money in circulation comes into existence as debt, it has hidden impacts on both the systemic and on the very local level. Some of the hidden impacts include higher costs of everything we buy or use, from the water in our faucets to the cars we drive. The interest payments on the debt form the equivalent of a hidden tax that ranges from 12% on simple services like trash collection to 77% on public housing, according to research done by Margit Kennedy on the German economy.¹⁾ How does this happen?

One obvious way it happens is when companies use borrowed money to manufacture and market their

products. They need to pay back the credit lines, the loans, the bonds, they use with interest. The more borrowing a particular industry needs, the higher the costs of interest paid to the financial sector as a part of every product. Recent data in the U.S. shows that the profits from the financial industry surpass those in every other sector, as shown in the graph below:²⁾



On the systemic level, this type of debt-based money consolidates wealth in the hands of fewer and fewer people, and drives the need for more and more growth. It also makes money for basic human needs artificially scarce and the economy hyper-competitive as a result, as people hoard their wealth from a fear of being without. How does it do this? The interest on the borrowed money is paid to the corporations who have it to lend, so people with money are paid by people, governments, and companies without it.

Local Money for Local Economies

If money is leaking out of local economies into the hands of the plutocrats, and this makes jobs harder to find, the economy harmfully competitive, and goods and services more expensive, what can we do about it? There are obviously a range of strategies – from things that are very simple and local, to political and economic action on the national scale. This paper will focus on the simple, local strategies and leave the larger scale political action for another day.

Back in time, before the invention of our increasingly complex financial systems, the vast majority of the economy ran on mutual credit. This is not the same as barter, which is a common myth, but rather a system of exchange in a small trusted network in a community. Today, there are many systems that

mimic this ancient exchange: Time Exchanges; Commercial Barter systems; Home Exchange systems; and others.

Time Exchanges can work on a very small scale – in a school, nursing home, or business – or on a larger geographical scale of a neighborhood, city, or region. They operate on a very simple principle – people trade an hour of their time for another hour of someone else's time. The time is not priced based on the person's skills, but rather is assumed to be all the same value. You do not get more time credited to you just because you have more education and training. Time is a great equalizer, even doctors and lawyers only have 24 hours in a day, and if they need a babysitter to go out to dinner, that babysitter can be just as important to them as their skills are to someone else. In the U.S., the goods and services exchanged through time exchanges are considered tax exempt, voluntary time. This makes it possible to use them to fight poverty as well, because all the value exchanged is not counted toward income.

In Japan, a similar system called "Fureai Kippu" ("Caring Relationship Ticket") has been in place for elder care for many years. In this system, managed at the national level by the Sawayaka Foundation, the hours that a volunteer spends helping older or handicapped persons with their daily routine, are credited to that volunteer's "time account." Time accounts are managed like a savings account, except that the unit of account is hours of service instead of Yen. Time account credits are also available to complement normal health insurance programs.

In Bali, they have recognized the value of community time for millennia, and have a dual currency system that accounts for the time people need to spend on community activities. Their community life is rich – each Balinese spends about 30% of their time on creative endeavors – dance, artwork, ceremony, that contribute to community life, particularly the elaborate ceremonies undertaken in their temples. They are also part of a community group called a subak, which maintains the irrigation systems for rice production, and a banjar, which coordinates the civic life of the community, a bit like local government.

Each Balinese spends his time in two ways – through conventional jobs in the businesses and other money-making enterprises on the island (being paid in Rupiah, the national currency), and also through Nayahan Banjar, which translated means "work for the common good of the Banjar." The Nayahan Banjar unit of account is a block of time, typically about three hours long. Each Banjar initiates between seven and ten projects per month and each family is expected to contribute both Rupiah and their time, and both are accounted for.

The dual currency makes it possible for there to be a lot of flexibility with different projects, depending on the community. In wealthier communities, where people have more money and less time, projects that cost more are easily approved. But in poorer villages, more time and less money is available and elaborate festivals and projects are still possible because they choose to put in more time. There is less division between the wealthy and the poor for occasions like weddings and funerals as a result, because even relatively poor people in monetary terms can have big celebrations for major life events. The community work extends to other local tasks as well, such as improvements at the school or on roads, especially if the national government has not done their part.

Commercial Barter systems are a bit more complex, insofar as different taxes might apply depending on what your laws require. The first modern commercial barter system was invented in Switzerland during the great depression of the last century, when the business owners in a city got together when the banks withdrew their credit lines. The main reason they needed credit from the banks was to close the gap between the time they bought their materials from one business and the moment their customers paid them. So the businesses developed a mutual credit system of debits and credits among businesses in their "economic circle," or Wirtshaftsring, where they would keep track of these new units, (called "Wir" for short) in Swiss Francs, but no actual money would change hands.

Over the last hundred years, this system has grown to include 75% of the small and medium size enterprises in Switzerland and several econometric studies have shown it to have a counter-cyclical impact on the Swiss economy. In other words, when the Swiss economy goes down, the use of the Wir goes up. This helps people stay employed in economic hard times, because the businesses don't need to use scarce Swiss Francs to buy the goods and services they need from other businesses. The system can also be credited with some of the resilience of the Swiss economy – no, it's not chocolate or watches, but rather a dual currency system at work.

Local Investment for Business and Jobs

Even without taking these steps to change the monetary system on the local level, there are several steps that can be taken to use the national bank-debt money for local investment in business. Creating a local public banking system, like the Sparkasse system in Germany, is one possibility. Redirecting savings accounts toward local businesses through new local investment systems like the crowd sourced investments allowed under the amendments to the Financial Services and Capital Markets Act of 2015 is also a possibility.³⁾ In South Korea, you also have many banks that serve a quasi-public role... cooperative banks, credit coops, and even a post office bank. Finding ways for these banks to get more

involved in local economies would be an excellent way to start.

Public Banks are normal banks that are operated for public benefit. People go to these banks to make deposits, take out loans, and have checking accounts, just like private banks. Unlike private banks, however, public banks return the profits they make to the communities they serve. There are a wide variety of public banks around the world. The Sparkasse model in Germany has shown over the last 200 years that a system of independent, local banks can help local economies prosper through counter-cyclical lending and public investment of the profits.

One story about counter-cyclical lending comes from a small town in Germany that was home to a small factory which made machines for other factories – a particularly sensitive manufacturing process to economic downturns. After 2008, the factory had no orders coming in. Meanwhile, they knew that if they took the chance to modernize their plant, when business picked up they would be able to serve their customers faster and better, so they approached their local savings bank for a loan to retool their manufacturing process.

The local savings bank had served the community for a long time, and was aware of the cyclical nature of this particular business, as well as their long-term history of profits and success, so they gave them the loan. The company retrofitted their plant, and by the time it was done, new orders were coming in again. The workers who would have been unemployed spent their time improving the plant, and so the local economy stayed healthy even during a very sharp economic recession. This never would have happened with huge private banks who are out of touch with local communities, at least not in the United States.

There are a wide variety of other ways that people, businesses, and communities with savings can direct those savings into local enterprises to create jobs and have a healthy local economy. Credit unions, cooperatives, crowd sourced donations and investments, local investment clubs, targeted savings accounts, and local public offerings all offer ways for local money people have stored in banks to be used by locally owned businesses to grow jobs and prosperity. The legal framework for this to happen is quite specific to each state or nation, however, so further research into the South Korean investment environment would be needed before a lot of detail on how each of these strategies might work would be possible.

In general, however, local investment means putting your capital into a local business, project, or initiative with an expectation of a positive rate of return. The legal term for most investments is

securities. The three most fundamental types of securities are:

Debt : where the lender expects repayment of principal plus interest;

Equity : where the stockholder hopes for appreciation of the investment, plus dividends; and

Royalty : where a participant expects to receive a percentage of a company's revenues or profits.

The underlying theory of investment is that an investor receives a greater return for greater risk. Thus, federally insured bank accounts pay lower interest than do so-called "junk bonds." Debts secured by a borrowers' property carry lower rates of return than those that are unsecured. But since no one can perfectly predict the future, investors should not be surprised if "safe" investments go bust. This is as true of local investments as it is of national or global companies, but at least with a local company you can learn a lot more about the long term prospects of a particular business than you can on a larger scale.

Conclusion

The economy is more than a job, more than an income, more than a business plan or a market. Ultimately, it mediates the ways in which the human beings on the planet satisfy their most important needs – for food, water, clothing, shelter, education, health care, a healthy and safe environment. The money and investment we use provides a critical support system for meeting human needs, so understanding how it works and how it can change to make our lives more happy and resilient is very, very important.

1) http://www.margritkennedy.com/prof_dr_margrit_kennedy.html

2) <http://im-an-economist.blogspot.com/2014/01/corporate-profits-in-us-finance-vs-non.html>

3) <https://www.crowdfundinsider.com/2016/11/92772-development-investment-crowdfunding-south-korea/>

CHAPTER 05

WORKSHOP SESSION 1
'Local Futures'

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- Translating Words into Action
| Precursors to Producing Positive Outcomes Simon Richardson
 - Slow movement in Japan Yusuke Sakata
 - Local Futures Lee Yu-jin

WORKSHOP SESSION 1 'Local Futures'

- To prepare a place for exchanging visions and experiences with overseas experts, related organizations at home and on-site entrepreneurs, who pursue common goals in the ecological city and social economy fields, which are considered the important values of the 6th popularly-elected government in Jeonju.
- To raise the civic awareness by sharing the value of and increasing public interest in "Economics of Happiness," going beyond ongoing fierce competition and polarization of wealth.

■ Programs

Time		Classification	Description
14:00 ~ 14:10	10'	Opening	Opening Address, Introduction of Presenters/Debaters, Introduction of Guests, and Guide to Workshop Programs
14:10 ~ 14:40	30'	Presentation 1	Translating Words into Action Simon Richardson Mayor of Byron Shire, Australia
14:40 ~ 15:10	30'	Presentation 2	Slow movement in Japan Yusuke Sakata Department of Business Management, Kindai University Professor
15:10 ~ 15:40	30'	Presentation 3	Local Futures Lee Yu-jin Green Party Korea, Chairperson of the Special Committee on Nuclear-Free Era
15:40 ~ 15:50	10'	Recess	
15:50 ~ 16:50	60'	General Discussion	Kim Jae-byeong Jeonju City Energy Transition Forum as a member Yang Jun-hwa Jeollabuk-do Council for Sustainable Development and Jeollabuk-do Climate and Environment Network
16:50 ~ 17:40	50'	Q&A and Free Discussion	Q&A and free discussion with presenters /debaters

Chaired by Im Gyeong-su (the head of the Urban Regeneration Support Center in Jeonju)

Translating Words into Action

| Precursors to Producing Positive Outcomes

Simon Richardson

When a journalist wishes to construct words to establish the action of a story, they break the mechanisms into simple slices of Who, What, When, Why and How. This dissection can work effectively when we look to consider how best to develop words into community actions to create positive change or produce successful outcomes. In particular, for this piece, establishing the Who, How, Why and When casts a clear light to guide an action forward, using examples within the Byron Shire, NSW, Australia.

WHO

In my role as mayor, I receive an idea, proposal, solution to challenges every week. Three questions go through my mind when initially assessing them

1. Is the idea rational, beneficial or possible?
2. Is the idea timely; are circumstances right now conducive?
3. Is the person pitching the idea capable of bringing the idea to life?

Though Simon Sinek suggests we should 'Start With WHY' in order to learn to inspire others to take action, I would put the WHO at the forefront of actually turning words into action once inspired.¹⁾ Looking at some projects within the Byron Shire, including some not explored in my plenary presentation, what is starkly evident is that it is the level of expertise of those behind a project that gives it every opportunity to succeed.

Within the local energy sector, the expertise behind the organisations established to locally generate, share and own energy have arisen largely due to the high level of expertise. The energy sector is incredibly complex and quite simply, without deep expertise, working through the process to gain local energy management is next to impossible. On the board of the umbrella organisation Zero Emission Byron, (ZEB) sits the head of a leading international energy consultancy and Senior Lecturer from

1) www.startwithwhy.com

the School of Photovoltaics and Renewable Energy Engineering at UNSW; the founder and editor of Reneweconomy.com.au, Australia's leading website on clean technology and climate issues; and an impact investment leader with clean energy project management experience.

The Chairperson of the board of Enova, Australia's first community owned energy retailer, is a previous Australian Business Woman of the Year, whilst the CEO has over 34 years experience in the utilities sector, having also worked as the Executive Director of Finance for one of Australia's major banks. Community Owned Renewable Energy Mullumbimby (COREM) too has renewable energy specialists and community engagement experts.

Within the three community land trust projects currently in development, it may be the level of expertise that makes the difference between idea and action. The Byron Community Land Trust (CLT) already has seen a partnership between Council, a community housing provider, impact investors, social services providers and the Byron Community Centre. It is this wide skill set that gives the group the best possible chance to create the path forward for wider community acceptance and support.

Though without formal expertise within the group, the Bruns Eco Village (BEV) proposal acknowledges the value of expertise and has endeavoured to increase the skills of participants.²⁾ As part of the process to gain a house within the village, intended residents participate in the Village Development Program (VDP); a series of gatherings and workshops over a 14-month period to begin the collective creation of the eco village, increasing expertise and skills and focusing on: an introduction to eco villages and community living, social design and invisible structures, ecological design and values and ethics. Expertise need not come from tertiary qualifications, however, the heart and will needs the head to provide clarity and certainty when seeking to turn an idea into an action.

HOW

Harmoniously aligning the expertise within an organisation, local Council and other State and Federal departments, private investors and the wider community presents a myriad of challenges. Establishing new styles of Public Private Partnerships, developing multi party partnerships, and establishing collaborative governance models all help to turn words and vision into tangible actions and outcomes centres.

2) <http://brunsecovillage.com.au>

Traditionally in local government, the practise of Public, Private partnerships (PPP' s) has resulted in a litany of poor outcomes, failed projects and all too often- prosecution. This has generally been the result of a council getting involved in commercial dealings that are outside it' s area of influence or specialty. However, in Australia, it is becoming more common for impact investment groups to seek to partner with councils to realise visions of increased renewable energy generation and ownership and other socially empowering investments in community housing, economic development and health. Australia's changing philanthropic culture is fascinating to observe and provides great opportunity moving forward.

Australia has not traditionally maintained a strong philanthropic culture as our Governments' were originally based around socialist principles of a strong State supplied safety net. However, as this has eroded over the previous decades, a new generation of philanthropic commitment has begun to develop to fill the gap as Generation X begin to accumulate wealth or inherit family wealth and have renewed commitment to shape society's future and not just leave it to the government of the day. It is now an opportune and important time to reimagine how we can engage in public/private partnerships, but now, with Purpose.

From this new impulse of private impact investment for sustainable outcomes and actions, Byron Council has realised that both its conception of PPP's must change and it' s ability to work alongside private entities to realise community outcomes must also change in order to seize the offers from industry and investors. As a result, a new Council policy to chaperone investment opportunities has just been exhibited for public comment and is soon to be endorsed as a formal Council policy. The 'Supporting Partnerships' policy is intended to provide a clear path forward for investment proposals to be processed and developed, whilst maintaining a transparent and equitable process to ensure community acceptance and support is obtained. This new policy development has begun to occur around the county as new funding models emerge.

Governance amongst the local energy sector relies entirely on partnerships. Through the establishment of two MOU's, one between ZEB and Council, and ENOVA, COREM and Council have formalised a process of establishing and defining key roles and responsibilities of each entity. Also, all entities work to ensure the wider community is engaged, connected and supportive of projects as they manifest. Connecting individuals, council community groups and the wider community requires a commitment to a collaborative governance model. Each player must provide 'skin in the game', whether it be financially or through in kind support; it must have a say in the overall direction and must complete their required

tasks effectively in order for the overall project to come to life.

WHEN

Recently I came across a particularly timely cartoon. The cartoon consisted of two panels. In the first a politician stands behind a rostrum, in front of a mass of people below. The politician asks, "Who wants change?" Everyone raises their hands high. The next panel has the same politician in front of the same crowd. This time he asks, "Who wants to change?" No-one raises their hands. This highlights a great dilemma when attempting to create change, to move a community from one way of living and into a new, sustainable and locally focused way of living.

It would seem relatively easy. When it comes to energy security, it would initially seem redundant to have to spend too much time on Simon Sinek's WHY- surely everyone knows the benefits of controlling their own energy? Financial, economic, environmental and social benefits abound when a community is in control of its energy needs. However, according to Chair of Enova, Allison Crook, "The biggest challenge for us is apathy. While people may like the concept of community owned, it takes a lot to get people to actually make the change." How is it that even in one of the most progressive areas in Australia, apathy still plays a major role in the community's confrontation with change.

Firstly, for anything to change, someone has to do start acting differently. This causes a conflict between the rational and the emotional sides of ourselves. Chip and Dan Heath see this process of change behaviour as one where the Rider (the rational) needs directing, the Elephant (the emotional) needs motivating and the path needs shaping.³⁾ Expertise directs the Rider-the rational- as this sets out the requirements of the action, eases concerns and provides confidence that successful action can occur.

Secondly, careful planning within partnerships should shape the path forward to successful outcomes and actions. Often residents resistance to change may come from a lack of clarity on the change required. Thus, it is crucial a clear, identifiable process is made tangible for all to follow- to keep the head of the Rider and the heart of the Elephant moving forward together. An example of this path shaping can be seen in within the workings of the Byron Community Land Trust Working group. Setting this path forward has been at the forefront of thinking since the outset. The path has already been identified as: beginning with the small stakeholder meeting to establish partnerships, research to be undertaken by a Council officer in order to develop an options paper recommending the most

3) C and D Heath, Switch, Random, New York, USA, 2011

pertinent models for our particular circumstances, establishing a legal structure, (a public company limited by guarantee) and tax deductible status, securing funding from impact investment groups, such as Social Ventures Australia and private developers, report back to Council for formal partnering, developing a marketing/community engagement strategy to ensure wider support, establishing the CLT and finally, identifying and securing Council owned land for development. Thus, when the community support is sought, much work has already been done– the Rider is content, making it easier to the emotional to be engaged and inspired to insure the Elephant takes the journey down the path to project success.

When translating words into action, a few preconditions are required: the action must be viewed as necessary and possible in order for 'our rational minds to seek to steer our emotional minds. Partnerships of many groups first bound together in a commitment to achieve local community outcomes must be the catalyst for the wider community to be emotionally motivated to take the journey, and the path must be defined, clear, traversable and with a set and reachable end point. Only when these preconditions exist can we hope to move apathy to action, resistance to resolution and words into real outcomes.

Slow movement in Japan.

Yusuke Sakata

Regional development and transition town

There are many activities for practicing slow life in Japan. Among those activities, I would introduce the local vitalization cooperators and transition town activities.

The local vitalization cooperators are hired by the local government to solve the local problems. Their missions differ by the government such as to increase the number of migrants or to increase sales of local products using online shops. The cooperators are hired with the time limit of 2–3 years and after the term, some people decide to stay in the region.

The Transition Japan, founded in 2008, is the core group of Japanese transition town activities. The head office is in Yamanashi which is away from Tokyo and other mega cities. There are individual group to implement transition town activities in each town. They attend to the Transition Japan after core member get its seminar. For example, South Aso group, in Kumamoto, uses a closed school building to held cultural events. Most members are immigrant from large cities and make a living in agriculture. They seem to have a closed relationship with local people.

Biomass energy in Japan

The power generation by biomass energy from wood product is growing rapidly in Japan. The FIT law in Japan helps to introduce alternative energy including biomass. There is a famous example that a construction cost of biomass power plant was covered within 2 and a half years in Okayama prefecture. It is doubtful to supply wood products to all the biomass power plants in Japan because there are 1 million kW of power plants in Japan in 2017. Those plants require fuels from wood biomass by 20 million cubic meters annually. It is said that the amount is comparable the amount that is left of the wood in the forest after thinning. It is difficult to transport those left-over wood to power plant.

In addition to the transport issue, there is also sustainability problem for supplying biomass every year. About 100 million cubic meters of forest products are accumulating in Japanese forest every year. On the other hand, the consumption of wood products in Japan is almost 18 million cubic meters and is estimated to increase as the Japanese government tries to increase the amount of consumption of wood products and to reduce imports. It seems that Japanese forest can supply to fill the demand for

wood products. But the forest industry has many difficulties such as the aging of workers to meet the demand.

The mismatch between demand and supply can be found in other alternative energy sectors. In Kyushu, the power grid was unbearable by the increase of solar power. The solar power plant had also caused various negative impacts to local life such as destroying the landscape and increasing the risk of landslides.

Alternative energy use in urban areas

There are unused energy sources in urban areas, such as small water streams in Sewer and small temperature gaps between Sewer and river water, wind blowing between buildings. Among those unused energies, waste energy from incinerators are most utilized energy. The waste energy usages have a long history in Japan. In 1958, there was an incinerator which recycled waste heat to provide hot water for the local people. In these days, the government promotes to introduce incinerator with power generation plants and aims to increase the rate to 69% until 2030. Currently, more than 11 % of incinerators equipped with a power generation plant and the total amount of power generation is about 100 million kW. The average rate of power generation efficiency is about 13%. We could increase the efficiency from incinerator when we use heat to produce hot water but hot water usage is not popular in Japan.

The future of slow life movement in Japan

Japanese local economies suffer serious shorthanded. The trend to immigrate from small town to large cities is mainstream way. Young people usually moves to Tokyo or Osaka, Nagoya. It is still difficult to expect that rural areas experiences population growth.

I this short report, I had explained the Japanese slow movement in 3 aspects. These days, many slow activities became cost effective. This is because governments promote immigrants from large cities and FIT law for the alternative energies. We should carefully watch a small changes to increase population in Japan.

Local Futures

Lee Yu-jin

Green Party Korea, Chairperson of the Special Committee on Nuclear-Free Era

■ Efforts toward a Nuclear-Free Era, Energy Transition, and Jeonju as a "Transition Town"

- In response to the global climate crisis, emergence of the post-2020 climate change regime after the 2015 Paris Agreement, and the growing concern over nuclear energy in the wake of the 2011 Fukushima disaster, energy transition has become a major issue worldwide. European countries, including Germany, are now aiming to satisfy all their energy needs with renewable energy, and over 80 companies, including BMW, Google, and Apple, have pledged to secure 100-percent of their electricity from renewable sources as well.

- President Moon Jae-in presented his bold vision for a nuclear-free era, announcing his intention to scrap all plans for the construction of new nuclear and coal-fired power plants and shut down aging reactors. He also mentioned the goals of increasing the proportion of renewable energy to 20 percent of the country's total energy supply by 2030 and developing a roadmap for phasing out nuclear power plants. Energy transition to realize a nuclear-free Korea is included among the 100 policy tasks for the next five years and has been proposed along with other major plans with scheduled target years, including energy tax reform and the development of a roadmap for the reform of the electricity rate system.

- At the local government level, Seoul's "One Less Nuclear Power Plant" initiative, established in 2012, has been the main government policy pursuing energy transition. In addition, Chungcheongnam-do is about to present its plan for moving away from coal-fired power plants, and Busan has implemented its "Clean Energy City" policy, among others. At the government's next cabinet meeting, there is a good chance that energy decentralization will be a major topic. The use of distributed resources, expanded use of renewable energy, and growth of new energy industries are expected to provide local governments with more opportunities to achieve economic growth and create jobs.

- The Transition Towns movement, started in Totnes, the UK, is a community-led response to

the issues of peak oil and climate change. The Energy Descent Action Plan, developed by and for the community of Totnes and District, aims to reduce the community's energy consumption across all areas, including buildings, food, transportation, and urban planning, and achieve a transition to renewable energy. Since industrialization, community development has been heavily dependent on energy from outside sources, which are influenced by globalization, specialization, and characterization. In the era of peak oil, however, the Transition Town movement calls for "relocalization," referring to the pursuit of self-sufficiency in terms of food and energy at the local level.

- The FAB City movement, where the term "FAB" refers to "fabulous," is another movement that is now expanding globally. FAB City is a global network of cities that share the knowledge and technology necessary for self-sufficiency in an open source format. Based on such knowledge and technology, communities independently produce almost everything they need and strive to minimize energy consumption and carbon emissions generated by regional or national logistics activities.

- Through its "Sustainable Eco-City Jeonju" program, established in 2015, Jeonju has been working to realize various goals, including becoming self-sufficient in terms of food production, energy supply, and ecological conservation. In the same year, the city set out its plan for the development of "energy safe (self-sufficient) cities" and has been trying to reduce its energy consumption and increase its energy independence through the use of renewables at the community level.

- What is notable in this case is that the citizens of Jeonju directly participated in the development of the city's energy plan. In particular, they took a backcasting approach toward planning an effective energy transition and held workshops on various energy scenarios to promote public consensus. Based on the results of a survey of the opinions of local organizations and administrative departments, this case has been recognized as the first of its kind where citizens were directly involved in the development of a city's energy plan.

- Among the many scenarios presented by its citizens, Jeonju has chosen the most ambitious and bold. In addition, broad public consensus has been reached regarding its vision of "Energy Self-sufficient Culture Town Jeonju: Energy Design 3040" and related goals. The details are as follows: a. Implement a plan for making Jeonju a sustainable eco-city, b. Aim to achieve energy independence by 2050, c. Participate in the ICLEI's Energy-safe Cities program, d. Implement the principle of "Energy Design" with citizen involvement, e. Include the "Energy Culture Town" model in the city's future vision

- Jeonju citizens from all corners society worked together to develop the Energy Design 3040 plan,

which pursues the goals of having Jeonju achieve 30-percent energy independence and 40-percent electricity independence by 2025. To reach these goals, the city has come up with five strategies, 10 directions, and 30 projects, which it plans to carry out as follows : - Step 1 (2016-2017), Step 2 (2018-2020), and Step 3 (2021-2025) 30 projects : nine "Preferred" projects, six "Focused" projects, and 10 "Infrastructure-based" projects

- Since 2016, Jeonju has been working on mapping out its transition management system for energy self-sufficiency. In this process, governance has been a major issue. The city has set up a cooperative system with the regional government of Jeollabuk-do and is preparing the same framework and review procedure as set out in the Jeonju Energy Ordinance. In addition, the city is working to establish energy transition management for the governance of eco-cities, organizing and running its energy council, setting up a Jeonju energy transition citizen forum, forming an energy transition division, and raising funds for its energy transition (target of KRW 10 billion) by selling the waste heat generated through the incineration of municipal waste.

- Although local governments are not obliged to draw up their own energy plans, Jeonju voluntarily developed its Energy Design 3040 plan based on citizen participation. Even more remarkable is that the city is aiming to achieve a complete energy transition. With significant citizen participation, it will be crucial to realize strong execution, ensuring that the energy transition actually helps citizens improve their lives, creates jobs, and strengthens the regional economy. When Jeonju's experience is combined with the experiences of other local governments, and also integrated with the Transition Town and FAB City movements, it is expected that similar energy transition initiatives will spread throughout the nation.

CHAPTER 06

WORKSHOP SESSION 2
'Local Food'

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- Local food | resistance, renewal and education-for-action Anja Lyngbaek
 - Integrated Local Food Policy Kang Seong-wook

WORKSHOP SESSION 2 'Local Food'

- To prepare a place for exchanging visions and experiences with overseas experts, related organizations at home and on-site entrepreneurs, who pursue common goals in the ecological city and social economy fields, which are considered the important values of the 6th popularly-elected government in Jeonju.
- To raise the civic awareness by sharing the value of and increasing public interest in "Economics of Happiness," going beyond ongoing fierce competition and polarization of wealth.

■ Programs

Time		Classification	Description
14:00 ~ 14:10	10'	Opening	Opening Address, Introduction of Presenters/Debaters, Introduction of Guests, and Guide to Workshop Programs
14:10 ~ 14:40	30'	Presentation 1	Local food resistance, renewal and education-for-action Anja Lyngbaek Program director of Local Futures
14:40 ~ 15:10	30'	Presentation 2	Integrated Local Food Policy Kang Seong-wook Section chief at the Jeonju Food Foundation
15:10 ~ 15:20	10'	Recess	
15:20 ~ 16:30	70'	General Discussion	Kim Hyeon-gon aide to Kim Hyeon-gwon Jo Gyeong-ho Director, Regional Agricultural Research Institute Park Su-yeong ecretary general of the Wonju Food Co-op
16:30 ~ 17:40	70'	Q&A and Free Discussion	Kim Jae-byeong Jeonju City Energy Transition Forum as a member Yang Jun-hwa Jeollabuk-do Council for Sustainable Development and Jeollabuk-do Climate and Environment Network
17:40 ~ 17:50	10'	Closing	Closing and taking commemorative photographs

Chaired by Kim Jeong-seop (Director, Center for Quality of Life Policy Research, Korea Rural Economic Institute)

Local food

| resistance, renewal and education-for-action

Anja Lyngbaek

I became interested in food and farming at the age of 14, after a brief stay with a family that produced most of their food on a small piece of land. I decided to learn more about agriculture and joined a vocational training programme after finishing school, but soon realised, as many others, that there was something very wrong with a farming system that had to rely on agro-toxins to sustain itself. This was in the 1980s. A budding organic movement was unfolding, fuelled by concerns over contaminated food and the negative impacts of industrial agriculture on the environment. However, a decade later it became apparent that focusing on sustainable farming practices alone wasn't enough, when food processors and distributors were scaling up in size and becoming increasingly centralised and unsustainable. Why be concerned only with reducing fossil fuel use and pollution on farm, and not be concerned about the impacts of food traveling a 1000 km from farm to consumer?

UK

I decided to look into the impacts of localising food systems and did a comparative study of the first community supported agriculture initiative (CSA) in the UK – a boxscheme. Northwood farm – a mixed livestock and arable farm – produced organic vegetables on 3.5 ha. During several years, the farm sold its vegetables to a British supermarket chain, but as the farming couple received a very low price for their produce, they decided to try something else. Inspired by a German CSAs project, they wanted to sell directly to consumers and eliminate the middlemen. They got help from a local NGO to promote their idea. Within a short time, 30 local households committed to buying fresh vegetable on a weekly basis from the farm. After a while, the membership-base grew to around 200, their maximum capacity.

The benefits of the shift to direct local marketing were multiple:

Transport | while selling to the supermarket chain, their produce travelled from the farm to a regional packaging place, where the vegetables were wrapped in plastic and transported onwards to a centralised storage unit in another part of the UK. From here it was transported to individual stores. Transport averaged between 43,200 and 54,000 km per year from farm to store. In contrast, all the

local consumers lived within a 10 km radius of the farm. The vegetables were delivered, unwrapped in reusable boxes, to a central drop-off place in the nearby town, where they were picked by the members. The total transport was 1620 km per year.

Diversity | since the consumers were buying all their vegetables from one farm, they were keen to get as great a variety of produce as possible. Northwood Farm, being a small farm, had always been quiet diverse, but they went from producing 18 different crops for the supermarket, to growing 60 different for their local consumers.

Income | During the years that Northwood Farm sold their organic vegetables to the supermarket chain, they earned a net-income of between 750 and 1,000 pounds per ha/year. As they shifted to direct marketing, their net-income shot up to between 6,000 and 10,000 pounds per ha/year – i.e. they were earning 6 to 10 as much money by selling to local consumers, plus they benefited from a secure and stable market.

These were not the only benefits though. The box scheme also helped to build and strengthen community through collective activities, such as members helping out on the farm during peak periods, hosting of a monthly farm dinner and the meeting of members during the weekly pick-up of boxes in town. Simultaneously, members were getting healthy fresh food at prices comparable to that of conventional food bought in a supermarket. Many reported that their diet had become healthier and that their children had started to eat more vegetables.

The results of this comparative study convinced me that the way forward was to focus on organic AND local, as means to creating truly sustainable food systems and stronger communities and economies. At the time, the concept of local food was new in the UK and elsewhere in Europe and most people were unaware of the need to re-localise food and farming, despite the signs of breakdown of local food systems and economies. Small and medium sized farms and local shops were disappearing at an alarming rate, as regulation, taxes and subsidies were used to favour the big over the small. Processors, such as slaughterhouses, became fewer and bigger, forcing farmers to transport their livestock half-way across the country for slaughter-prohibitively expensive for small producers. Likewise, big retailers came to dominate and were able to dictate the terms in their favour, forcing farmers to sell at low prices-even below the cost of production-pitting one farmer against another-as was the case for the smaller-scale milk producers in the UK in 2000. In this context, it is important to remember that major deregulation of trade and later finance took place in the 1990s, through the WTO and a series of bilateral and regional free trade treaties, enabling corporations and capital to move at will across the

globe. Few people were aware of this at the time, as negotiations took place behind closed (and still do), but in retrospect it is clear that this was the main cause of the globalisation and corporatisation of food and farming.

In 2000, I joined the NGO Local Futures (formerly the International Society for Ecology a Culture), to set up the first local food programme in the UK. The focus was to raise awareness about the need to recreate local food systems, by prioritising the production for local needs before the production for export and reducing the distance between producers and consumers, as well as the corporate middlemen. We created a host of education-for-action materials, including a local food roadshow and an award-winning local food toolkit. These materials were used by community groups around the country to create debate about the global food system and explore ways in which to link up with farmers to build up local food initiatives. We collaborated with the Small and Family Farm Association in the UK, one of the few groups that understood the need for the localisation of food and farming, encouraged other NGOs to include local food on their agenda, and helped to start several farmers' markets in the South of England. Today, local food is a known concept in the UK, as well as in many other countries. A cascade of local food initiatives exists throughout the country : a multitude of farmers' markets, CSAs, food cooperatives, community gardens, local food stores and so forth. As the demand for local food is relatively high, many restaurants are eager to have local food in the menu. While some genuinely want to support local farmers and care about strengthening local food systems, others use it as gimmick to attract customers. Local food has taken off to the extent that big supermarket chains now want to be seen carrying "local" produce. You could say that local is becoming the new organic. But just like the majority of the organic produce carried by big supermarket chains tends to be token organic (grown without agrochemicals, but mimicking industrial production on all other fronts) and void of most of the benefits we associate with organic farming, so local produce sold in big retail chains is void of the benefits associated with local food systems. Selling through big supermarket chains doesn't provide small producers with a decent income, nor does it lend itself to diversified farming or help to create stronger local economies-on the contrary. The vast proportion of the money spent in non-local retail chains leaks out of the local economy and goes to enrich distant shareholders or to be reinvested elsewhere.

LATIN AMERICA

For the past 15 years, I have been living and working in Mexico, where I have been helping to build up and strengthen food self-reliance locally. However, the main focus of my work has been on educating children, youth and adults on the need for, and benefits of, local food and farming. This work has included hands-on programmes, such as organic school gardens for preschool, primary and secondary

school, and food security programme for rural families, centred around organic production for local needs. The aims of these programmes have been multiple: to teach organic food production skills, to increase local food security; to raise the status of farmers; to encourage an interest in farming amongst young people, and; to create awareness about the problems related to globalised and corporatized food system and the benefits of building up local food economies.

In Mexico and other parts of Latin America, many local food initiatives have sprung out of the agroecology movement, which promotes land-caring and soil conservation practices that go beyond that stipulated for organic production. The Landless Workers Movements (MST) in Brazil, which represents millions of small farmers and farm labourers, teaches agroecology, not just as a method of production, but as a new vision for life, which includes the right to food sovereignty.

The call for "food sovereignty" – a term coined by the international grassroots movement Via Campesina □ refers to the right of peoples to define their own food and agriculture systems and their right to healthy and culturally appropriate food, produced through ecologically sound and sustainable methods. Via Campesina is an umbrella organisation that represents 200 million small farmers and peasants worldwide. It is a strong voice against the corporate take-over of food and farming and a massive force behind a multitude of regenerative farming models, focused primarily on production for their own and local needs, before producing for distant markets.

For many decades it has been assumed by many that peasants and small farmers would disappear, but Via Campesina has not only survived, it has become the biggest farmer-led movement in history and the best organised opposition to corporate land grabbing, destructive food and agricultural policies, "free trade" agreements and the rise of genetically modified organisms

According to a spokesperson from Via Campesina, the demand for food sovereignty, is about placing decision-making around food systems in the hands of local communities, and changing the way people think about food, their relationship with food, and their relationship with other people.

Building up local food systems is equivalent to the building of lifeboats, not only in terms of food security, but also socially and economically. It is probably the single most effective thing we can do to renew our communities and economies locally. However, Via Campesina's, two-pronged approach of resistance and renewal, is a good example of what is required to shift from a corporate controlled global economy, which includes the control over food and farming, to strong local place-based economies, operating in service of people and planet.

Integrated Local Food Policy

Kang Seong-wook

Section chief at the Jeonju Food Foundation

Direction of the Moon Administration's Food Policy

- Eco-friendly school lunch at daycare centers, kindergartens, and high schools
- Fruit snacks at schools
- Local produce for military
- Meals for the underprivileged (senior citizens, etc.)
- Creation of a food supply program for low-income families raising infants
- Reinforcement of the GMO (genetically modified organism) food labeling system
- Banning of GMOs from school lunches

Return to the Land I Reform of Agriculture and Rural Communities

- Launch of the Presidential Special Committee on Agriculture, Fishery and Rural Communities
- 100 government tasks (in terms of agriculture): formulation of food plans at the national and local levels
 - ※ Absence of long-term perspective on the development of local agriculture, ecological sustainability, economy, and society
 - ※ Absence of tactical strategies for the restoration of rural communities and ecological environments, fostering of skilled individuals, and philosophy.

Jeonju 2025 Food Plan

- Jeonju, a city of healthy citizens, sustainable agriculture, and an independent economy: The 10-year Jeonju 2025 Food Plan, announced on November 17, 2015, aims to ensure people's right to safe and healthy food.
- The plan comprises six strategic tasks, 15 policy tasks, and 25 general tasks that focus on ensuring the supply of safe and healthy food for citizens, the generation of steady incomes for farmers, and the creation of an independent circular economy that promotes the local consumption of locally produced agricultural, livestock, and marine products.
- It is a food strategy designed for the city of Jeonju with the aim of vitalizing agriculture, the local economy, and the production of healthy food by increasing the amount of agricultural products produced in Jeonju from the current KRW 50 billion annually (accounting for five percent of total food

consumption in Jeonju) to KRW 200 billion annually over a period of 10 years.

Why consume local food in Jeonju?

- The amount of money spent to purchase agricultural products produced locally in Jeonju amounts to only KRW 50 billion, or five percent (Engel's coefficient) of the total of KRW 1 trillion spent on food in the city.
- The agricultural population of Jeonju, which stands at 21,538 people, or 7,137 households, produces over 500 kinds of agricultural products on 5,269 hectares of farmland (Jeonju City Statistics Annual Report, 2012).
- Considering that roughly 3,000 consumers frequent the four local food shops in downtown Jeonju, there is a clear need for more farmers markets and the diversification of distribution channels in the area.
- It is also necessary to guarantee the right to food of all 700,000 Jeonju citizens and establish an independent, circular food system in Jeonju that encompasses the entire process, from production to consumption.

Importance of Strengthening the Relationship between Farmers and Consumers in Jeonju

- Planned production system: responsible production of safe and healthy food
- Production of food citizens: voluntary use of local food on a regular basis based on greater food literacy
- Relationship based on trust: quickest way of recovering from the harmful effects of the global food system

Importance of Local Farming in Jeonju

- Small-scale, family-run farms (less than one hectare each) account for 65.7 percent of all farms in Korea and 71 percent of farms in Jeonju.
- Part-time farmers account for 63 percent of the total agricultural population, and the majority of farmers are 65 years of age or older.
- All farming-related policies should be geared toward promoting the material and psychological well-being of all farmers while seeking out ways of supporting family-run farms, which constitute the majority of farms in Jeonju. One of the best and most effective ways of doing so is by vitalizing the local economy through the promotion of local food.

Jeonju Food Foundation

- The Jeonju Food Foundation is an organization founded by Jeonju City to carry out the tasks of

the Jeonju 2025 Food Plan by forging direct links between farmers, as producers, and citizens, as consumers.

– **Six projects** : ①create a sustainable production system, ②ensure citizens' access to food, ③establish an integrated management system, ④foster food citizens, ⑤realize the sixth industrialization of agriculture and cooperative economics, and ⑥establish governance.

– **15 strategic tasks** : ①establish a planned production system, ②promote community-based local processing, ③form a food network for shared growth, ④increase citizens' access to food, ⑤innovate food in preparation for the future, ⑥enhance food security for the underprivileged, ⑦improve public procurement, ⑧form partnerships based on local resources, ⑨establish the Jeonju Food Foundation, ⑩create a safety management system that covers the entire process, from production to distribution and consumption, ⑪realize consumer systematization and vitalize education on food and farming, ⑫realize the sixth industrialization of agriculture, ⑬promote cooperative economics, ⑭reform relevant departments and strengthen their roles, and ⑮launch a public foundation

CHAPTER 07

WORKSHOP SESSION 3

'Local Finance'

-
- Local Money and Investment Workshop Gwendolyn Hallsmith
 - Proper direction for debt forgiveness policy and consumer finance for ordinary people based on the experience of Jubilee Bank Yu Jong-il
 - Vitalization of the Local Economy through Regional Gift Certificates Lee Jae-min

Workshop Session 3 'Local Finance'

- To prepare a place for exchanging visions and experiences with overseas experts, related organizations at home and on-site entrepreneurs, who pursue common goals in the ecological city and social economy fields, which are considered the important values of the 6th popularly-elected government in Jeonju.
- To raise the civic awareness by sharing the value of and increasing public interest in "Economics of Happiness," going beyond ongoing fierce competition and polarization of wealth.

■ Programs

Time		Classification	Description
14:00 ~ 14:10	10'	Opening	Opening Address, Introduction of Presenters/Debaters, Introduction of Guests, and Guide to Workshop Programs
14:10 ~ 14:40	30'	Presentation 1	Local Money and Investment Workshop Gwendolyn Hallsmith Founder of the Global Community Initiative
14:40 ~ 15:10	30'	Presentation 2	Proper direction for debt forgiveness policy and consumer finance for ordinary people based on the experience of Jubilee Bank Yu Jong-il President, Jubilee Bank Professor, KDI School of Public Policy and Management
15:10 ~ 15:40	30'	Presentation 3	Vitalization of the Local Economy through Regional Gift Certificates Lee Jae-min Professor at Woongji Accounting and Tax College
15:40 ~ 15:50	10'	Recess	
15:50 ~ 16:50	60'	General Discussion	Jeon Dae-uk Director of the Village Community Development Center under the Korea Local Promotion Foundation Eom Yeong-ok Jeonju City Confederation Park Hyeon-jeong policy researcher studying welfare in Jeonju
16:50 ~ 17:40	50'	Q&A and Free Discussion	Q&A and free discussion with presenters/debaters
17:40 ~ 17:50	10'	Closing	Closing and taking commemorative photographs

Chaired by Eom Yeong-ok (Jeonbuk National University Professor)

Local Money and Investment Workshop

Gwendolyn Hallsmith

Learning Objectives of the Workshop

1. Learn more about the possibilities for using money and exchange to mobilize local economies.
2. Experience mutual credit, and understand the difference between mutual credit and debt-based money.

Content Outline of the Workshop

1. Introductions(15 minutes) | Participants will be asked to identify themselves and to give a brief description of one idea they have to improve the local economy involving local money or local investment.
2. Presentation: Exchange Economics(15 minutes) | A short presentation about the importance of money and exchange for local economies, and a description of the Eleventh Round Game.
3. Eleventh Round Game(20 minutes) | Participants will play a game designed to illustrate mutual credit as a mechanism for local exchange, and will debrief on the difference between mutual credit and bank credit.

Methodology, Interactive Learning Experiences and Activities

I use an adult learning methodology that engages participants in the learning process every step of the way. Presentations are brief, 15–20 minutes, and participants spend the majority of the time learning from each other in structured exercises that allow them to explore the issues with their peers and to immediately apply the new ideas and tools they have received. The interactive activities include the optional quiz and the large group exercise – The Eleventh Round Game – at the end. The individual exercises allow them time to deepen their understanding of their own leadership style. The large group exercise is a fun way to integrate all of the different concepts that have been explored during the workshop.

Overview of Handout Materials

1. PowerPoint handouts : These are 3–slide handouts that give participants space to write notes. They are attached.
2. Change Agent Quiz : This is a short quiz, two pages long that can be printed double sided.
3. Rules of the Games : The rules to The Eleventh Round Game are in the PowerPoint

handout. The cards with role assignments that people will need to play the game effectively are attached. They need to be printed.

Room Set-Up Description

The room setup would ideally have round tables for small groups, with a long table at the front and at the rear of the room for the workshop materials and refreshments.



Exchange Economics

Gwendolyn Hallsmith
Global Community Initiatives

Social and Commercial Purpose Currencies

Social Purpose:

- poverty eradication,
- health and education
- elder care,
- community service,
- GHG reductions.

Commercial Purpose:

- business loyalty
- commercial barter
- fiat Currencies



What is Wealth?

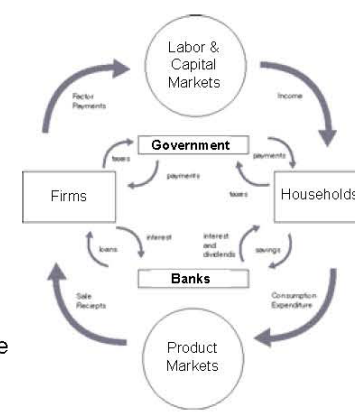
- The possession of well-being
- Wealth = your needs are met

Human Needs

- health and well-being
- empowerment and responsibility
- economic security
- efficient services and infrastructure
- ecological integrity



Circular Flow of Exchange



Need complete loops to launch a local exchange system

What is Capital?



- Needs:** Social/Cultural, Human Development, Governance, Financial, Material, and Environmental.
- Assets:** Those systems, programs, and institutions that meet human needs.
- Capital:** An asset that has the capacity to create other assets.

Currencies that facilitate Natural Capital Formation

- Tree Savings
- Water Credits
- Carbon Credits
- Ecological Restoration Units
- Biodiversity Credits
- Civics



Natural Savings – Tree Accounts

- provide an inflation-proof and robust savings instrument.
- reduce the wealth gap between rich and poor without having to rely exclusively on tax redistribution mechanisms.
- encourage sustainable resource management, including reforestation and sustainable forestry, with the positive environmental benefits it entails.
- make available a local medium of exchange increasing liquidity and thus fostering on-the-spot economic activity.

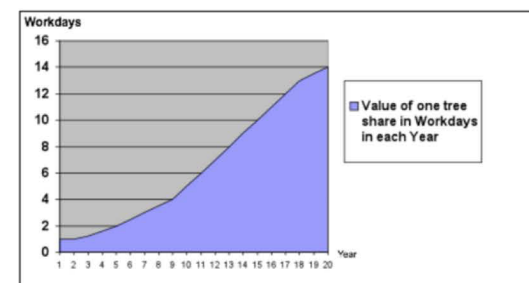
Ecological Restoration Currency

Shiga Prefecture: Japan "Biwa Kippu" System

New ordinance mandating that resident households contribute a certain amount of environmental "Biwa Kippu" each year, for example 10 Biwas per family.

One Biwa would roughly correspond to one hour of environmental service activities.

Tree Savings Value

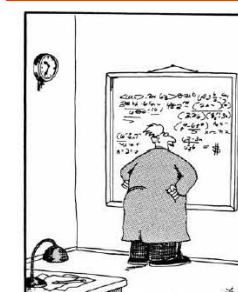


Currencies and Human Development

- Time Banks
- Care Banks
- Education Currency
- Wellness Tokens



Time Banks



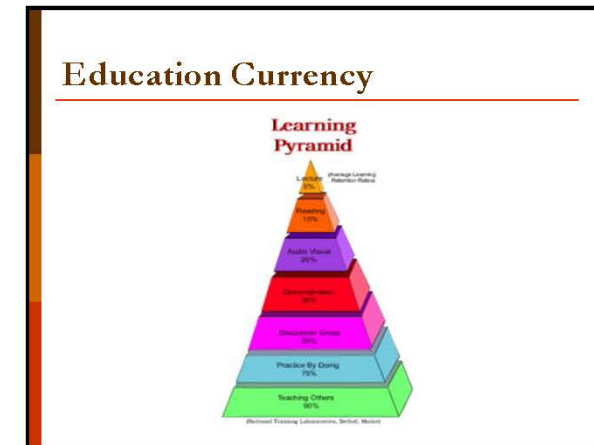
Einstein discovers that time is actually money...

Help at Home
Wellness
Home Repair
Companionship
Education Community Activities
Arts, Crafts, and Music
Transportation
Recreation
Business Services

Japanese Fureai Kippu



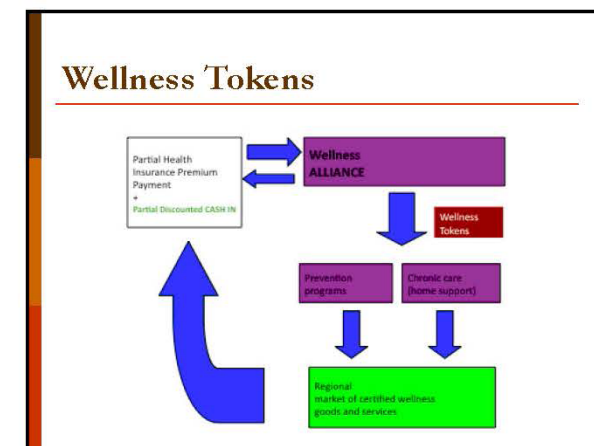
Caring Relationship Tickets



Montpelier Care Bank



- Elder Care alternative
- Money and time commitment
- Complementary and Alternative Care
- Life Activities



Education Currencies

- **Brazil – Saber**
Formed when phone tax was dedicated to education funding.
- **Lithuania – A Learning Country**
Dorland a creation of the Lithuanian Learning Foundation

Young people earn credit by tutoring their peers

Exchange credits for college funds or dream realization

Helps distribute college funds and entrepreneurial start-up finance to people who need it the most

Balinese Narayan Banjar



Work for the common good of the community

- Commercial Barter
- Housing Currency
- Food Currency
- Loyalty Currency
- Local Exchange Trading Systems (LETS)



	1973	2003
Number of Participants	20,402	76,618
Turnover - Swiss francs	196 million	2.521 billion
Balance -Swiss francs	83 million	1.028 billion



Verkoop van tuinbouw & technologie

<http://www.changethemarket.com>

The diagram illustrates a reinforcing feedback loop (R) with four nodes connected by arrows, each marked with a '+' sign, indicating a positive relationship. The nodes are arranged in a circle:

- Top Node:** Money invested in local businesses like YouthBail to improve marginal housing.
- Right Node:** Employment of people living in the marginal housing to implement improvements.
- Bottom Node:** Residents ability to invest in the maintenance of marginal housing.
- Left Node:** Deteriorated Housing.

The flow of the loop is clockwise: Deteriorated Housing leads to Money invested in local businesses, which leads to Employment of people living in the marginal housing, which leads to Residents ability to invest in the maintenance of marginal housing, which then leads back to Deteriorated Housing.

Food Currency



- Farm Stand
- Electronic payment gateway
- Food storage currency
- Food credits
- Business opportunities

Local Fiat Currencies

- “Fiat” currencies are issued by a central authority
- Their value is based on issuer’s guarantee
- They need to be managed to control inflation



Loyalty Currencies



- Reward for buying local
- “Frequent Buyer” miles
- Combine punch card systems so that all the businesses in the community benefit from consumer loyalty.



LETS:
Local Exchange Trading System

- Mutual Credit System
- Backed by goods and services
- Earned by providing goods and services to other members of the network

Peterborough LETS Exchange

Founded	May 1994
Active Members	200
Total Trading to Date	\$375,000
Trading in 99 - 00	\$57,200
Individual Membership Fee	From \$15 to \$35
Business Membership Fee	From \$35 to \$100

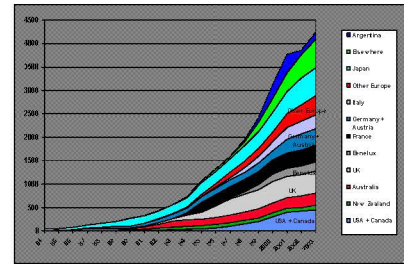
Countries with Complementary Currency Systems



108

109

Growth in New Currencies



Number of social purpose complementary currencies in a dozen countries (1984-2003)
Source: Bernard Lietaer

Eleventh Round Game Rules

- First Round – people are given roles and IOU notes. They make exchanges using mutual credit.
- Second Round – people keep their roles, but are given bank notes and must return interest at the end of the round.
- Debrief on game experience.

Ecosystem of Currencies

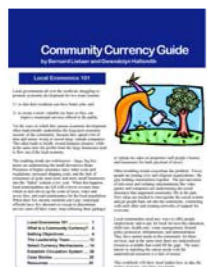
- Nature
- Arts & Culture
- Human Wellness
- Goods
- Services
- Participation
- Community



The End



Taking Action in your Community



- Step-by-step workbook
- Download at no charge
- Other resources:

www.global-community.org
www.global-laser.org

Proper direction for debt forgiveness policy and consumer finance for ordinary people based on the experience of Jubilee Bank

Yu Jong-il

President, Jubilee Bank
Professor, KDI School of Public Policy and Management

The Korean government recently announced a debt relief policy to help 2.143 million debtors by canceling debts with expired extinctive prescription amounting to KRW 25.7 trillion. According to the Commercial Act, the extinctive prescription of debts is five years, but that period is often extended by 10 to 20 years by means of a court order. Although the extinctive prescription of a debt may have expired, meaning that it is a dead claim for which a financial company has ceased collection, debtors continue to suffer as the debts are renewed by extension of the extinctive prescription. The new debt relief policy aims to address this problem. Chairman Choi Jongku of the Financial Services Commission explained, "It is a policy designed to support vulnerable people struggling with debt loads and dealing with collection agencies over long periods of time, despite their inability to pay." However, critics claim this new measure is a populist and irresponsible remedy, as it could empower more debtors to simply refuse to pay what they owe, thereby causing the consumer finance industry to contract.

This paper attempts to assess the controversy over the debt forgiveness policy and present a direction for consumer finance for ordinary people based on the experience of Jubilee Bank, a civic organization that helps people deal with debts they are unable to repay and assists them in getting back on their feet.

Experience and accomplishments of Jubilee Bank

According to the Commercial Act, Jubilee Bank is not a bank, but a nonprofit private organization that pursues debt relief for financially vulnerable groups. It was founded in August 2015.

The exact number of vulnerable debtors in Korea is unknown. According to a report by the Korea Institute of Finance in 2013, there were about 3.5 million vulnerable debtors in urgent need of debt rescheduling or forgiveness, as their incomes made repayment almost impossible, and 1.14 million people with long-term delinquent debts who were still being asked to repay though they were presumed to have no income or not be economically active. In 2012, the Financial Supervisory Service announced that there were 1.11 million debtors receiving collection calls from consumer finance companies. Since then, the situation is likely to have worsened, and if the family members of such distressed

debtors are taken into account, the number of people struggling under the pressure of high debt loads would actually be much higher than that. Cases of collection agencies violating the human rights of these debtors are chronic and prevalent, with 76 percent of debtors who have been forced to deal with collection agencies indicating that they have been subject to severe stress, threats to their lives, family disruptions, workplace difficulties, and unemployment. Considering this, the issue may be one of the factors responsible for Korea having the highest suicide rates among OECD members.

Jubilee Bank has focused on providing four types of support—purchase and cancellation of bad debts, financial welfare counseling, debtor education, and financial system restructuring—in an effort to free long-term delinquent debtors from aggressive collection agencies and inspire them to jump-start their lives. First, from April 2014, when the Bank was officially launched, to July 2017, Jubilee Bank purchased and cancelled bad debts of 38,000 debtors, totaling KRW 630 billion, on 36 occasions. The Bank contacted each of these debtors and informed them that their debts had been forgiven. Second, as the Bank's debt reduction efforts target unspecified debtors, it offers customized financial welfare counseling for individual debtors. Through consultations tailored to the needs of individual debtors, the Bank learns more about creditors and loan amounts and provides debtors with guidance in the form of a debt rescheduling system, financial consultations, and welfare services, enabling them to get back on their feet. The Bank encourages close coordination among financial welfare centers across the country, assists local governments in establishing financial welfare centers, and makes in-person visits to debtors in areas without such financial welfare centers. Third, the Bank conducts education sessions and small group meetings to help borrowers solve their financial problems and lead financially responsible lives. Fourth, the Bank strives to promote financial system reform with the aim of strengthening the rights of debtors and preventing the incidence of long-term delinquent accounts.

Jubilee Bank has achieved remarkable success, including the cancellation of KRW 630 billion in bad debts, far exceeding its initial annual target of KRW 100 billion. Considering the fact that Rolling Jubilee, an American debtor advocacy campaign waged after the "Occupy Wall Street" movement and the precursor of Jubilee Bank, wiped out KRW 35 billion in debt, Jubilee Bank's performance has been outstanding. The success of the Bank is based mainly on the debt relief campaign it is carrying out in collaboration with local governments, businesses, and religious organizations, without relying solely on individual contributions.

More importantly, it has spent only KRW 260 million for the debt purchases it has made so far. This was possible because the majority of the cancelled bad debt was forgiven by creditors or traded at a meager two to three percent, or even as low as 0.1 percent, of their initial amounts. Collectors or

consumer finance companies usually purchase bad debts at such bargain prices and begin conducting aggressive collections activities, forcing long-term debtors into despair and destitution. Jubilee Bank focused on canceling bad debts because it wanted to increase public awareness of this reality and encourage the government to develop policy solutions and make institutional improvements. The Moon Jae-in government has been active in addressing the problems of these vulnerable debtors. It has also created proactive policies, involving such measures as the cancellation of debts for which extinctive prescription has expired. The activities of Jubilee Bank have been instrumental in the development of such governmental policy initiatives.

Rationale for debt forgiveness and its economic effects

Debt forgiveness of long-term delinquent accounts aims to protect the human rights of borrowers, who are often exposed to inhumane treatment by collection agencies and forced to struggle under extremely difficult circumstances. In the worst cases, they are abandoned by their family members and sometimes even driven to suicide. The vast majority of these debtors are, in most cases, unfortunate victims who lack assets or access to information. No person should be deprived of their human rights and left feeling hopeless due to economic deficiency and misfortune; this is a basic principle of social justice.

Providing relief for citizens burdened with crushing debt serves to boost the economic efficiency of nations, as exposure to the aggressive activities of debt collection agencies undermines the normal economic activities of debtors. Even if they are capable of earning money, when they see their hard-earned money going exclusively toward debt repayment instead of improving their destitute lives, they lose the incentive and will power to work hard to overcome their difficulties much less invest in their future. It is therefore much more efficient to help such people through debt forgiveness, considering that the alternative is to let valuable human resources go to waste due to "debt hangover."

However, debt forgiveness does have its issues. For example, it could encourage among debtors the misguided belief that it is socially acceptable for them to neglect their responsibility to repay debts. It also brings up the issue of equality, considering cases where debtors who neglected their repayment responsibilities received assistance, while borrowers who worked hard to repaid their debts were left to continue their struggle. As there is no question that one is responsible for repaying one's loans, it is fair to raise this issue. However, an examination of the details of bad debts gives us a different perspective. Debts that Jubilee Bank or the new government are designating as eligible for forgiveness are not those that debtors are not repaying, but those that debtors cannot repay. Thus, in reality, debt cancellation does not lead to moral hazard among debtors or inequality. Furthermore, moral hazard among creditors needs to be considered carefully as well. It should be noted that, in order to increase efficiency and

stability in consumer finance, it is important to protect the rights of debtors.

The vast majority of small-amount, long-term delinquent account holders are incapable of paying back what they owe due to financial difficulties, and not intentionally refusing to repay. Most of them feel intense shame due to their situation. In many cases, debtors have already repaid more than the principal amount, but were driven into long-term delinquency due to their inability to cope with the mounting interest payments. Above all, they are forced to endure numerous and intensive calls from collection agencies and the pain of long-term social exclusion. Therefore, nobody would desire to ensure such pains of, let's say, 10 years in order to have their debts forgiven with the expectation that their debts will be cancelled sometime in the future. In fact, when Jubilee Bank canceled bad debts and sent debt forgiveness notices to the debtors, nearly half of all notices were returned due to incorrect addresses, as most debtors had moved to escape debt collectors.

While debtors are obligated to repay what they owe, creditors are responsible for taking care in issuing loans. Loans should be extended based on careful consideration of the ability and intention of the borrowers to repay. Such credit appraisal is a core competence essential to increasing the efficiency and stability of consumer finance. Nevertheless, moral hazard on the part of financial companies has led to the reckless issuance of loans, resulting in large numbers of defaulted loans.

A major factor that should be considered is that financial companies do not lend their own money. They work with the money of depositors or other third parties, leading them to extend loans without first conducting thorough credit reviews due to their strong desire for short-term profits. Moreover, when the stability of financial companies is threatened by large amounts of nonperforming loans, the government usually steps in to bail them out, considering the impact their collapse would have on the overall economy. During the Asian financial crisis in 1997, numerous financial institutions, including commercial banks, payment card companies, and savings banks, were bailed out. As a result, financial companies came to expect financial relief from the government whenever they are in distress, leading them to extend loans without taking due care. This is a typical moral hazard among financial institutions.

Another factor that contributes to moral hazard among creditors is their freedom to pursue aggressive debt collection measures that violate the human rights of debtors and prevent them from leading normal lives. Nobody would borrow money if they knew that harsh collection measures would be used against them, potentially forcing them to forfeit a normal life. Meanwhile, empowered by their freedom to use aggressive debt collection methods, creditors are even more likely to extend loans without seriously

considering the credit of borrowers. As a result, Korea has become a society that encourages debt. Debt forgiveness, lowering of interest rate ceilings, and curbs on the aggressive debt collection activities of financial companies, all of which are intended to protect debtors' human rights, are the most effective means of preventing moral hazard among creditors. Debt forgiveness is often criticized as a populist policy. Nonetheless, it is a measure that can encourage financial companies to be more prudent in conducting credit reviews and adopt more robust credit appraisal systems, ultimately increasing the efficiency and stability of consumer finance.

Proper direction for consumer finance for ordinary people

The most important element in implementing the debt forgiveness policy is the establishment of robust debt rescheduling principles. The policy should minimize the moral hazard of debtors, on the one hand, and free all borrowers of debt loads they cannot repay and help them jump-start their lives, on the other. To realize these principles, it is crucial that debt forgiveness policy and its operating principle are implemented in a way that strengthens the accountability of creditors and protects public interests.

The ultimate aim of debt forgiveness is to support the economic rehabilitation of debtors. Instead of simply canceling their debts, it is important to help them make a new start in collaboration with welfare service organizations. Debt forgiveness is therefore more of a one-off, temporary solution. A more fundamental solution would be reforming the financial system to prevent the occurrence of long-term delinquent accounts among ordinary people. Measures that strengthen the responsibility of creditors and protect the rights of debtors can be effective in achieving this, and the role of consumer finance for ordinary people needs to be redefined.

Such measures should be devised and implemented in stages—loan issuance, early-stage delinquency, and long-term delinquency. In the "loan issuance" stage, the interest rate ceiling needs to be lowered and regulations on loans, such as the Loan to Value (LTV), Debt to Income (DTI), and Debt Service Ratio (DSR), should be made more stringent in an effort to prevent bad debts. In the "early-stage delinquency" stage, debt rescheduling needs to be made mandatory and aggressive collection measures by financial companies, in the absence of efforts made toward debt rescheduling, should be banned through the regulation of the bad debt market. In the case of "long-term delinquency," regulations on the extension of extinctive prescription and collection measures should be revamped to ensure that debtors who become unable to repay their loans do not suffer unduly at the hands of collection agencies. In addition, the individual rehabilitation and bankruptcy systems should be revised to make them friendlier toward borrowers and debtors who have become mired in difficult situations, giving them opportunities to overcome their difficulties.

However, there are concerns that measures that strengthen the responsibility of creditors and increase protection of debtors' rights may cause the consumer finance market to contract, ultimately doing harm to the ordinary people the measures aim to protect. Banks and other established financial institutions may then begin avoiding consumer finance, which would drive ordinary people in need of emergency loans to consumer finance companies or illegal private financing operations. This side effect has been clearly recognized, and a proper countermeasure needs to be prepared in advance.

More than anything else, it is important to clearly define and establish the role that consumer finance should play in the lives of ordinary people. Consumer finance needs to be designed and promoted in a way that ensures citizens in need of emergency financial assistance can secure loans at reasonable (mid-level) interest rates. To this end, policy support and the cooperation of the financial sector are indispensable. At the same time, the policy should avoid helping people who manage their money irresponsibly get loans that they have not proven themselves deserving of. An analysis of cases of consultations at the financial welfare centers of Jubilee Bank revealed that many borrowers ended up with unmanageable debt by taking out loans in order to resolve chronic shortages of money in their day-to-day lives. Cases such as these should be addressed through employment and welfare, not by finance. To prevent such bad debts, a solid welfare system needs to be put in place, and proactive labor market policy and welfare services expanded. All efforts need to be made to prevent people who find it difficult to make ends meet from taking out loans they cannot repay, causing their lives to spiral into despair and destitution.

As mentioned above, by promoting the issuance of loans at reasonable, mid-level interest rates by established financial institutions while also reinforcing the welfare system, the demand of ordinary people for high interest rate emergency loans will be suppressed. As some demand for loans from consumer finance companies will likely remain, a policy should be implemented to control the issuance of such loans on the supply side. To do so, the government should impose more stringent regulations and controls on consumer finance companies and reinforce the crackdown on illegal finance operations. Lastly, schools and life-long education institutions should play a larger role in providing people with basic knowledge of finance, and the central government needs to actively support the nationwide establishment of financial welfare centers, as such centers are currently established and operated by only a limited number of local governments.

Vitalization of the Local Economy through Regional Gift Certificates

Lee Jae-min¹⁾

professor at Woongji Accounting and Tax College

A growing number of local governments in Korea are introducing local currencies as a way of promoting consumption, boosting the local economy, and creating local jobs while limiting capital outflows, with the aim of ultimately achieving a sustainable circular economy regardless of external economic conditions.

Over 70 local governments have enacted ordinances for the expansion of the regional gift certificate system and, according to the Korea Minting, Security Printing & ID Card Operating Corporation (KOMSCO), which produces the gift certificates, roughly 50 local governments are circulating local currencies and sold regional gift certificates worth KRW 100 billion in 2016 alone (sales of the Onnuri Gift Certificate, valid only at traditional open markets, reached KRW 850 billion).

The Ministry of the Interior and Safety operates a "Regional Gift Certificate Consulting Team" to vitalize the distribution of regional gift certificates.

The President of Korea, Moon Jae-in, pledged throughout his election campaign that he would pay 30 percent of the new welfare payments and civil servant welfare points with the Onnuri Gift Certificates and local currencies.²⁾ A local currency refers to the means of transaction that is used in a certain place for certain people in replacement of the national currency, such as the Onnuri Gift Certificate, Book Gift Certificate, Regional Gift Certificate, LETS, TIME BANK, and points, among others, in a broad sense. Designed to vitalize a circular economy or restore community, a local currency is introduced with the aim of fulfilling economic, social, and environmental tasks and ultimately achieving sustainable development. In Korea, local governments are taking the lead in adopting the regional gift certificate

program in an attempt to vitalize the circular economy. However, there is no proof that local currencies help promote a circular economy.

The Moon administration expects that the payment of child and welfare allowances with local currencies will considerably ease the burden of small businesses and self-employed shop owners that has become even more pressing due to the recent minimum wage increase.

■ Examples of Regional Gift Certificates

Hwacheon Gift Certificate

The Ministry of the Interior and Safety (Local Finance Support Division), which supports the introduction and distribution of local gift certificates, singles out the Hwacheon Gift Certificate (issued first in 2003), which is circulated in Hwacheon, Gangwon-do, a region famous for the Sancheoneo (trout) Festival, as a successful model of the local gift certificate program. Hwacheon-gun pays back over one half of its admission ticket fees to visitors to the Sancheoneo Festival and Jjokbae (raft) Festival with Hwacheon Gift Certificates to bring life back to the regional economy.

Seongnam Gift Certificates

Seongnam City is well known for its local government boosting the local economy through the use of regional gift certificates to pay welfare allowances. Lee Jae-myung, mayor of Seongnam City, has kept his promise to introduce "Three Welfare Programs with No Strings Attached," including a youth allowance, a postpartum care allowance, and free school uniforms by using the Seongnam Gift Certificates to cover 50 percent of the cost. Seongnam City also introduced a "Minimum Living Wage" of KRW 7,000 per hour, paying the difference between the official minimum wage (KRW 6,030 per hour) and the introduced hourly wage with the local currency.

Pohang Gift Certificates

Pohang City began issuing Pohang Gift Certificates in 2017, targeting KRW 100 billion in annual sales. In January, the city sold KRW 30 billion in the gift certificates by offering a 10 percent discount, and then has issued KRW 30 billion worth of the gift certificate with a 6 percent discount, down 4 percent. As of the end of June, the city had sold KRW 50 billion worth of the local currency.

Gangwon Gift Certificates

1) A member of the Jeonbuk Cooperative Society Coalition Policy Committee, Chairman of the Social Enterprise Growth Support Center Operating Committee, professor at Woongji Accounting & Tax College

2) A local currency refers to the means of transaction that is used in a certain place for certain people in replacement of the national currency, such as the Onnuri Gift Certificate, Book Gift Certificate, Regional Gift Certificate, LETS, TIME BANK, and points, among others, in a broad sense. Designed to vitalize a circular economy or restore community, a local currency is introduced with the aim of fulfilling economic, social, and environmental tasks and ultimately achieving sustainable development. In Korea, local governments are taking the lead in adopting the regional gift certificate program in an attempt to vitalize the circular economy. However, there is no proof that local currencies help promote a circular economy.

Gangwon-do is the first province to utilize local currency as it was the first in Korea to issue regional gift certificates, at the end of 2016. As of the end of July 2017, Gangwon-do had issued KRW 28 billion worth of the local currency, 16 percent of which, with a value of KRW 4.5 billion, has been distributed.

The province has set aside KRW 7.5 billion worth of gift certificates for its Emergency Economy and Employment Support Fund including 20 percent of city and county fee. It uses the revenue from the sale of gift certificates for the Senior Citizen Income Promotion Project (80 percent of which is paid with gift certificates) and for the Youth Employment Support Project.

● **Strategies to Increase the Use of Regional Gift Certificates** Local governments are striving to expand the use of local currencies by covering a portion of civil servant welfare allowances, partial refunds of admission ticket prices to local events (Hwacheon, Suncheon, and Seocheon), and subsidies, relocation expenses, prize money, and incentives to local residents. They are also encouraging local businesses and public enterprises to pay a portion of their bonuses in the same way. In addition, the gift certificates are also given as bonus gifts to those who purchase a certain amount of them and the gift certificate payment process has been simplified. Moreover, member stores can save on credit card fees by encouraging customers to use the gift certificates.

● **Drawbacks to the Use of Regional Gift Certificates** It should be recognized that local currencies are not as convenient as cash and come with several constraints. Above all, there are not many member stores yet and the payment of monthly wages and bonuses with gift certificates may violate labor law, which stipulates payments will be cash-based. Also, it is likely that customers will have difficulty receiving cash as change when making small purchases using gift certificates, while the local government must cover a variety of expenses that are generated when seeking to boost the use of regional gift certificates, such as printing costs, cash exchange fees, compensation for discounts, and the like. Moreover, the use of gift certificates may also result in some illegal profiteering from exchanges and counterfeiting.

● **Successes and Failures** After its success in increasing the use of the local currency by refunding admission tickets to the Skywalk with its regional gift certificates, Chuncheon is seeking ways to expand circulation. However, the Gangwon Provincial Council is suggesting that Gangwon-do to abort the program, which the latter has been pushing.³⁾ Gangwon-do issued the Gangwon Gift Certificates worth KRW 3 billion in January, 2017, but sold only 10 percent, or KRW 330 million, of it. Some criticize it

by calling it, "closet currency" and "civil servants' currency," among others.

Meanwhile, Pohang City is optimistic about selling its regional Gift Certificates worth KRW 100 billion, but it has yet to see the results. In sum, the gift certificate program has succeeded in drawing customers to its member stores and cashing in on the influx of tourists, but it saw limited success in preventing capital outflows. The provision of gift certificates instead of cash as welfare allowances is a good idea, although users, who are mostly underprivileged, find gift certificates more inconvenient than cash. Last, but not least, it is not likely that the regional gift certificate program will lead to sustainable economic growth because it is the local government, after all, that pays compensation equivalent to the discount businesses offer to consumers.

In this respect, Hwacheon, rather than Gangwon-do and Pohang, serves as the ideal model for implementation of the regional gift certificate program. The utilization of local tourist attractions, such as the Skywalk in Chuncheon, Hanok Village and diverse festivals in Jeonju, for the circulation of local currencies shows how local governments can benefit from the regional gift certificate program for local economic growth.

3) Gangwon-do issued the Gangwon Gift Certificates worth KRW 3 billion in January, 2017, but sold only 10 percent, or KRW 330 million, of it. Some criticize it by calling it, "closet currency" and "civil servants' currency," among others.

CHAPTER 08

PLENARY SPEECH 2

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- 2050 Energy Strategy of Korea for a Sustainable Future
Hong Jong-Ho
 - Governance for Localization Yun Nan-sil
 - Neighborhood Politics that changed my life Kim Young-bae

2050 Energy Strategy of Korea for a Sustainable Future

Hong Jong-Ho

Professor, Graduate School of Environmental Studies, Seoul National University
Director, Asian Institute for Energy, Environment and Sustainability

Energy Policy of Korea : an Overview

Energy policy in Korea has been developed to reflect the nation's industrial and economic policies under the leadership of the national government. Korea relies mostly on imports for its energy supply, having imported 94.8 percent of its primary energy sources, including crude oil, natural gas, coal, and uranium, in 2015. An analysis of the relationship between GDP growth and final energy consumption from 1981 to the present in countries around the world shows a marked difference between the increase in GDP and the increase in energy consumption since the dawn of the 2000s. The rate of increase in energy consumption in Korea, for instance, has slowed due to the country's technological development and energy efficiency policy, which was created in accordance with GDP growth. An energy supply comparison among various nations shows that Korea, as of 2014, was the world's fifth largest energy importer.

In 2008, the Korean government implemented its first five-year National Energy Master Plan, presenting a big picture for the nation's energy supply in terms of general direction and the use of each energy source. In addition, it has been drawing up a detailed Power Supply Master Plan every other year. However, it has been pointed out that these plans, from the 5th Power Supply Master Plan to the recently unveiled 7th Power Supply Master Plan, overestimate future power demand.

Renewable Energy in Korea and its Potential

Korea has seen a rapid increase in the supply of renewable energy recently, which is attributed to the fact that the rate of increase in the demand for energy and electricity has slowed while the supply of renewable energy has grown relatively quickly. Despite this, however, the amount of electricity generated from renewable energy sources accounted for only 1.4 percent of the energy supply in 2015, the lowest among OECD member states. With the aim of replacing 11 percent of the nation's primary energy supply with renewable energy by 2035, the Korean government drew up the 4th Renewable Energy Master Plan in 2014.

The Korean government has difficulty assessing the potential size of the renewable energy market due to the absence of a clear definition of renewable energy potential. According to data collected at home and abroad, the electricity generation potential of Korea's renewables is estimated to be 546 TWh annually, which translates to 48.530 million ton. Korea is expected to accelerate the installation of photovoltaic (PV) systems on farmland and mountains, as well as floating PV and offshore wind power systems, considering that the country is surrounded by water on three sides. The estimated renewable energy potential provided above does not reflect the import of biomass or the renewable energy and electricity imported from other nations through super grids.

Literature Related to 2050 Energy Transition

Mark Jacobson, a professor at Stanford University, made the bold prediction in his 2016 research paper that global energy needs would eventually be met completely with renewable energy. This "100-percent clean and renewable wind, water, and sunlight (WWS)" scenario is based on the premise that the global demand for energy will be met with electricity by 2050. The Energy Report released by the World Wide Fund for Nature (WWF) in 2012 analyzes the feasibility of replacing energy with renewables and presents policies for achieving that goal. Greenpeace's Energy Revolution 2012 proposes a transition to clean energy and improvement in energy efficiency for Korea by formulating two alternative scenarios.

Published recently by the International Energy Agency (IEA), World Energy Outlook 2016 provides an overview of global energy demand until 2040, analyzing issues related to the international energy market with a focus on responding to climate change and increasing renewable energy. Especially, the new policy scenario presented by World Energy Outlook predicts a 31-percent increase in global primary energy consumption and a three-percent increase in CO₂ emissions from 2014 to 2040. On the other hand, the decarbonization scenario foresees an only six-percent increase in primary energy consumption and four-percent decrease in CO₂ emissions from 2014 to 2040.

Formulation of Korea's 2050 Energy Scenario

Korea relies on imports for over 95 percent of its energy supply, which poses a risk to the nation's energy security and raises concerns over the safety of nuclear power plants and emissions of fine dust due to the combustion of fossil fuels, which are quickly emerging as serious social issues. In this essay, I propose four goals that Korea needs to achieve to secure a sustainable energy future: ensure energy security, supply clean and safe energy, create new industries and jobs, and reduce greenhouse gas emissions. I also provide three alternative scenarios—the moderate transition scenario (MTS), advanced transition scenario (ATS), and visionary transition scenario—in addition to the business as usual (BAU)

scenario.

In terms of energy demand, these scenarios have been formulated on the premise that Korea will be able to reduce its final energy consumption per capita, in the mid- to long-term, by 2040 to an extent on par with the European members of the OECD, as predicted by the IEA. As for energy supply, these scenarios focus on increasing renewable energy to replace the centralized energy supply systems, such as nuclear power and coal-fired thermal power. In addition, these scenarios demonstrate the processes for increasing renewable energy to 45 percent (MTS) to 55 percent (ATS) of the energy supply and transitioning away from nuclear power and carbon emissions by meeting the nation's energy demand solely with renewable energy.

To draw up Korea's sustainable energy strategies, I used the Long-range Energy Alternatives Planning (LEAP) system, a model for conducting long-term energy scenario analysis and identifying prospects. The MTS and ATS set the goals of reducing energy demand by 7 and 24 percent, respectively, from 2014 to 2050, and each scenario describes the process of reorganizing the existing power generation and energy supply patterns based on renewable energy.

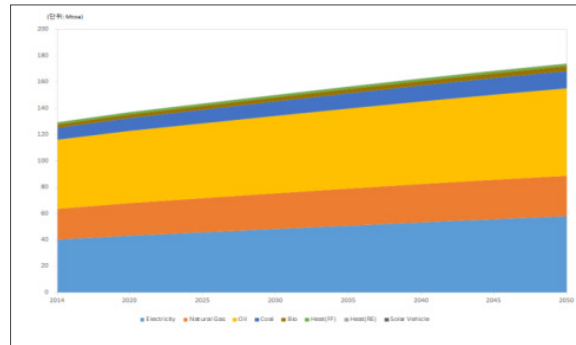
The BAU scenario reflects the 2016 Long-term Energy Prospects, published by the Korea Energy Economics Institute, and assumes that coal-fired thermal power is replaced to a large degree by nuclear power by 2040. The MTS estimates that renewable energy accounts for roughly 45 percent of the total energy supply and assumes that all nuclear power plants have been shut down, except those designed to remain in operation after 2050, which means that the number of centralized power plants will be reduced gradually depending upon their design lives.

The ATS is based on more aggressive demand management policy as well as the premise that the use of combined cycle power, LPG, and gas will fall and the supply of renewable energy will increase gradually. The VTS targets the complete shutdown of all centralized power plants, including nuclear and coal-fired thermal power plants, and the use of 100 percent renewable energy by 2050.

Long-term Analysis of and Prospects for Each Scenario

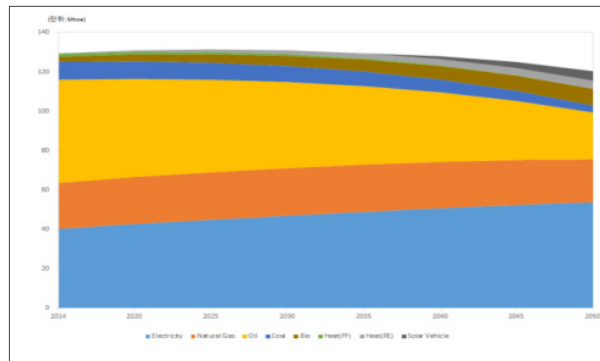
BAU Scenario

Final energy consumption in Korea will grow by 35 percent from 2014 to 2050. The amount of power generated will increase by 29 percent, from 480 TWh in 2014 to 675 TWh in 2050, while greenhouse gas emissions will increase by 18.4 percent, from 540.6 MtCO₂eq in 2014 to 640.2 MtCO₂eq in 2050.



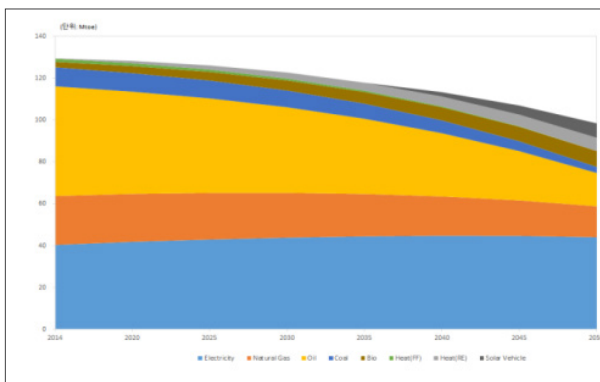
MTS (Moderate Transition Scenario)

Final energy consumption in Korea will grow by seven percent from 2014 to 2050. The amount of power generated will increase by 23 percent, from 480 TWh in 2014 to 626 TWh in 2050, while greenhouse gas emissions will decrease by 51.0 percent, from 540.6 MtCO₂eq in 2014 to 264.7 MtCO₂eq in 2050.



ATS (Advanced Transition Scenario)

Final energy consumption in Korea will fall by 24 percent from 2014 to 2050. The amount of power generated will increase by seven percent, from 480 TWh in 2014 to 512 TWh in 2050, while greenhouse gas emissions will decrease by 68.7 percent, from 540.6 MtCO₂eq in 2014 to 169.1 MtCO₂eq in 2050.



VTS (Visionary Transition Scenario)

The VTS is the same as the ATS in terms of Korea's final energy consumption. It assumes that the amount of power generated will increase by 45 percent, from 480 TWh in 2014 to 850 TWh in 2050, while greenhouse gas emissions will be cut by 94.0 percent, from 540.6 MtCO₂eq in 2014 to 32.2 MtCO₂eq in 2050.

Policy Tasks

Korea is now being called upon to shift its energy paradigm by implementing energy policy that focuses on aggressive demand management, improving energy efficiency, supplying eco-friendly energy such as renewables, and developing innovative technologies. The core tasks that must be fulfilled to achieve the goals of each scenario stated above are summarized below

Classification		MTS	ATS	VTS
Demand	Common to all scenarios	· Increase in electricity bills (reflection of social cost in power supply) · Introduction of a tariff system for renewable energy-generated electricity		
	Specific to each scenario	· Improvement of automobile fuel efficiency · Increase in supply of eco-friendly cars and related infrastructure	· Improvement of building energy efficiency · Increase in zero-energy buildings · Promotion of fuel conversion in the transport sector	· Drastic improvement of building energy efficiency · Increase in zero-energy buildings · Development of solar vehicle technology and proliferation of solar vehicles · Drastic increase in the use of electricity in the industrial sector
Supply	Common to all scenarios	· Increase in RPS and FIT · R&D investment in renewable energy and building infrastructure		
	Specific to each scenario	· Promotion of PV and wind power proliferation	· Promotion of PV and wind power proliferation	· Building of super grids

The promotion of these energy transition systems and policies requires the participation and action of all members of Korean society, including the government, businesses, and civic societies. As social consensus on the necessity of building a renewable energy-based society boosts political efficacy, it will be crucial to make special efforts to encourage public participation.

With the growing concerns over the safety of nuclear power and harmful effects of fine dust and ever

increasing importance of energy transition, there is an urgent need to improve the political efficacy of the efforts to end the use of nuclear and coal-fired thermal power and increase the supply and social acceptance of renewable energy. More importantly, we must formulate a vision and institutional system for renewable energy, establish energy governance through which all members of society can communicate and discuss the actions to be taken, alleviate stakeholders' concerns about the uncertainty of energy transition, and build a system for public-private communication and mutual cooperation toward the realization of energy transition.

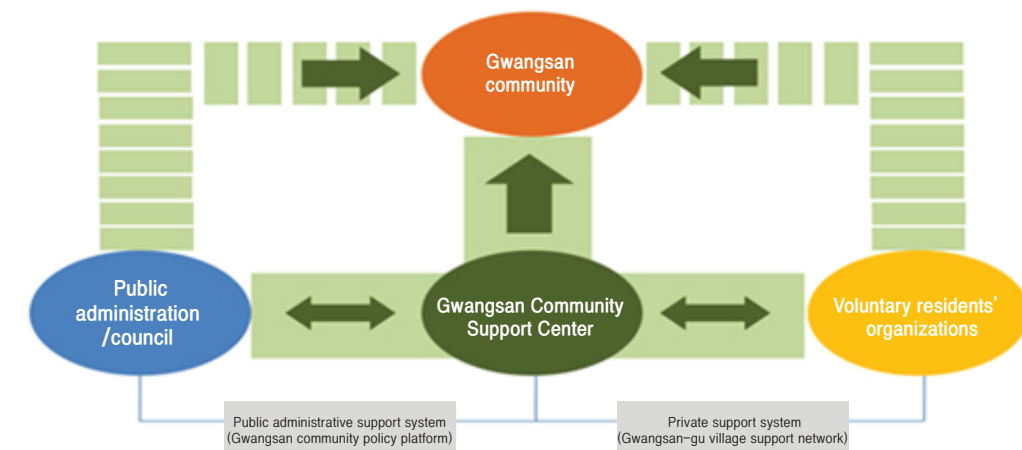
Governance for Localization

Yun Nan-sil

Head of the Gwangsan Community Support Center

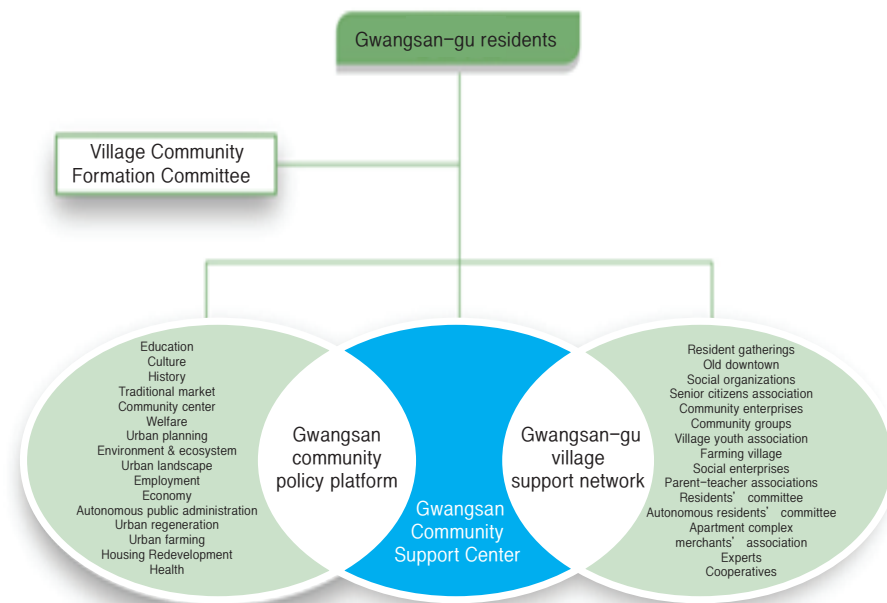
■ Valuing People and Sharing Value

Gwangsan-gu in Gwangju, Jeollanam-do, has focused on resident-centered public administration, promoting resident engagement and autonomy since 2010. It also founded the Gwangsan Community Support Center in 2013 with the aim of providing systematic, comprehensive support for the formation of a sustainable community, taking the lead in forming a mutually-beneficial and cooperative community through the vitalization of grassroots community movements and the social economy. The Gwangsan Community Support Center serves as a liaison between public administration and private citizens by, on the one hand, making the best of the strengths the public sector has to offer (public confidence, information, capacity to utilize resources) and those enjoyed by the private sector (continuity, flexibility professionalism), and, on the other, pushing the limits of the two (public administration: silo mentality; private sector: financial constraints and weak public confidence).



Aiming to build a governance system to promote the social economy and community activities, the Gwangsan Community Support Center is using communal cooperation to expand the community network through formation of the Gwangsan village support network, which encompasses the private sector, including voluntary residents' organizations, social economy associations, and civic organizations. It also supports the Gwangsan community policy platform to make it possible to share, cooperate, arbitrate between, and support residents for the fulfillment of community projects by eliminating "silo

mentality" among the relevant departments. In addition, the Gwangsan Community Support Center vitalizes public-private networks, including a network of the 21 ward ("dong") team leaders, the Gwangsan village activist network, social enterprise associations, and cooperative associations to take the initiative in building governance for the creation of a virtuous cycle for community sustainability.



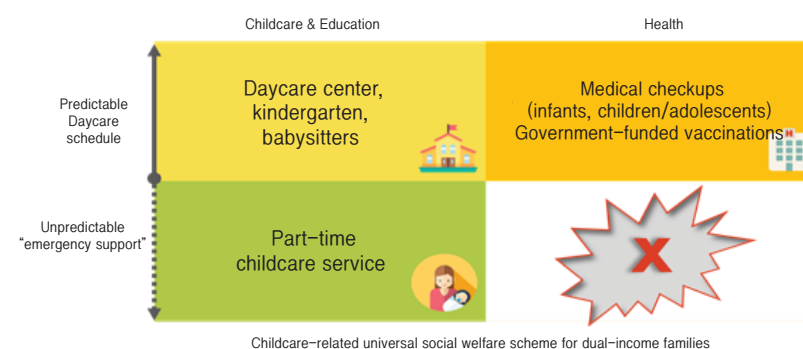
It should be pointed out that all activities of the Gwangsan Community Support Center are based on the "arm's length" principle: that is, the Center focuses away from being manager and supervisor to being supporter and partner to help residents make plans, take action, and solve problems on their own.

Regionalization through Governance: Examples

Hospital Child Caregiving Service

1. Overview

a) Urgent need for measures to address blindspots in childcare

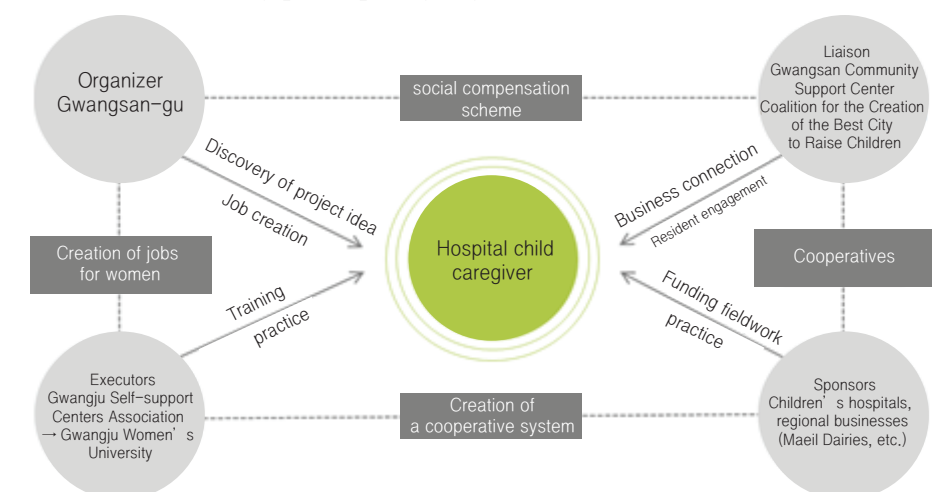


- Identification of blind spots in social welfare programs for dual-income families, who experience the most difficulty in raising children
- A need for alternatives to care for children of dual-income families who need sudden hospitalization
- A need for specialized training programs for the mental and physical care of children

b) Creation of jobs customized to meet the needs of regional industries

- An urgent need for social welfare services for workers in Gwangsan, an industrial city, produce 50 percent of Gwangju
- A need for a support system to help young people and workers with children in hospital as the majority of them live in densely-populated urban areas and away from parents who could otherwise take care of their children while they work
- Creation of cooperative systems for regional businesses that provide support for their workers and hospitals that support admitted children - A consistent need for jobs for women and support for childcare through the engagement of joint projects based on the social economy in Gwangsan-gu

2. Formation of a network among participating organizations



3. Results

a) Creation of new jobs ideal for women

- Creation of the first "hospital child caregiver" job in Korea
- Formulation of support policy for the creation of jobs for women who have taken a career break and want to return
- Support so that working women do not have to take a career break
- Support for the flexible working hour system through cooperatives

- b) Support for the training of professional "hospital child caregivers"
 - Development and operation of hospital child caregiver training programs
 - Operation of specialized programs for the emotional soothing of children in hospital → reading picture books (15 hours of training provided by Gwangsan-gu)
 - Operation of programs for women who have taken a career break and want to return
- Formation of a human resource pool for the sustainable production of experts

- c) Formation of a regional cooperative system to increase the number of jobs
 - Organization of forums for the creation of a cooperative network for job creation
 - Organization of meetings for job creation in hospitals
 - Launch of the Gwangsan-style Coalition for the Creation of the Best City to Raise Children
 - Job creation through agreements between children’ s hospitals in Gwangju

4. Follow-up projects

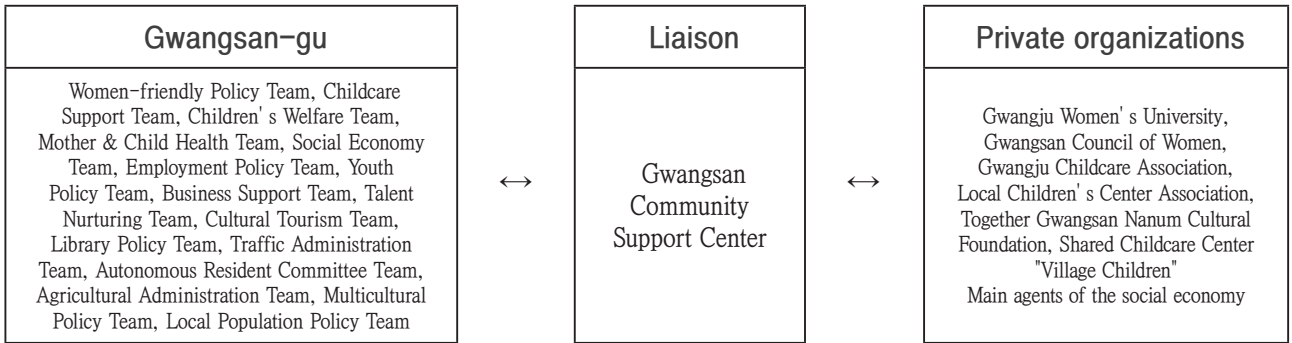
The Gwangsan Community Support Center is carrying out a wide variety of projects designed to create jobs suited to the regional uniqueness of Gwangsan by utilizing private resources available in the realms out of reach of the public service. These projects are based on achievements of the hospital children caregiving service.

Nursing Service for Persons with Alzheimer' s	Sleep Consultant Training Program	Village Safety Consultant Training Program
Training of caregivers specializing in care of persons with Alzheimer' s and dispatch to hospitals specializing in care of such persons	Consulting program designed to provide psychotherapy to children with sleep disorders and consulting on sleep training to children' s guardians	Training of village safety consultants to serve as special instructors at school

Coalition for Gwangsan as the Best City to Raise Children

1. Objectives

- To suggest diverse local-level models for resolution of national problems caused by the demographic cliff
- To discover diverse models for projects designed to shape Gwangsan into a great place to raise kids and creation of synergy through cooperative projects
- To create a vital image of Gwangsan as the youngest city in Korea
- To stage a nationwide campaign to promote Gwangsan as a great city to raise children and part of the solution to the social problem of low birthrates and an aging population.



2. Preparation and process

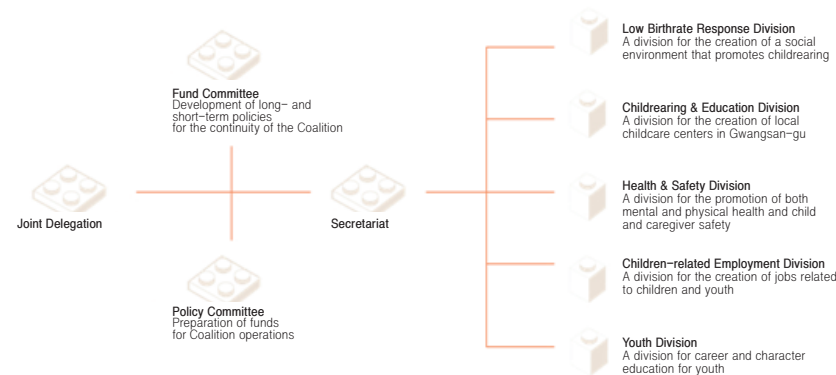
- Discussion on the creation of a coalition held (Feb. 15)
- Private supporters recruited and departments created (Mar. 2)
- Discussion on the direction and duties of each department held (March 16)
- First policy forum held (Apr. 3)
- Second policy forum held (Apr. 21)
- Discussion on the scope of Coalition activity, core tasks, and organization held (May 17)
- Discussion on Coalition name, major projects to be undertaken by each department, and launching ceremony held (Jun. 1)

3. Structure of the Coalition

a) Overview of public-private governance

- Childcare : 445 daycare centers, kindergartens, etc.
- Children : 5 local children' s centers
- Hospitals : 5 children' s hospitals
- Colleges : 4 colleges including Gwangju Women' s University
- Businesses : 5 industrial complex associations, Maeil Dairies, etc.
- Women : Gwangsan Council of Women, women' s centers, Moms Pang, etc.
- Social economy : 10 cooperatives andsocial enterprises.
- Youths : Yaho Center and a youth learning center
- Education : 44 elementary schools and 37 middle and high schools in Gwangsan-gu
- Library : 5 district libraries and 30 small libraries

b) Organization chart



4. Major projects and tasks

a) Creation of social cooperatives for daycare center teachers

- Teachers working at daycare centers (449) in Gwangsan-gu are taking care of children for others, but many cannot afford to have their own children.
- Creation of a social cooperative consisting of daycare center teachers who have taken a career break in order to dispatch them to local daycare centers as substitute teachers
- Creation of a work environment in which workers at daycare centers can receive the social attention and fair treatment they deserve, and job creation for women who wish to restart their careers.

b) "Mother box" project

- Provision of a "layette" set to each expecting mother as a "Congratulations!" gift
- A set of birth supplies produced by SMEs (small and medium-sized enterprises) and social enterprises in the Gwangsan-gu area
- Maximization of brand images through community engagement

c) Shared daycare project

- Promotion of shared daycare among community members with the recognition of childcare as a "together, not alone" job
- Creation of communal projects for community members (shared childcare, night childcare, etc.)
- Utilization of small libraries, community centers in apartment complexes, and other communal spaces

d) Campaign for the designation of child-friendly businesses in Gwangsan

- Creation of a family-friendly social environment through the designation of family-friendly businesses and industrial complexes in the Gwangsan area

Sharing Market in Gwangsan-gu

1. Objectives

- To lay the foundation for communal exchange and the grassroots economy through sharing of everyday objects and talent between members of the community
- To provide children and youth with the opportunity to experience the social economy through the sharing market, talent sharing, and talent donation and create a "Sharing Street" in Gwangsan-gu
- To promote exchange and communication among craft artists to vitalize the local social economy and seek ways to develop a social cooperative

2. Process

The Gwangsan Community Support Center has opened a sharing market since 2013 to bring additional life into the local economy and promote communication and exchange among residents. It has formed a club for small-scale vendors and residents who sell hand-made items, runs a variety of community programs in the Center, and maintains parks and libraries for local residents.

● Programs

Program	Description
Sharing market	A market where residents share and exchange the household items they have made, such as dishcloths, dolls, aprons, porcelain dishes, etc.
Local market	A market for items produced and sold by local businesses and social enterprises (such as co-ops).
Recycling market	A market where unused household items are turned into crafts and displayed for sale
Performances through talent donation	Performances for local residents through talent donation
Household art class	A class where local craft artists teach residents to make diverse household items, such as wallets, dishcloths, eco-friendly mosquito repellent, multi-purpose containers, etc.
Second-hand market for children	A market where children can sell their books, toys, and other belongings that they no longer use.
Youth cafe	A fair trade-focused outdoor cafe run by young people to gain experience in the social economy
Seasonal events	Seasonal events such as a forest experience, traditional Korean games, and board games, among others, that are designed to encourage as many people as possible to participate.

3. Expected project benefits



- The spread of a sharing culture in which local residents make and share small household items
- Sharing the experience of the social economy and community restoration through the formation of a shared market in the village
- Accumulation of experience with community events through the sharing market and organizing performances through talent donation
- Establishment of a foundation for the local social economy through the vitalization of exchange and communication among craft artists
- Sharing of ideas about the local circular economy, resources, and the environment through the creation of a "Sharing Street"

Neighborhood Politics that changed my life

Kim Young-bae
Mayor, Seongbuk-gu

■ Neighborhood Democracy: A Way Toward the Revival of Neighborhood Communities

The purpose of this paper is to introduce a few cases of the innovation and incorporation of social economy and urban renewal pursued by the administration of Seongbuk-gu from the perspective of neighborhood democracy and find effective measures to further develop and expand the project. The new Korean administration, created by the "Candlelight Revolution," is committed to the implementation of policies that aim to meet the demands and wishes of citizens who took to the streets to make their voices heard during that time. However, this does not mean that citizens' power should be contained in the streets or that their aspirations should be materialized only through the efforts of the central government. I believe that government of the citizens, by the citizens, and for the citizens is feasible only when efforts to practice democracy at the level of villages and neighborhoods, which are spaces where people live out their daily lives, are integrated with the democratic process of decision-making at the level of the central government.

From Central Power to "Grassroots Power"

In Korea, the governmental policies on regional areas tend to favor real estate development, such as the construction of "New Cities," redevelopment and reconstruction projects, and the construction of industrial parks, where the central government takes the lead. In addition, the Korean government tends to reorganize the national economy to meet the standards of the global market on the pretext that it will strengthen Korea's international competitiveness. However, this has resulted in the termination of regional systems and given rise to a situation where the regional economy is more vulnerable to fluctuations in the global economy. Meanwhile, some of the more developed countries have maintained their economic vitality in the global market by shifting their policies on regional areas toward the circular economy. In these countries, the social economy, which promotes the value of community and public values, is acknowledged as a means of increasing the value of regional societies within the regional economy.

To promote the development of neighborhood communities, it is necessary to replace the government-driven "central power" with local citizen-centric "grassroots power." It is in this context that local governments must strive to meet the demands of local citizens and develop a governance system based on government-citizen collaboration. Substantial local autonomy will be possible only when local governments allow civic groups and organizations to act as partners in policy making and implementation and establishes a system in which their "grassroots power" is guaranteed and respected.

Integration of Social Economy and Urban Renewal

The relationship between social economy and urban renewal is closely connected with the emergence of the paradigm of development based on local assets controlled by "grassroots power," as mentioned earlier. With the beginning of urban renewal projects reflecting the opinions of local citizens and the conditions of their neighborhoods, it became necessary to establish a process through which the goals of and methods for achieving sustainable development based on local assets are sought after autonomously, that is, via the participation of civic groups and individual citizens.

The implementation of urban renewal projects focused on the revitalization of neighborhood communities, rather than the conventional redevelopment activities, often leads to social enterprises gaining opportunities to try various local asset-based business models. Social economy organizations, including social enterprises, village corporations, and cooperatives, are important assets in supporting the economic activities of local communities and creating synergy for the further vitalization of regional circular economies via integration with urban renewal projects.

Neighborhood Democracy: True Democracy of Our Time

Democracy refers to a system of government in which citizens govern themselves. Under such a system, do we then govern our own neighborhoods, the most intimate spaces of all? Do we strive to identify the various deep-rooted problems of our lives and find solutions? Do we dedicate ourselves to realizing harmony between the public and private interests through associations organized independently in an effort to derive different benefits in our lives? In the classic book on democracy, *Democracy in America*, the author Alexis de Tocqueville, a French diplomat and political historian, regarded autonomy, the jury system, and the associations of civil society as key factors in guaranteeing freedom and democracy. The tradition of direct democracy, which began in ancient Greece, was addressed by Tocqueville by way of Rousseau. For Tocqueville, local politics was closer to true democracy than national politics and served as a proving ground for democracy by stressing the autonomy, participation, and responsibility of local citizens.

Members of neighborhood communities share the difficulties and needs of others based on a sense of solidarity formed through daily activities and find solutions to common problems through participation and cooperation. I therefore maintain that democracy in our time must begin with neighborhood democracy.

■ Building the Foundation for Neighborhood Democracy Governance

Seongbuk-gu has grown to become one of the major commuter towns of Seoul, amid the rapid urbanization of Seoul's downtown districts, including Jongno and Dongdaemun, and is the first ward that implemented the "New Town" project. The initial stage of the New Town project focused on demolishing old houses, almost unconditionally, to make way for the construction of new roads and tall, luxury apartment complexes, all of which were designed to have remarkably uniform structures. Although these newly developed areas have created benefits, they eventually accelerated the disappearance of the sense of community among residents and the decline in the inability to solve various conflicts in their daily activities, resulting in the collapse of entire communities. Similarly, the new apartment complexes failed to contribute to improving the local productivity or the quality of life in the area, because most of the residents of these buildings earned their living through economic activities performed outside the area. In an effort to solve this problem, the administration of Seongbuk-gu initiated a project focused on the following three directions.

Cooperation System Focused on Users and Tasks

The administration of Seongbuk-gu has always played a leading role in organizational innovation aimed at meeting the demands of civil society. The administration established its Social Economy Department in July 2012 and Neighborhood Democracy Department in January 2016. Similar efforts were made in the urban renewal sector. The administration reformed its organization to better focus on individual tasks and enhance its ability to build sustainable neighborhood communities where urban renewal efforts are combined with social economy through the participation of citizens. It also launched the Neighborhood Revival Task Force in March 2016, as part of an effort to establish an organizational system under which cooperation becomes a normal daily activity. Before this reformation, cooperation had been difficult and failed to address the demands for new administrative services, particularly in the areas of neighborhood communities, social economy, and urban renewal, as the services that were being demanded required the participation of multiple divisions at the same time. As a result, the Neighborhood Project Team, a sub-unit of the Neighborhood Office, was merged with the Social

Economy Department, established in July 2012, to launch the Neighborhood and Social Economy Department. At the same time, the diverse services related to urban renewal, which should involve housing improvement, urban planning, and urban design, among others, were integrated under a single body, the Urban Renewal Design Department. The newly established Neighborhood Revival Task Force seeks to provide services for self-supportive and sustainable urban renewal based on local circumstances and the opinions of local citizens, rather than a radical physical renewal through indiscriminate demolition, which has been the norm for many redevelopment/reconstruction projects conducted so far.

The main responsibilities of the task force include the creation of new local development models for the regional circular economy, such as welfare and jobs, as well as neighborhood community economy, promotion of social enterprises, support for cooperatives, sharing economy and neighborhood creation, urban renewal, urban landscaping and creation of themed streets, and improvement of residential environments.

Cooperation with Civil Partners on Social Economy Policies

We have now moved beyond the era of states and markets to enter the era of citizens, leaving private gain and power politics behind in favor of the public interest, neighborhoods, and life politics. We are now in the era of neighborhood citizens, each whom has the right to self-determination and participates in and takes responsibility for civil life. With this transition, members of the private sector have come to play a crucial role in implementing social economy policies. The administration of Seongbuk-gu recently organized "Seongbuk Social Cooperatives for Mutual Prosperity," the first group of its kind in Korea that has secured the participation of local social economy leaders, establishing a model for the public-private cooperation system. Under the cooperatives, the administration also created the Seongbuk-gu Neighborhood and Social Economy Center, which serves as an intermediate support organization that coordinates and supports social economy policies planned by the Seongbuk-gu administration.

The existing three intermediate support organizations—the Social Enterprise Hub, Social Economy Support Group, and Neighborhood Support Center—were also integrated to form a single organization. Now, it has the participation of not only key players in social economy but ordinary citizens of the local area as well, creating synergy for public-private cooperation and growth. The organization is directly operated and participated in by local residents, allowing it to contribute to the accumulation of different experiences toward achieving the self-reliance of grassroots democracy. The organization helps maintain and operate public-private governance that seeks out solutions to various pending problems

through monthly meetings between the two organizations introduced above, the Neighborhood Revival Task Force, which has comprehensive responsibility for urban renewal and social economy, and the Seongbuk Social Cooperatives for Mutual Prosperity.

Creation of Regulations and Systems for Social Economy

To vitalize social economy, a legal system will need to be constructed and organizational reform carried out. The bill for the Framework Act on Social Economy proposed to the National Assembly was intended to be a crucial legal framework for the establishment of an ecosystem for social economy that supports, at the government level, the establishment, supervision, and coordination of the policies required for the development of social economy. Sadly, however, the bill was never passed. In a country such as Korea, where no relevant legal system has been established, it was no surprise that it was difficult for a local government to play an important role in the effort to vitalize social economy. Despite the unfavorable situation, the administration of Seongbuk-gu made great efforts to lay a foundation for the comprehensive supervision of social economy policies and secure a social investment fund by establishing basic rules for social economy.

In July 2012, the administration enacted the "Ordinance on the Purchase Promotion and Support for Market Creation for the Social Economy Products of Seongbuk-gu," making it the first local administration in Korea to set forth such an ordinance. The ordinance was aimed at encouraging the local public sector to purchase the goods and services provided by social economy firms over others. The administration enacted a total of nine local ordinances, including one supporting local cooperatives, social enterprises, neighborhood corporations, fair trade, and the sharing economy and one supporting the "neighborhood making" movement. These ordinances were part of the effort to improve regulations and systems for the vitalization of social economy and its integration with urban renewal.

■ Success Stories of Seongbuk-gu Governance

Jangsu Village, Neighborhood Consolidated through Neighborly Love and Care

Jangsu Village in Seongbuk-gu is a successful case of urban renewal based on the participation of local citizens, which took place after the village was removed from the Neighborhood Redevelopment Program. Located on a hilly area and home to a section of the historic Seoul Fortress Wall, Jangsu Village contains a lot of state and public lands, and about 95 percent of its homes are old and deteriorated. For its renewal plan, the Seongbuk-gu administration decided to not adopt the traditional approach, which demolished entire villages to make way for rebuilding, and, instead, chose a new

approach focused on enhancing the living environment by improving infrastructure using public funds and having homeowners rebuild or remodel their homes using their own money, while paying careful attention to preserving the area's historical and natural heritage.

The success of Jangsu Village's renovation project owed much to the democratic participation of the villagers. Although the entire project was supervised by the village company, called "Neighborhood Carpenters (Dongnae Moksu)," specific issues were proposed, discussed, and decided by the villagers themselves at venues provided by the village museum, village guesthouse, and cafes. Another remarkable success case of social economy is that a social economy company named "Needlework for the Earth (Daejireul Wihan Baneujil)" actively participated in village events, especially wedding ceremonies, thus contributing to the creation of jobs.

Apartment Community: Conserving Energy in Seongbuk-gu and Agreements on Being "Happy Together"

Abuse of power (Gapjil) is one of the most hotly debated issues in Korean society today, and one of the groups of people most affected by such abuse of power is security guards working at apartment complexes. In 2015, a special declaration was announced in Seongbuk-gu, where about 60 percent of all residents live in apartment buildings. Titled "Declaration on the Job Security for Aged Apartment Complex Security Guards," the declaration was announced by the representatives of the residents of 112 apartment complexes. The declaration, the first of its kind in Korea, is comprised of six articles, which can be summarized as: (1) refrainment from job cuts, (2) refrainment from hiring young guards, (3) minimization of work outside of official duties, (4) improvement of working environment, (5) extension of retirement age (from 60–65 to 70), and (6) provision of retirement allowance. The declaration reflects the desire of the community of Jangsu Village to prepare measures that promote the coexistence of all members of the village before the conflict over abuse of power becomes too destructive.

The villagers' call for coexistence may lead to an increase in apartment management fees and, hence, greater financial burden on those living in apartments. Despite this, however, the citizens of Seongbuk-gu decided to pursue the virtue of being "happy together." Instead, they tried to minimize the increase in cost by adjusting the working hours of security guard and making contracts directly with guards rather than hiring them through employment agencies. In addition, their efforts to save energy by switching to LED lights in parking lots and outdoor lighting for common areas was supported by the Seongbuk-gu administration. They also developed a fairer "Happy Together (Donghaeng)" contract in which the two signing parties are referred to as Dong (literally "together") and Haeng ("happy"), rather than the traditional discriminatory terms, Gap (i.e. "A") and Eul (i.e. "B"), thus contributing to

Seongbuk-gu's efforts to build supportive ties and a stronger sense of community among citizens living in apartment buildings.

■ Tasks for a Better Neighborhood Community

Playground for Social Economy: Establishment of Fundamental Laws for Social Economy

The 20th National Assembly of Korea is wrestling over legislation for fundamental laws on social economy. One party will praise a bill, saying that it would be an effective alternative that would support the smooth operation of the market economy, while the other vehemently opposes it, claiming that it could destroy the entire market economy. It might come as a surprise to those leaning toward the value of the market, but the truth is that the market was not created autonomously and cannot be operated autonomously. As economic anthropologist Karl Paul Polanyi pointed out, an autonomous market operating beyond the regulations of society can cause the collapse of the entire society, much like his "satanic mills" would do. We Koreans have already experienced this, through the waves of neoliberalism that struck Korea following the 1997 Asian financial crisis.

Social economy refers to the area of economic activity in which people recognize the positive value of seeking private profits but expect the activity to contribute more to securing the public interest and promoting social integration. Considering that Korean society is suffering from polarization and social inequality aggravated by the traditional economic system's heavy reliance on the performance of conglomerates and the growth-first policy, the function of social economy to improve these circumstances becomes more important. Therefore, the Korean government should not postpone the passing of fundamental laws on social economy, under which social enterprises, neighborhood companies, and cooperatives are designated as social economy organizations, and the adoption of related bills to promote and support them.

Virtuous Cycle of Social Economy and Neighborhood Democracy

In terms of social economy, Seongbuk-gu has achieved remarkable growth in a comparatively short period of time and, as mentioned above, continues to expand its development potential through the integration of urban renewal projects. Despite this development, however, it has yet to achieve more tangible achievements. Moreover, the legal and systematic support from the central government in this regard is still far from sufficient, as are the capabilities of civic society. Here, I would like to stress the importance of combining social economy and neighborhood democracy as a means of overcoming this

problem.

The most important part of social economy and neighborhood democracy is increasing public awareness of citizens' rights and strengthening the capabilities of citizens. To achieve this, we need to have more meetings and create more organizations capable of combining the interests and passions of citizens and further promote their activities. From a social economy viewpoint, the autonomous associations of civil society can develop into potential consumer and production markets. Meanwhile, from the viewpoint of neighborhood democracy, grassroots civil organizations can serve as a medium through which discussions are held and solutions are found with the goal of tackling the problems arising in citizen' s daily lives. Therefore, the tasks we fulfill in the days ahead should be to create as many small meetings and organizations as we can in our neighborhood and combine them with social economy and neighborhood democracy, thus eventually realizing a better neighborhood community where citizens themselves play the key role in addressing and coping with their communal affairs.