

2018행복의 경제학 국제회의 전주

The International Conference on the Economics of Happiness 2018 Jeonju

Strategy for Localization

November 8 (Thu.) – November 9 (Fri.), 2018

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 2016 Jeonju

Contents

■ Programs	6
■ Major Figures	8
■ Purpose Statement of Conference Host	16

CHPATER 01 – OPENING SESSION

■ Oh Chang-hwan Chairman of the Organizing Committee	20
■ Kim Seung-su Mayor of Jeonju	22
■ Park Byung-sool Chairman of Jeonju City Council	24
■ Chairman of Jeonju City Council Chairman of AKLGSES	25

CHPATER 02 – MESSAGES FROM OVERSEAS SPEAKERS

■ Helena Norberg-Hodge	28
■ Edahiro Junko	29
■ Nonoyama Rieko	30
■ Jay Tompt	31

CHAPTER 03 – KEYNOTE ADDRESS

■ Localization: True Development Strategy in the Unstable Global Political..... Environment Helena Norberg-Hodge	34
---	----

CHAPTER 04 – SUBJECT LECTURE

■ How to Revitalize Local Economy Edahiro Junko	50
■ New Cooperation Plan for Palsystem Producers and Consumers Nonoyama Rieko.....	60
■ Basic Direction for Citizen-led Economic Transition Jay Tompt	70

CHAPTER 05 – WORKSHOP SESSION 1, ‘LOCAL FUTURES’

- Revitalization of Local Economies and Public Involvement | Edahiro Junko 85
- Village Leader’s Growth Strategy, Starting with Urban 86
Regeneration and Community Activities | Kim Sung-gook
- Urban Regeneration Sustainability from the Local 88
Circular Economy Aspect | Im Gyeong-su

CHAPTER 06 – WORKSHOP SESSION 2, ‘LOCAL FOOD’

- Local Food Plan and Palsystem’s Role | Kato Kaori 95
- 「Jeonju Food 2025」 Plan Implementation Strategy | Kang Seong-wook 98

CHAPTER 07 – WORKSHOP SESSION 3, ‘LOCAL FINANCE’

- 시민 주도형 경제 전환 워크숍 | JayTompt 103
- Happy Money Siheung Currency “Siru” Circulated in the Region | Lee Jae-hwan 106
- Community Economy Shaped by Eunpyeong Currency “Peace” | Park Chi-deuk 116

CHAPTER 08 – FREE DISCUSSION

- Moderator | Park Jin-do, President of the Korea 124
Regional Development Foundation
- Panel | Helena Norberg-Hodge, JayTompt, Nonoyama Rieko,
Kim Chang-hwan, Im Gyeong-su, Hwang Young-mo, and Sohn Hyun-joo

■ PROGRAMS

November 8 (Thursday)			
Time (min)	Program		Venue
09:00 ~ 09:30 (30')	Registration		F2, Performance Hall of the Korea Traditional Culture Center
09:30 ~ 10:00 (30')	Opening session (min)		
10:00 ~ 10:40 (40')	Keynote address	· Localization: True Development Strategy in the Unstable Global Political Environment /Helena Norberg- Hodge	
10:40 ~ 11:55 (75')	Subject Lecture	· How to Revitalize Local Economy /Edahiro Junko · New Cooperation and Initiative between the Producers and Consumes /Nonoyama Rieko · Basic Direction for Citizen-led Economic Transition /Jay Tompt	
11:55 ~ 12:05 (10')	Special Speech	· Kim Seung-su, Mayor of Jeonju City	
12:05 ~ 12:15 (10')	Burning the Non- performing Loan	· Event of Burning the Non-performing Loans	
12:15 ~ 12:25 (10')	Commemorative Photography		
12:40 ~ 13:40 (60')		Lunch	
14:00 ~ 17:00 (180')	Session 1, 'Local Futures'	Presenters Edahiro Junko, Kim Sung- gook, and Im Gyeong-su Chairperson Heo Moon-kyung Panel Chung Su-kyung, Ko Eun-seol, and Cho Sun	F2, Performance Hall of the Korea Traditional Culture Center
	Session 2, 'Local Food'	Presenters Kato Kaori, Nonoyama Rieko, Kang Seong-wook Chairperson Hwang Young-mo Panel Park Su-yeong, Kim Hyeon-gon, Cho Kyung-ho, Kim Yang-woo, and Chang Sun-cheol	F4, Seminar Room of the Korea Traditional Culture Center

14:00 ~ 17:00 (180')	Session 3, 'Local Finance'	Presenters Lee Jae-hwan and Park Chi-deuk Chairperson Sohn Hyun-joo Panel Jay Tompt, Yun Sung-il, Lee Jae-min, and Go Eun-ha	F4, Training Center of the Korea Traditional Culture Center
-------------------------	---	---	---

11.9 (금)			
09:30 ~ 10:30 (60')	Presentation of Workshop Results		F2, Performance Hall of the Korea Traditional Culture Center
10:30 ~ 11:10 (40')	Free Discussion	• Moderator : ark Jin-do, President of the Regional Development Foundation • Panel : Helena Norberg-Hodge, Nonoyama Rieko Jay, Tompt, Kim Chang-hwan, Im Gyeong-su, Hwang Young-mo, and Sohn Hyun-joo	
11:10 ~ 11:40 (30')	Closing Session	• Closing Performances	

The International Conference on the Economics of Happiness 2018, Jeonju

■ MAJOR FIGURES



Keynote Address

Helena
Norberg-Hodge

- (Australia) Chairperson of Local Futures
- Pioneer of local movement activists worldwide
- Launching ISEC (called Local Futures since 2014)
- Received a prize in the Right Livelihood Award in 1986
- Books: Ancient Futures □ Learning from Ladakh (1992) and The Economics of Happiness (2012)



Subject Lecture

Eda Hiro Junko

- (Japan) President of Institute for Studies in Happiness, Economy and Society
- Master of Educational Psychology, Graduate School of the University of Tokyo
- CEO of e's Inc.
- Chairperson of Environmental NGO, Japan for Sustainability
- Books: Recreating Local Economies □ Analysis, Diagnosis, and Measures (2018) and many more



Subject Lecture

Jay Tompt

- Associate lecturer in Economics at Plymouth University (UK)
- Earned MBA from the Middlebury Institute of International Studies at Monterey, and BA in Philosophy at San Jose State University
- Fellow of the Royal Society of Arts
- Co-founding member and consultant of the Totnes REconomy Project
- Co-developed Local Economic Blueprint course and handbook
- Gave numerous lectures on community-led economy in Europe and Japan



Subject Lecture

Nonoyama Rieko

- (Japan) Chairperson of Palsystem Tokyo
- Deputy chairperson of the Board of Palsystem Consumers' Cooperative Union (10 cooperatives), centered on Japan's capital area



Session 2 Workshop Lecture

Kato Kaori

- (Japan) Product Planning Department Chief Director of Palsystem

■ KOREAN MAJOR FIGURES



Kim Seung-soo
Mayor of Jeonju City

As the incumbent seventh Mayor of Jeonju City elected by popular vote, Mayor Kim pays close attention to people, culture, and the ecosystem that determines the city's identity. He also studies changes in the urban development paradigm, to usher in a brilliant period of prosperity for Jeonju, along with Jeonju citizens for a better world. He promotes the old city center village regeneration and the Jeonju Food Plan, and endeavors to launch Jeonju as a social and economic leader through sustainable growth support of social and economic organizations, and job creation. In addition to co-chairing the Governors Club, a gathering of seven local government heads elected by popular vote, Mayor Kim is the vice chairman of the National Large City Mayors Council and chairman of the Happiness Realization Local Government Council for 2018. Through these roles, he is building solidarity and a cooperative system with other local governments. Mayor Kim is working hard to make Jeonju the Happy City, where citizens look forward to a brighter tomorrow with passion and devotion



Park Byung-sool
Chairman of Jeonju
City Council

As the fourth-elected Councilor of Jeonju City Council, Chairman Park is the 11th (first half) Chairman of the Jeonju City Council, and the 8th Chairman of Jeonbuk Governors Councils. With sincere and exemplary council activities, he realizes the value of the local autonomy era. In particular, he contributes enormously to regional economic development with great passion, in view of shaping Jeonju's Southeast Area Cultural Belt, securing urban infrastructure facilities for rural area, and proposing ordinance on the use of Jeonju City big data, as well as establishment and operation of a Senior Citizens Welfare Fund. Chairman Park strives for the recovery of regional community culture in his role of secretary-general of the Jeonbuk Senior Citizens Welfare and Filial Duty Research Institute, and devotes himself to the implementation of "Council Making Citizens Happy"



Chung Won-oh
Chairman of
AKLGSES

Chung serves as the seventh Seongdong Gu (Seoul) Head elected by popular vote for a second term. Seongdong Gu is trying to realize a city sharing knowledge and technology in the Fourth Industrial Era with all residents, a city without alienation, where all citizens enjoy educational, cultural, and welfare benefits, for a "Smart and Embracing City Where All Residents Become Happy Together". Currently, as Chairman of AKLGSES, he makes contributions to the unity and cooperation of basic local government heads nationwide, both socially and economically. He is also a specially-appointed professor of the Business School at Hanyang University and Chairman of the Local Government Council to Prevent Gentrification. His published works include "Urban Paradox, Gentrification", and "Urban Innovation, Smart City"



Park Jin-do
President of Korea
Regional
Development
Foundation

Park 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. Park 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.



Session 1 Presenter
Kim Sung-gook,
President of Angel Village

Kim is President of the “Angel Road People Community” , established by residents for construction of an angel village, “Nosong-dong” – a place where people can live together and never have to leave. He brings the village to life through the village building up project, improving residents’ living environment, securing residents’ jobs, and sponsoring support projects for the underprivileged.



Session 1 Presenter
Im Gyeong-su,
Center Director

Im is the Urban Regeneration Support Center Director of Jeonju A Ph.D. in environmental engineering, he serves as CEO of a social enterprise, Eejang, and is an executive director of Wanju Community Business Center. He holds the following offices: chairman of Hwaseong Business Distribution Organization, and chief of Nonsan Community-based Economic Bureau



Session 2 Chairperson
Dr. Hwang Young-mo

Dr. Hwang is a graduated of the Dept. of English Language and Literature at Kyunghee University, with a doctorate from the Dept. of Agricultural Economics at Chonbuk National University. As a former research fellow of Hokkaido University, Japan, he is currently serving as Research and Planning Division Manager of Jeonbuk Institute. Dr. Hwang has been researching local foods and food planning from the local circular economic and socio-economic perspectives. He is currently a director of KFMA, and member of the Jeonbuk Regional Development Committee, Seoul Food Civil Committee, and Regional Development Committee Assessment Panel.



Session 3 Presenter
Lee Jae-hwan,
Official in Charge

Until 2017, Lee was a project manager of Siheung City Local Currency Promotion Group, a private-public network, in Siheung City promoting the adoption of a private-public cooperation-based local currency. Since 2018, he has been working as a public official for a limited period of time in the Regional Reciprocal Team of the Small Business Dept. in Siheung City. He is working hard today to diffuse Siheung Currency “Siru” in the region.



Session 3 Presenter
Park Chi-deuk,
Center President

Park is the President of Eunpyeong Gu Social Economic Hub Center, a hub of social and economic invigoration pursuing a virtuous cycle of reciprocity and solidarity. He strives to support construction of a healthy social and economic ecosystem, growth of local society, and shaping an economy shared with neighbors. The center supports region-based social and economic organizations, incubating, social enterprise’ s entry and joint business implementation, and corporate capability consolidation.

■ ORGANIZING COMMITTEE OF THE INTERNATIONAL CONFERENCE



Oh Chang-hwan,
Organizing
Committee Chairman

A Ph.D. in Earth Environmental Science at Stanford University, Oh has been serving as professor of the Dept. of Earth Environmental Science at Chonbuk National University. He has led environmental movements presenting alternatives through mediated-settlement, by which environment and regional development can co-exist to solve social conflicts caused by Saemangeum Embankment Development that brings about serious environmental destruction. He is currently the co-chairman of Jeonbuk Federation of Environmental Movements. Hwang is the chairperson of Jeonju Council for Sustainable Development, and has been playing a pivotal role in Jeonju becoming one of the best regions nationwide for private-public cooperation, through activities in the Jeonju Council for Sustainable Development for 15 years.



Heo Moon-kyung,
Chairperson of
Planning and
Operating Committee

Heo is a research professor of Jeonju University, and a researcher in the sustainable development and socio-economic field. She is serving for the Presidential Commission on Policy Planning, Jeonbuk Social Economy Network, and policy member of Jeonju Council for Sustainable Development. She studies field policy cases, and feels fruitful by returning the case study results to the places where the results are needed policy sites. After guiding Helena Norberg-Hodge to Jeonju, she has devoted herself to the success of the International Conference on the Economics of Happiness.



Go Eun-ha
Committee Member

Go is the Jeonju Self-support Center Director. She dreams of and devotes her talents to developing a welfare environment by which people live prosperously by helping their neighbors. Through Jeonju Social and Economy Network, she strives to realize a labor-intensive socio-economic corporate complex in the community with communication and solidarity, to disseminate the value of sharing. She served as the Operation Committee Chairman of Jeonbuk Coalition for Cooperative Society Committee and Director of Jeonbuk Medical Welfare Social Cooperative.



Kang So-yeong
Committee Member

Kang is the secretary-general of Jeonju Council for Sustainable Development, which was established as a private-public cooperative organization tasked with overcoming earth's environmental crisis. Jeonju Council for Sustainable Development carries out the index movement by which regional sustainability can be assessed, eco-traffic campaigns including public transportation and bicycle activation, energy savings and home sunlight power plant energy movement, and an urban regeneration movement through vitalization of education on the old city center.



Kim Chang-hwan
Committee Member

Kim's vision is for an old and original city center, traditional market, and rural village through public studio SimSim and social enterprise Ieum. He learned policies and gained practical experience in village community and social economy at Wanju CB Center. Currently, he conducts various experiments and challenges for sustainable and humane city development at the Social Economy Urban Regeneration Support Center.



Jang Woo-yeon
Committee Member

As a researcher in the city field at Jeonju Policy Research Center, Jang conducts research on urban regeneration and village community. While studying architecture and cities, he was actively engaged in region-based and site-centered research and activities, including citizen-participatory urban planning, village community, and community business at the Hope Institute, a private think tank of the civil society. Since last year, he has been carrying out research on future heritage and gentrification, while learning region by coming to Jeonju City as the extension of such activities. Jang is preparing for Session 3 of the local currency workshop at the international conference.



Sohn Hyun-joo,
Committee Member

As a visiting scholar of Science, Technology, and Civilization at Chonbuk National University, Sohn is currently serving as an editing director of the Korea Association for Futures Studies. He earned his Ph.D. degree in futurology from the Dept. of Politics at the University of Hawaii. He is researching Korea's alternative future and realizable utopia. In the data society based on hyper-connection, Sohn is interested in new economy movement by which humans, values, and communities can survive. He intends to build a society where humans and robots can co-exist.



Kang Sung-wook,
Committee Member

Starting as a contract public official in Wanju Gun in 2010, Kang has been working in the local food planning organizations, including Community-supported Agriculture (CSA) and Wanju Local Food Cooperative. Since 2015, he has been implementing the Jeonju Food 2025 Plan, a project to realize rights by which safe and healthy foods for all Jeonju citizens can be guaranteed by Jeonju Food Foundation.



Lee Jae-min,
Committee
Member

Lee holds a Ph.D. in Economics and is currently associate professor of Woongji Accounting and Tax College. He is a policy committee member of Jeonbuk Social Economy Network, and is actively engaged in Jeonbuk Regional Development Cooperative. He asserts the fundamental importance of the market's dominant role, barter, and exchange. He insists that the principle of barter can exist, taking up dependent role within a society where the principles of reciprocity, redistribution, and home economy do not rule a society, but can exist within the society. He presents the direction and alternatives of new economics (altruistic economics).



Kim Jin-ok,
Committee
Member

Kim is the 11th Urban Construction Committee Chairman of Jeonju City Council. He endeavors to make Jeonju a safer and more pleasant environment-friendly green eco city, improving citizens' quality of life and happiness through city infrastructure expansion and residential environment improvement in the low income bracket. Above all, he is doing his best to make Jeonju a prestigious green city, with high quality of life vibrancy, and a people-oriented approach to solving housing problems.

■ PARTICIPANTS IN WORKSHOP



Session 1
Chung Soo-kyung

Chung is president of the Pleasant City Research Institute. She works in the urban regeneration field, with passion for building places people enjoy. She also operates Urban BASECAMP, a space to share for companies, projects, research, and seminars related to cities.



Session 1
Ko Eun-seol

As president of the arts planning research institute, Art-Cluster “Byeoluibyeol”, Ko is engaged in connecting people’s cultures and values by discovering the various eras and spaces of cities. In solidarity with good people building cities that are good to live in, she is planning and executing the “Byeoluibyeol Architect Series”, an arena for easy discussion, “Byeoluibyeol House Series”, rediscovering idle spaces, and “Dreaming Hideout”, a project for the next generation.



Session 1
Cho Sun

Cho was a reporter covering grass-roots and public interest affairs, centered on the region and local residents. To help the community and regenerate the region through more active work and activities, beyond the observer position a reporter, she is working in an intermediary support organization for community and urban regeneration. To look into the past and present of cities, she studied urban engineering in graduate school. These days, Cho is focused on the contact point with social economy, citizen capitalization, and Maker City with measures for sustainable urban regeneration. She is interested in linking domain with community and region.



Session 2
Cho Kyung-ho

Cho serves as director of the Regional Agricultural Research Institute. He followed the plough, and has devoted himself to the farmers' movement. He completed his Ph.D. in Economics at the graduate school of Chungnam National University. He researches the agricultural industry based on regional agricultural organizations and internally motivated development theory.



Session 2
Park Su-yeong

Park is the secretary-general of Wonju Food Cooperative, and executive director of Hanal Village. He also served as secretary-general of Wonju Catholic Agricultural Association. He is keenly interested in regional agriculture, local food, cooperatives, and social education, and is a regional activist, centered on the Wonju region.



Session 2
Kim Hyeon-gon

Kim is an aide to Kim Hyeon-gwon, a National Assemblyman of the Democratic Party, who is a member of the Agriculture, Food, Rural Affairs, Oceans and Fisheries Committee. He served as the Organization Bureau Director of the Farmers and Fishermen Committee of the Democratic Party, Policy Office Manager of the Chamber of Jinan-gun Agriculture and Fisheries and secretary-general of the Promotion Group of it, secretary-general of Korean Research Institute for Cooperatives, Organizational Education secretary-general of Gyeonggi Do Branch of the National Farmers Union, Co-chairman of Gyeonggi Do School Lunch HQ, and policy chief of Gimpo Branch of the National Farmers Union.

He endeavors to develop a new future of food in Korea's rural area, through political party movement and politics via experience in the Agriculture and Fisheries Council, a private-public cooperative organization, based on farmers movement, school lunch movement, and cooperative movement.



Session 2
Kim Yang-woo

As the President of the Jeonju Food Producers Association, Kim served as vice president of the Jeonbuk Chapter of the Korea Advanced Farmers Association, Inc. He has been farming since he was 20 and is devoted to the agricultural produce of Jeonju Food in Saekjang-dong, Jeonju City.



Session 2
Chang Soon-cheol

Chang plays a pivotal role in food supply, and strives for regional economic vitalization and sustainable development of Jeonju Food through business agreements with the Jeonju Food Federation. He also conducts continuous research into issues such as construction of the HACCP-certified meat processing system. He served as the CEO of Apple Agricultural Products, and currently chairs Jeonju Meal Service Council.



Session 3
Yun Sung-il

Mapo Community Economy Network “Moa” is carrying out a new economic movement that saves every citizen by gathering the strength of various communities and individuals within the region under the slogan, “The new economy becomes possible, if we gather our strength.” The community currency is issued by the private sector and is used in some 190 establishments within Mapo. Besides, surplus fund utilization movement through the community bank and job creation movement are sought. An activity promoting an alternative economy model through cooperation overcoming the profit-oriented market economy at regional level is being conducted. He is currently director of Mapo Health Welfare Social Cooperative, and of Woolim Dure Consumer Cooperative.



Session 1
Choi Hyun-woo

Choi is actively involved in the Palbok New Yard Village project, which is centered on a run-down residential area close to the Palbok-dong Industrial Complex.

At the very least, he plays a facilitator's role so that he can help each resident to be concerned about the place where they earn their livelihood and they can recognize there is a gradually fading community spirit. They can understand the term "People can gather together".



Session 1
Mun Yo-han

Facilitator

Mun has been involved in agriculture and village building in rural areas and in building sustainable communities. He has also been concerned about the way different residents participate in these activities, he has planned education and workshops for participating residents, and has been engaged in a variety of fields as a facilitator since 2010. He is currently involved in implementing the opinions of the residents through the citizen policy making task of the Jeonju Council for Sustainable Development. Thinking that the best way to change a local area is through resident participation, he strives to form true communicative and cooperative relations.

개최 취지문

Purpose Statement for Hosting the International Conference on the Economics of Happiness 2018 Jeonju

Jeonju City is co-hosting the International Conference on the Economics of Happiness with Local Futures and the Association of Korean Local Governments for Social Economy and Solidarity (AKLGSES) to seek methods of building favorable communities, where all can be happy, beyond competition and bipolarization through economic localization. This International Conference is the fourth conference held in Jeonju, and the 19th conference held by Local Futures across the world.

In 2018, the subject of the conference was set as “Strategy for Localization” to establish strategies based on the vision presented thus far, and apply them to the 2018 conference. The lectures and workshops feature distinguished international experts, including Helena Norberg-Hodge, Edahiro Junko, Nonoyama Rieko, Kato Kaori, and Jay Tompt.

In the keynote address, the chairperson of Local Futures, Helena Norberg-Hodge, will share her experience leading localization discussions all over the world for more than 40 years. Edahiro Junko, the president of Institute for Studies in Happiness, Economy and Society will discuss measures to improve local multiplier effect to reconstruct the regional circular economic system. Nonoyama Rieko, the deputy chairperson of the Board of Palsystem Consumers’ Cooperative Union will explain organizing a council between producers and consumers. Jay Tompt, the Coordinator of REconomy Project, will introduce the case of Totnes, an eco-friendly transition town, centered on social and financial capital.

In each session of the workshop, an arena for close discussion through workgroups, organized by international and domestic presenters and Jeonju citizens, is offered on each subject that has been discussed for several months under “The Future of Local Areas: Urban Regeneration and Residents’ Participation” , “Local Food” , and “Social Finance” .

The above-mentioned programs will be carried out on the first day of the conference, and strategies for localization will be drawn through comprehensive discussions on the details discussed in each session.

I expect many people seeking happy communities to participate in the International Conference for the Economics of Happiness 2018 Jeonju.

Organizing Committee of the International Conference

Strategy for Localization

CHAPTER 1

OPENING SESSION

- Opening address: Oh Chang-hwan, Organizing Committee
Chairman of the International Conference on
the Economics of Happiness 2018 Jeonju
- Welcoming speech: Kim Seung-su, Mayor of Jeonju City
- Congratulatory address: Park Byung-sool,
Chairman of Jeonju City Council
- Congratulatory address: Chung Won-oh,
Chairman of AKLEGSES

Opening Address



Oh Chang-hwan

Organizing
Committee Chairman

Many thanks to the domestic and international speakers and presenters and all of you attending this International Conference on the Economics of Happiness 2018 Jeonju, which is being held in order to build an economic system for pursuing all our happiness. I also welcome all of you. I firmly believe that the two days of speeches and discussions in this conference will be of great help to the promotion of the economics of happiness which is being pursued by not only the local Korean governments but also the world. The previous three international conferences held in Jeonju, provided opportunities for many local Korean governments to become interested in the economics of happiness. I hope that more specific cases will be presented at this year's conference to be circulated and shared around the world.

It is said that a clover is a symbol of happiness, and that in particular a four-leaf clover symbolizes good luck. We humans step on clovers in order to find four-leaf clovers. This means we destroy our happiness to gain good luck. As such, we forget what we do is actually destroying our happiness in many cases. Living in a fiercely competitive and materialistic society is leading us to doing a number of things that are harmful to our health: buying unnecessary items, eating excessively, and buying various cultural facilities so that we have nowhere to exercise. Amid all this, humanity and happiness are being destroyed, serious environmental destruction is being caused, an enormous crisis is looming over all living things on earth including humans, and the global economy is collapsing gradually.

The middle class is also being destroyed worldwide. As all the capital is concentrated on very few companies and wealthy people, conflicts are being heightened globally. Underdeveloped countries are already suffering hugely due to famine and economic destruction, and many living things such as polar bears are in danger. Such suffering will spread to the developing and developed countries in the near future. The need to find a solution to overcome such a crisis is becoming urgent.

We need to find solutions to all these problems based on the results of the International Conference on the Economics of Happiness Jeonju held for 3 years in the past. Strategy for Localization has been selected as the comprehensive subject in this year's conference to seek specific strategies related to localization. To this end, we have invited chairperson Helena Norberg-Hodge, chairperson Eda Hiro Junko, deputy chairperson Nonoyama Rieko, and Totnes coordinator Jay Tompkins to share their knowledge of the following: the basic direction of the economics of happiness based on global

localization, rebuilding the direction of local economic systems, successful case of the council between producers and consumers, and a social capital case within an eco-friendly city. Following the third conference, this year's conference will concentrate on concrete discussions about two areas: building local food systems essential for sustainable cities and about social finance for local economies' vitalization and how they will be carried out. I anticipate more specific cases that could be applied to Jeonju and be spread to the world will be successfully found.

In addition to concrete discussions about these two areas, debates will be made regarding urban regeneration and resident participation. Through all this, I expect the means to invigorate the economics of happiness in many regions of the world will be presented.

Lastly, I extend a special thanks to the mayor of Jeonju, the chairman of AKLGSES, the Jeonju City Council, and the Local Futures' secretariat staff who have actively helped the promotion of this event. I deliver my sincere gratitude to the experts and the relevant officials and civilians of Jeonju City for spending 9 months organizing this conference. I am going to finish my opening address here, delivering my heartfelt thanks to the various organizations that contributed to preparing this conference.

Thank you.

Welcoming speech



Kim Seung-su

Mayor of Jeonju City

Korea has achieved rapid economic development in less than half a century. People around the world have been astonished at Korea's remarkable growth, and they call it a miracle. Korean people feel satisfaction due to better quality of life than that of the past, enjoying material affluence. Naturally, economic development and quantitative growth have become the absolute yardstick of happiness, and have become an ideology dominating Korean society.

However, firm belief in material affluence has been disrupted, as Korea enters modern society. Social inequality, with the gap, environmental destruction arising from the market economy, and recently noted but unexpected problems, such as youth unemployment, instability of old age, and conflicts among generations, choke modern people. As national economic growth viewed objectively cannot reflect individual happiness felt subjectively by each person, many people feel despondency and frustration.

In this context, we ask ourselves the question: What is true happiness? The world including Korea, has started to pay attention to a new economic paradigm in which people become the center, not the market economic logic inciting "Winner takes all" and unlimited competition. This is the social economy leading the global economic trend.

Social economy pursues sustainable economic activities through solidarity within communities based on sharing, cooperation, and reciprocity, not pursuit of profit, which is the supreme value of the market economy.

The social economy is pursuing a stable economic system by thinking of public interest rather than individual profit, and distributing economic power concentrated on large corporations, through human-centered philosophy. The social economy presents a clue to true happiness.

The standard of happiness is pursued by gathering power with others, not by comparing with others. If we seek a win-win method to increase total happiness in our society, rather than seeking individual happiness, based on the happiness standard, pursued together through social consensus, we can build a better society where all citizens feel happy.

This conference, held in Jeonju, that has been making efforts to expand the social economy' s base, will be a valuable time to discuss the future of local areas alongside the supplementary subject, "Strategy for Localization." I expect this conference will be successfully held as an arena to realize the dignified value of the social economy through many people' s interest and participation.

I would like to express my heartfelt thanks to Edahiro Junko, chairperson of Institute for Studies in Happiness, Economy and Society in Japan; Nonoyama Rieko, Chairperson of Palsystem; Jay Tompt, lecturer at Plymouth University; and Helena Norberg-Hodge, chairperson of Local Futures, visiting Jeonju to deliver their valuable messages, the Korean expert panel, and all those who contributed to the conference.

Congratulatory speech



Park Byung-sool

Chairman

I extend a warm welcome to all of you who have come here from home and abroad, valuably thinking the fact that the International Conference of the Economics of Happiness 2018 Jeonju is held in beautiful Jeonju in the autumn.

I deliver my heartfelt thanks to those who have prepared for this event to practice and share the values of living in harmony among people, ecosystem, and culture. I take pride in this opportunity through which Jeonju can become a precious city for hosting this international conference.

Many people undergo frustration and difficulties, owing to the deepening bipolarization of a widening wealth gap, stemming from rapid industrialization, the expansion of material mammonism, and poverty amid affluence or suffering from relative social deprivation.

As the culture of living together becomes vague, due to the collapse of local communities and disintegration of the traditional family structure, various emotional and psychological problems including dying alone and hate crimes spread.

Efforts to expand research on economics of sharing to discover the value of true happiness and add the meaning of sharing will be an essential task for the next generations, as well as our owns.

I am convinced that the efforts to overcome biased community culture, discover local vision, and realize a better future will be the foundation for sustainable development and growth.

I anticipate today' s conference will be a valuable time to introduce to the people of the world the economics of happiness, including the development of our region. I truly congratulate on this conference being held in Jeonju, and cordially request your wisdom and interest.

Thank you.

Congratulatory speech



Chung Won-oh

Chairman of
AKLGSES

『 International Conference on the Economics of Happiness 2018 Jeonju 』

Chung Won-oh-Chairman of AKLGSES

Congratulations on hosting the International Conference on the Economics of Happiness 2018 Jeonju for the fourth time. I am chairman of the Association of Korean Local Governments for Social Economy and Solidarity (AKLGSES).

I am greatly honored to be with domestic and international experts who endeavor to make our lives happier, and with all of you attending this event.

The global economic environment is rapidly changing at a time when nobody knows what may happen tomorrow. Our society is struggling under economic bipolarization, income inequality, and regional imbalance. The AKLGSES has been continuously making its utmost efforts to solve such problems since 2013.

As a person facing local problems in the field, what I feel every day is a transition of the economic system should take place, focusing on a people-oriented value realization to fundamentally solve those problems.

I hope that this international conference to develop as an activity for communities and the restoration of humanity, as well as providing a means of communication for citizens suffering from bipolarization and the local economic downturn.

I deliver my heartfelt thanks to Kim Seung-su, Mayor of Jeonju City, and everyone who planned and prepared this event. We at AKLGSES will do our very best for such efforts to have a significant meaning in Korea's social and economic development process.

Thank you.

Strategy for Localization

CHPATER 2

Messages from Overseas Speakers

-
- Helena Norberg-Hodge
 - Edahiro Junko
 - Jay Tompt
 - Nonoyama Rieko

Greetings Message



**Helena
Norberg-Hodge**

I look forward to participating in this year's conference once again.

Continuous cooperation with Jeonju City is a true honor to us. I hope for your courage and vision to be highly evaluated in Korea.

The failings of the current global economic model are becoming ever-clearer in the world. Every day, my organization, Local Futures, receives news on the fundamental review of the rapidly growing new economy. Environmentalists and leaders with social awareness move beyond their own domains to focus on the need for economic change. The fact that business leaders, environmentalists and social activists have started various initiatives in cooperation with local governments is very encouraging. Here, various fields such as local food, decentralized energy, business partnership, and local financial strategy are included. For information on such encouraging global projects, see the Planet Local Series posted on our website.

In this conference on the economics of happiness, you are showing Jeonju City's important and historic role in such global movements. I especially appreciate Jeonju's wise cooperative relationships with Japanese organizations, focused on food and agriculture.

Greetings Message



Edahiro Junko

Fellow participants!

I am Junko Edahiro from Japan.

I will be joining you for the very important conference in Korea.

From various aspects, the importance of this conference has become greater than ever given the issues facing the world and our society. I firmly believe that a healthy and flexible local economy is the core to maintaining a happy and sustainable society.

I sincerely look forward to being with you to discuss and learn in order to lead our future economy and society in a better direction.

Greetings Message



Nonoyama Rieko

I sincerely congratulate you all on the conference on the economics of happiness held in Jeonju.

Thank you for inviting our Palsystem Consumers' Cooperative Union to this precious event.

Palsystem has been continuously exchanging with advanced cooperatives, and has learned the social solidarity and economy in terms of a consumer cooperative.

Thanks to you, we won the Japanese SGG Prize in the distribution and retail field.

I would like to learn of your efforts in this conference, and also publicize future activities in Japan. I earnestly hope for your success.

Greetings Message



Dear citizens of Jeonju City!

Thank you for inviting me. I eagerly look forward to learning about your lives, culture, and challenges during my visit to Jeonju. I have waged movements related to transition, permaculture, and solidarity economy for the past 10 years, and I sincerely hope to share my experience along with that of my colleagues.

Jay Tompt

I am interested in climate change, environmental destruction, injustice, and various types of corruption in the democratic society, and I am very concerned about each of them. The current economic system seems to be the root cause of such problems. Large corporations have many rights and vast power, and they do not want to change such a system. Because a system is complex and ceaselessly evolving, difficulties occur for those who want systematic change.

However, I am hopeful and optimistic about all these challenges and difficulties. There are many who work positively, develop alternatives, gather, share, learn, and make organizations together for ambitious cooperation. From this perspective, I extend gratitude to the key role of this conference, and I am really appreciative of my opportunity to participate in this conference. My colleagues and I lead global movements for positive change. As the system that we want to change is complex and ceaselessly evolving, only our efforts can achieve a fast and positive trickledown effect. Nobody actually can predict what will happen in the future.

The movements that I and my colleagues pursue are focused on organizing citizens to develop the local economic system into a mode of tolerance, fairness, social regeneration, elasticity and adaptation-improvement. I look forward to sharing our stories and experiences with you.

Strategy for Localization

CHAPTER 3

Keynote Address

-
- Localization: True Development Strategy in the Unstable Global Political Environment | Helena Norberg-Hodge

Localisation: Towards genuine progress in a politically unstable world

Helena Norberg-Hodge

For those who care about peace, equality and the future of the planet, the global political swing to the right over the past few years is deeply worrying. How did populism turn into such a divisive and destructive force? From my 40 years of experience working in both industrialised and land-based cultures, I believe the primary reason is globalisation. When I say globalisation, I mean the global economic system in which most of us now live—a system driven by continual corporate deregulation and shaped by neoliberal, capitalist ideologies. But globalisation goes deeper than politics and the economy. It has profoundly personal impacts.

Under globalisation, competition has increased dramatically, job security has become a thing of the past, and most people find it increasingly difficult to earn a liveable wage. At the same time, identity is under threat as cultural diversity is replaced by a consumer monoculture worldwide. Under these conditions it's not surprising that people become increasingly insecure. As advertisers know from nearly a century of experience, insecurity leaves people easier to exploit. But people today are targeted by more than just marketing campaigns for deodorants and tooth polish: insecurity leaves them highly vulnerable to propaganda that encourages them to blame the cultural “other” for their plight.

To reverse this trend, neither a politics of identity, nor of conventional 'left' versus 'right' politics, is sufficient. Instead, we need to fundamentally change the structural economic forces at the root of the problem. Those forces have been unleashed by the deregulation of global banks and corporations, and reversing that process is our best hope for peace and stability.

In order to see how corporate deregulation has led to a breakdown of democracy, to increasing fundamentalism and violence, and to the rise of far-right political leaders, it is vitally important that we see the broader connections that mainstream analyses generally ignore.

Globalisation & Insecurity

Many people, especially on the left, associate globalisation with international collaboration, travel and the spread of humanitarian values. But at its core, globalisation is an economic process—one that has been at the heart of neoliberal ideology and the corporate agenda since the end of World War II. In the Global South, it's referred to as ‘development’, in the global North, as progress. But in both North

and South the fundamental process is the same: the deregulation, centralisation and privatisation of business, finance and politics.

These days, this is mainly accomplished through ‘free trade’ treaties that give corporate entities the freedom to move across the world in search of the cheapest labour, the least stringent health and environmental standards, the biggest tax breaks and the most generous subsidies. These treaties enable corporations to move operations—and consequently jobs—wherever they please. They even give them the right to sue governments over laws or regulations that threaten their potential profits—thus making a complete mockery of democracy. Locked into a system requiring constant global “growth”, communities have seen their local economies undermined, pulling them into dependence on a volatile corporate-led economy over which they have no control.

The trajectory of growing corporate power is not inevitable or natural, nor is it a consequence of supposed ‘efficiencies of scale’, as many assume it to be. Rather, it is the result of decades of policy choices by national governments as well as international bodies like the World Bank and the IMF, which deliberately support the big and the global in the belief that corporate growth is the pathway to peace and prosperity. Not only have global corporations and banks been allowed to take advantage of differences in labour, health, safety, and environmental standards across the globe, they have also been granted huge tax breaks and massive direct subsidies. Even more insidiously, the corporate system has been built on a range of indirect subsidies—largely for the infrastructure on which globalisation depends. Global marketers like Wal-Mart, Amazon and Apple require a well-developed and constantly expanding transport network of seaports, railways, airports and mega-highways, as well as massive amounts of heavily subsidised fossil fuels for transport. To monitor their supply and delivery chains they also need advanced satellite communications technologies—something also required by global banks and financial institutions for moving capital around the world. In almost every country, educational systems have been shifted towards training students for the skills needed by the corporate world. All these mechanisms structurally favour big and global businesses over those that are localised or place-based, and most have been paid for not by the corporations themselves, but by the taxpayer.

Even the global businesses that appear to have been ‘bootstrapped’ into existence by charismatic entrepreneurs owe much of their success to government largesse. As author Mariana Mazzucato argues, even the iPhone was less a product of Steve Jobs’ imagination than of publicly funded research by the US Department of Defense and the National Science Foundation. And Elon Musk’s futuristic businesses have benefitted not only from \$5 billion in direct local, state and federal support, but from decades of research on, among other things, rocket technology.

Job insecurity

As corporations have been freed up, the jobs they provide have become increasingly insecure. For example, under the 1994 North American Free Trade Agreement (NAFTA), the USA suffered a net loss of an estimated 700,000 jobs as manufacturers relocated to Mexico, where wages were cheaper and labour standards lower. But globalisation is an ongoing ‘race to the bottom’, so not all of those jobs stayed in Mexico: between October 2000 and December 2003 alone, Mexico lost 300,000 jobs because Chinese mass-produced exports to the United States were cheaper. Overall, Mexico’s farmers were the biggest losers: highly subsidised agricultural products from the United States infiltrated their local markets, undermining the livelihoods of approximately 2.3 million small farmers. Many of these farmers ended up in Mexico’s crowded cities, where they were forced to compete with one another for low-paying industrial jobs. With few viable options, many ended up migrating – legally or not – to the United States. These victims of globalisation, ironically enough, often became the far right’s scapegoats for American job losses.

While the media has emphasised rising standards of living among industrial workers in the global South, the benefits for workers there are heavily outweighed by the benefits to the corporations that offshore their manufacturing operations. Of the price paid for an Apple iPhone, for example, less than 2% goes to the Chinese workers involved in its production, while 58% is captured by Apple as profit.

It’s not only the disappearance of jobs that leads to stagnant or declining standards of living, but the threat that jobs can be easily taken elsewhere if workers don’t accept lower wages, longer hours or fewer benefits. In this way, the many multilateral and bilateral “free trade” treaties now in force serve to undercut workers’ bargaining power and depress wages even for the corporate jobs that haven’t been offshored.

Jobs are also lost as businesses are centralised and scaled up. When a global corporation—propped up by a range of tax breaks and subsidies—enters a new market, the local economy tends to experience a net loss of jobs, as smaller competitors that tend to be more dependent on human labour go out of business. Some studies have shown that every new supermarket in the UK entails a net loss of 276 jobs. The online marketer Amazon has destroyed 150,000 more jobs than it has created, according to a report from the Institute for Local Self-Reliance. Like other online retailers, Amazon has not only benefited from communications and transport infrastructures built at public expense, it has avoided collecting state and local sales tax from its US customers—sales tax revenues that states and localities desperately need—giving Amazon a price advantage of as much as 9.75% over main street businesses.

At the same time, many jobs are being lost to advanced technology. The obvious example is in manufacturing, where robots have replaced a wide range of skilled workers, but technology is having a similar impact on agriculture. The global economy's export-led markets demand huge amounts of standardised commodities; producing those foods on a large scale means monocultural production, which is heavily dependent on industrial machinery and chemical inputs, but requires only a relatively small agricultural labour force. As a result, there have been massive declines in livelihoods in the agricultural sector. In the EU, nearly 4 million farms with holdings under 10 hectares have disappeared in the last decade; today, just 3% of farms control more than 50% of total EU farmland. In the US, the Census Bureau considers farmers such a demographically insignificant population that it no longer tracks their numbers, but it is estimated that there are now fewer farmers in America than there are people in prison. As information technology becomes more sophisticated, jobs in many other sectors are being transferred away from people to computers. For now, poorly-paid manual work and highly-skilled positions are relatively protected from this trend, but technological advance is leaving everyone more insecure about their job.

Political insecurity

Deregulation of corporations, including banks, has enabled a handful of giants to monopolise global markets. Some have grown bigger than nation states, both in terms of wealth and political influence. These multinationals have used their unprecedented power to lobby governments into still more economic deregulation, using mechanisms such as Investor-State Dispute Settlement (ISDS) clauses in free trade treaties to sue governments and attack public-interest regulations.

While 'free trade' gives big players the freedom to do as they please, it means quite the opposite – more regulation and restrictions – for smaller, nationally-based players. Governments have been lobbied by big business to constrain the activities of smaller businesses by locking them into unreasonable standards and convoluted bureaucracy. In many cases, an unfair burden falls on small-scale enterprises through regulations aimed at problems caused by large-scale production. Battery-style chicken farms, for example, clearly need significant environmental and health regulations: their millions of genetically-identical, closely confined animals are highly prone to disease, their tonnes of concentrated effluent need to be safely disposed of, and the long-distance transport of processed poultry entails the risk of spoilage. Yet a small producer – such as a farmer with a few dozen free-range chickens – is subject to essentially the same regulations, often raising costs to levels that make it impossible to remain in business. Large-scale producers can spread the cost of compliance over a far greater volume, making it appear that they enjoy 'economies of scale' over smaller producers.

At the same time, governments themselves have been impoverished by corporate deregulation. Their funds have been stretched by the heavy subsidies handed out to attract big business, and their revenues have been eroded by tax breaks, offshoring, and the ability of multinationals to hide profits in countries with lower tax rates. The deregulation of finance has left governments ever more indebted to global banks and corporations. At the same time, governments are left to cover all the externalities—the social and environmental problems that are the inevitable by-products of global growth.

Increasingly distanced from the institutions which make decisions that affect their lives, and insecure about their economic livelihoods, many people have become frustrated, angry, and disillusioned with the current political system. Although democratic systems worldwide have been hugely compromised by the de facto government of deregulated banks and corporations, most people blame government leaders at home. Because they don't see the bigger picture, increasing numbers of people have grown susceptible to the false claims and empty promises of unconventional, authoritarian candidates, who are thereby able to gain a foothold in political arenas.^{av}

Psychological insecurity

As local, even national, economies are undermined, the fabric of interdependence that holds communities together begins to fray. This not only leads to social fragmentation and isolation, it also unravels the safety net ensuring that the surrounding community can be relied upon for help in times of hardship.

At the same time, the global consumer culture that supports corporate growth is relentlessly expanding. People all over the world are targeted with advertising messages telling them: “you are not good enough as you are, but you can improve yourself by buying our product.”

As face-to-face relationships deteriorate and real-life role models are replaced by distant, artificial images of perfection in mass media and in the hyperbolic world of social media, unhealthy comparison runs rife. These trends are associated with rising rates of disorders such as anorexia, anxiety, aggression and even suicide, while social isolation, domestic stress and increasing economic pressures have given rise to epidemics of depression and addiction.

Left insecure and marginalised by the new economy, people can be highly vulnerable to prejudice. In the global South especially, the breakdown of communities and cultures is severing rich intergenerational relationships and uprooting identities, often replacing them with unhealthy alternatives that reflect a desperate need for belonging. Ideological fundamentalism and extremism seem to offer an explanation for worsening social and personal ills, as well as a radical solution. It can provide personal

validation and meaning, solidarity and a sense of community—all essential human needs that have been undermined by globalisation.

The uprooting of land-based populations—a dramatic and visible trend in the countries of the global South—has been the driver of much of the ethnic conflict, fundamentalism and radicalism in that part of the world. In the global North, rural areas have been similarly hollowed out by global economic forces. Small family farms tied to the global food economy are caught between the rising prices charged by the agribusinesses that sell them inputs and equipment, and the falling prices paid by those that purchase their production. They simply cannot compete with heavily subsidised export-led agribusinesses, and their steady demise has decimated the local economies and communities they once supported. Young people who have grown up in these rural areas often see no future for themselves there: not only are jobs scarce, but the media and advertising tell them that urban life is ‘cool’, glamorous and exciting by contrast. These parts of the country—referred to as ‘the heartland’ in the United States—have become fertile ground for far-right authoritarian movements.

Challenging Authoritarianism: the prospect of localisation

We urgently need widespread awareness of the big picture of economic deregulation and its impacts on our communities and personal lives. It is only ignorance about this system that enables the pseudo-solutions of Trump, Brexit, Duterte and others to gain strength, even as the global economic system marches onwards, unfettered. Despite the fact that these destructive political forces are often branded as “anti-globalist”, they are actually serving to strengthen global monopolies.

Any movement to address the woes of the disenfranchised must not only expose and diagnose the systemic illness of economic deregulation, but must also present a coherent alternative. I believe economic localisation is the most strategic solution. The localised path would involve a 180-degree turn-around in economic policy, so that business and finance become place-based and accountable to democratic processes. This means reregulation of global corporations and banks, as well as a shift in taxes and subsidies so that they no longer favour the big and the global but instead support small scale on a large scale. Rebuilding stronger, more diversified, self-reliant economies at the national, regional and local level is essential to restoring democracy and a real economy based on sustainable use of natural resources—an economy that serves essential human needs, lessens inequality and promotes social harmony.

The way to bring this change about is not to simply vote for a new candidate within the same

compromised political structure. We instead need to build up diverse and united people's movements to create a political force that can bring about systemic localisation. It means raising awareness of the way that globalisation has made a mockery of democracy, and making it clear that business needs to be place-based in order to be accountable and subject to the democratic process. We need to start talking politics with one another—with those concerned about social justice and peace, those focused on unemployment, environmental issues, or spiritual and ethical values. It means raising awareness of the common interest that unites single-issue campaigns and bridges left-right antagonism. Creating face-to-face local groups that then link up nation-wide and even internationally, can form a diverse movement—a critical mass—which can enter politics and remain strong in its pro-democracy/anti-corporate position, despite the systemic vested interests that it will inevitably have to challenge.

Although such a global movement has not yet arisen, in some countries we've seen glimpses of the widespread desire for fundamental change. In the last UK election, the Labour party manifesto included several measures, such as renationalising key sectors that have been taken over by private corporations. Although Labour did not win the election, it received a large proportion of the vote. In the US, the 2016 presidential campaign of Bernie Sanders was another example of a politician responding to the growing chorus of voices critical of corporate control of the economy.

However, the issue is complex: the nation state remains the political entity best suited to putting limits on global business, but at the same time more decentralised economic structures are needed, particularly when it comes to meeting basic needs. These localised economies require an umbrella of environmental and social protection strengthened by national and even international regulation, but determined through local political engagement. This comes close to the platform of La Via Campesina, originally Latin American but now global in scope. Although it does not run candidates for political office, it has come to represent over 400 million small farmers worldwide in campaigning for food sovereignty and in opposition to corporate deregulation.

Localisation is a solution-multiplier. It can restore democracy by reducing the influence of big business on politics and holding representatives accountable to people, not corporations. It can reverse the concentration of wealth by fostering the creation of more small businesses and keeping money circulating locally. It can minimise pollution and waste by providing for real human needs rather than desires manufactured by the consumer culture, and by shortening distances between producers and consumers.

Localisation also enables people to see more clearly the impacts of their actions: in smaller-scale economies, for example, one readily knows whether food production is dependent on toxic chemicals,

whether farm workers have been mistreated, and whether the land remains healthy. In this way, business becomes more accountable.

By prioritising diversified production for local needs over specialised production for export, localisation redistributes economic and political power from global monopolies to millions of small producers, farmers and businesses. It thereby decentralises political power and roots it in community, giving people more agency over the changes they wish to see in their own lives.

By prioritising diversified production for local needs over specialised production for export, localisation redistributes economic and political power from global monopolies to millions of small producers, farmers and businesses. It thereby decentralises political power and roots it in community, giving people more agency over the changes they wish to see in their own lives.

Here is a brief sampling of some initiatives already underway:

- In Fitzroy, Australia, people meet monthly at a local park to exchange produce, seeds, eggs, jam, chutney, flowers, recipes and gardening tips. There is no money involved and people are encouraged to take what they want. This self-described Urban Harvest not only helps people save money on food, it provides an opportunity for residents to get to know their neighbours and build community links.
- In the state of Vermont, USA, The Pine Island Community farm enables refugees, mostly from Africa and Asia, to continue the agrarian and culinary traditions they left behind when they were driven from their homes. Not only does the farm offer these immigrants the opportunity to grow and raise affordable, culturally relevant foods, it connects them with each other and with their new community.
- In Oxfordshire, UK, the Low Carbon Hub is working to create a locally-owned, decentralised renewable energy infrastructure, turning rooftops and brownfields into a micro-grid for local needs. The project is paid for through sales of community share offers.
- Even the financial system—the source of so much mischief and woe—is being localised with profound effects. In the slums of Fortaleza, Brazil, for example, a community bank, Las Palmas, was created and is governed by local residents with the aim of meeting local needs. Among other things, it issued its own currency, which circulates only within the community. When the project began, only 20% of purchases were made locally; today, that number is over 90%.

These are just a handful of the literally thousands of creative grassroots initiatives that demonstrate both the viability of localisation and its systemic benefits.

Unfortunately, localisation is sometimes confused with isolationism and even right-wing nationalism.

In fact, the opposite is true: localisation requires international collaboration and solidarity in order to halt the corporate juggernaut; it is built upon a profound respect for cultural diversity, and therefore tolerance for differences.

The town of Preston in the UK is a good example of how localisation expands collaboration. In 2011, the city and county councils set about localising procurement in response to cuts in national government funding. By changing the spending focus of six regional institutions, including a police force, housing associations and colleges, they managed to increase the amount spent at local suppliers from 14% to 28% in two years. Concurrently, there was a growth in the number of local cooperative businesses. Far from being isolationist, the Preston council is now collaborating with other cities across the EU, as part of the Europe-wide Procure Network, to explore how they can make similar changes in their local economies.

Other networks are growing at national and international levels. These include the Business Alliance for Local Living Economies (BALLE), which unites hundreds of local business leaders from all over North America to share best practices. Likewise, the New Economy Coalition brings together NGOs, businesses and activists across North America to exchange strategies for localising. The Transition Town network links together groups that are working to de-link as much as possible from the fossil fuel economy. My organisation, Local Futures, has set up an International Alliance for Localisation (IAL), which takes this exchange to a global level and currently includes organisations and individual members from more than 50 countries. True localisation means small scale on a large scale, and that takes collaboration at all levels.

A major challenge to the acceptance of a localist agenda among progressives has been the impression that local and natural are 'elitist' and affordable only to those of comfortable means. Well-funded think tanks have been effective in disseminating this message, but the relatively higher cost of healthy alternatives—whether organic food, local natural building materials and fibres, or alternative medicine—is largely a product of externalised costs and government subsidies for export-oriented corporate production. Strip away all that artificial support and the cost of globalised products would be out of reach for most.

A related 'elitism' charge is that the Northerners working to localise their economies are turning their backs on the impoverished people of the global South, who need Northern markets to pull themselves out of poverty. The truth is that many years of export-oriented 'development' (with its roots in colonialism and slavery) have left most countries of the South deeply in debt — most of it incurred to

build up the infrastructure needed for global trade. Today, the lion's share of the wealth created on the backs of Southern workers goes to finance this debt, not to meet local needs. Promoting localisation means encouraging people in both North and South to diversify their economic activity and become more self-reliant. For Northerners, this would mean getting off the backs of people on the other side of the world, whose impoverishment is a direct consequence of having been forced into producing for export rather than for their own needs. Reversing dependency on both sides would not involve some sort of overnight boycott; instead it would be a careful economic process that includes close North-South grassroots collaboration.

In light of our global crises—environmental, social and economic—governments would do well to fundamentally shift direction. Rather than continuing to deregulate and subsidise big, global banks and businesses, they should focus instead on supporting local trade and small producers. Since food is something that everyone, everywhere, needs every day, a key focus should be on rebuilding the local food economy. Doing so strengthens the entire economy, rebuilds community, and helps heal the environment. It also contributes to resiliency in the face of climate change: diverse localised production systems in an interdependent network, rather than dependence for our basic needs on far-off sources, will better equip communities to withstand the upheavals to come.

Needless to say, the PR departments of global corporations are working hard to counter this message—telling us that whatever the costs of the global food system we have no choice but to double-down on chemical- and energy-intensive monocultures, genetic engineering and global trade if we are to feed the world's growing population. What they simply ignore is that studies conducted all over the world reveal that smaller farms are more productive per unit of land, water, and energy than large-scale monocultures. Industrial agriculture is only efficient when measured in output per unit of labour: monocultures are great if the goal is profit for the few at the expense of millions of farm jobs, but not if the goal is to sustainably produce as much food as possible with the earth's limited supply of arable land, fresh water and energy.

Those who live in the global North—where the industrialisation of agriculture has been underway for many generations—can easily lose sight of the fact that most of the food consumed in the world today is produced by small farmers on holdings of fewer than 5 acres. To replace those smallholdings with industrial monocultures means destroying the livelihoods of hundreds of millions of people, and pushing them into real poverty in urban slums. We should not be surprised when a sizeable fraction of those millions become frustrated, angry, and susceptible to extremist views.

The global food system is inefficient in other ways, especially when one considers ‘redundant trade’. In a typical year, Britain exports over 100,000 tonnes each of milk, bread, and pork, while importing nearly identical amounts. The same is true in the US, which exports and imports nearly 1 million tonnes of beef, and hundreds of thousands of tons of potatoes, sugar, and coffee. In some cases, it is literally the same product that is both exported and imported: for example, prawns from Scotland are routinely shipped to China to be shelled by hand, then shipped back to Scotland where they are breaded, packaged and sold. This may pad the bottom lines of the agribusinesses involved, but it can hardly be called efficient.

As it is, the global food system is incapable of feeding the current global population sustainably. With food more tightly controlled by corporations than ever before, some 870 million people are undernourished □ even though more than enough food is produced to adequately feed everyone on the planet. In the US, for example, long supply chains and the corporate elimination of cosmetically blemished produce means that over 40 percent of the food grown for human consumption is eventually discarded. The amount of food thrown away globally is four times what would be necessary to feed all the malnourished people in the world.

To support the local food movement, subsidies could be redirected towards strengthening local infrastructures, including distribution lines that connect local producers with local consumers, and even giving financial support to small-scale, diversified farms themselves. Such policy changes would see local, job-rich, community-based, ecological economic systems become the mainstream remarkably quickly, thereby enabling even low-income wage earners around the world to benefit from their local economy. Similarly, reducing subsidies for fossil fuels and increasing taxes on more polluting industries would internalize many of the hidden costs of resource-intensive economic systems, bringing market prices more in line with actual resource and pollution costs. These shifts would have the effect of making local products the cheaper, more accessible option for the wider population.

Conclusion

The rise of authoritarianism is just one of many interrelated impacts of economic globalisation. Today's global economy heightens economic insecurity, fractures communities, and undermines individual and cultural identity—thereby creating conditions that are ripe for the rise of authoritarian leaders. If globalisation's environmental costs—climate change, desertification, flooding—are allowed to rise, we can expect ever larger waves of refugees that will further destabilise nation-states while straining their willingness, as well as their ability, to act humanely.

The most strategic way to address all of these crises is to immediately begin scaling down and decentralising economic activity, to start with allowing nation states to regain control over their economies, but also giving communities and local economies the ability to meet as many of their own needs as possible, including the human need for connection.

The movement for economic localisation will require many facets of strategic change-making: the spread of awareness, dynamic political campaigning, enlightened grassroots action and international collaboration. This may seem inadequate to the scale of the crises we face, but the banner of localisation has the potential to engage huge numbers of people from both sides of the traditional political spectrum, and to bring together hundreds of single-issue campaigns. It enables us to move past the “blame game” and the antagonistic divisions caused by confusion and fear-mongering, instead uniting us in a common cause underpinned by big picture understanding of the common roots of our many crises. In this way, systemic, collaborative localisation is ultimately the most effective antidote to authoritarianism.

-
- i. **Gorelick, Steven**, Small is Beautiful, Big is Subsidized, ISEC, 1996, Chapter 3, “Infrastructure and Scale” .
 - ii. **Mazzucato, Mariana**, The Entrepreneurial State: Debunking Public vs. Private Sector Myths, 2013
 - iii. **Aronhoof, Kate**, “The Case for Nationalizing Elon Musk” , In These Times, Feb 2, 2018.
 - iv. **Faux, J.** (2013) 'NAFTA's impact on US workers', Economic Policy Institute, 9 December 2013
(<http://www.epi.org/blog/naftas-impact-workers/>)
 - v. **Fabens, Isabella**, “China’ s Latest Investments in Mexico: The Plight of Maquiladora Workers” , Council on Hemispheric Affairs, Aug 14, 2013, <http://www.coha.org/chinas-latest-investments-in-mexico-the-plight-of-maquiladora-workers/>
 - vi. Faux, J. op cit.
 - vii. **Hart-Landsberg, M.** (2017) ‘US Corporations Continue Their Global Dominance’ , Reports from the Economic Front, 21 April.
<https://economicfront.wordpress.com/2017/04/21/us-corporations-continue-their-global-dominance/>.
 - viii. Friends of the Earth UK, 'How to... Oppose a Supermarket Planning Application', Friends of the Earth UK, September, 2005
(https://www.foe.co.uk/sites/default/files/downloads/campaigning_against_supermarkets.pdf)
 - ix. **Laveccia, Olivia** and **Stacy Mitchell**, "Amazon의 Stranglehold : How the Company’ s Tightening Grip Is Stifling Competition, Eroding Jobs, and Threatening Communities” , Institute for Local Self-Reliance, Nov 2016.
(https://ilsr.org/wp-content/uploads/2016/11/ILSR_AmazonReport_final.pdf)
 - x. Sales Tax Institute, “State Sales Tax Rates” , July 1, 2017. (<http://www.salestaxinstitute.com/resources/rates>)
 - xi. **TNI**, “Land for the few: the state of land concentration in Europe” , <https://www.tni.org/en/publication/land-for-the-few-infographics>
 - xii. **Vidal, John**. "eco soundings", **The Guardian** (London and Manchester), September 6, 2000, “Society” section, p. 8

- xiii. <https://www.technologyreview.com/s/515926/how-technology-is-destroying-jobs/>
- v. **Monbiot, G. (2014)** 'The Age of Loneliness is Killing Us'. **The Guardian**, 10 월 15 일
(<http://www.theguardian.com/commentisfree/2014/oct/14/age-of-loneliness-killing-us>)); **Alexander, B. (2010)**
Addiction: A Study in Poverty of the Spirit, Oxford, UK: Oxford University Press; Depression and Globalization:
The Politics of Mental Health in the 21st Century(<https://www.springer.com/us/book/9780387727127>).
- xvi. **Hart-Landsberg, M. (2016)** 'Confronting Capitalist Globalization' ,Reports from the Economic Front,16 December
(<https://economicfront.wordpress.com/2016/12/16/confronting-capitalist-globalization/>;
- xvii. **Dorning, C., Abson, D.J., Fischer, J., and von Wehrden, H. (2017)**
'Assessing sustainable biophysical human-nature connectedness at regional scales' , Environmental Research Letters 12, 24 April.
- xviii. Local Futures, Planet Local: "Food Swapping and the Fitzroy Urban Harvest,"
(<http://www.localfutures.org/programs/global-to-local/planet-local/food-farming-fisheries/australia-food-swapping-fitzroy-urban-harvest/>)
- xix. Local Futures, Planet Local: "Refugees Put Down Roots through Community Farming,"
(<https://medium.com/planet-local/refugees-put-down-roots-through-community-farming-8396934e2fe9>)
- xx. Local Futures, Planet Local: "Low Carbon Hub."
(<http://www.localfutures.org/programs/global-to-local/planet-local/local-energy/uk-low-carbon-hub/>)
- xxi. Local Futures, Planet Local: "Banco Palmas."
(<http://www.localfutures.org/programs/global-to-local/planet-local/local-business-finance/brazil-banco-palmas/>)
- xxii. <https://thenextsystem.org/the-preston-model>
- xxiii. see for example: Oosthuizen, E., "Collaboration is Helping to Feed the World" , Monsanto, May 10, 2017.
<https://monsanto.com/company/commitments/food-security/articles/collaboration-helping-feed-world/>
- xxiv. GRAIN (2014) "Hungry for land: small farmers feed the world with less than a quarter of all land,"
<http://www.grain.org/article/entries/4929-hungry-for-land-small-farmers-feed-the-world-with-less-than-a-quarter-of-all-farmland>.
- xxv. Estimated from FAO, "Family Farming Knowledge Platform," accessed December 16, 2015,
<http://www.fao.org/family-farming/background/en/>.
- xxvi. **FAOSTAT**, Food and Agriculture Organization, <http://faostat3.fao.org/home/index.html>. Also see: **Ten Veen, R. (2011)** 'Global Food Swap' , Greening the North, Wuppertal Institute; **Lucas, C. (2001)** 'Stopping the Great Food Swap: Re-localising Europe' s Food Supply' , The Greens/European Free Alliance/ European Parliament; **Norberg-Hodge, H., Merrifield, T., and Gorelick, S., (2002)** Bringing the Food Economy Home, London, Zed Books, p. 18.
- xxvii. **Ungoed-Thomas, J. and Meyer, M.R. (2007)** 'British Prawns Go To China To Be Shelled' , The Sunday Times, May 20,
<http://www.timesonline.co.uk/tol/news/uk/article1813836.ece>.
Also see: Scotsman Editors (2006) 'Jobs lost as Scottish scampi sent on round trip to China' , The Scotsman, September 25,
<http://www.scotsman.com/news/scotland/top-stories/jobs-lost-as-scotish-scampi-sent-on-round-trip-to-china-1-1141935>
- xxviii. **FAO (2012)** 'Globally Almost 870 Million Chronically Undernourished □ New Hunger Report' ,
Food and Agriculture Organization of the United Nations, October 9, <http://www.fao.org/news/story/en/item/161819/icode/>
- xxix. **Dana Gunders, Wasted: How America Is Losing Up to 40% of Its Food from Farm to Fork to Landfill**
(Washington, DC: Natural Resources Defense Council, 2012), <http://www.nrdc.org/food/files/wasted-food-IP.pdf>.
- xxx. "Global food waste: the numbers behind the problem" , <https://insinkerator.co.uk/uk/page/global-food-waste-stats>

Strategy for Localization

CHAPTER 4

Subject Lecture

-
- How to Revitalize Local Economy | Edahiro Junko
 - New Cooperation Plan for Palsystem Producers and Consumers | Nonoyama Rieko
 - Basic Direction for Citizen-led Economic Transition | Jay Tompt

How to Take Back Your Local Economies

Edahiro Junko

The importance of local economies

Resilient local economies are the key for all local cities, towns and villages. Local economies are vital for happy and sustainable lives of local residents. When your town is too dependent on outside areas and countries for foods, energy, job and income, you are vulnerable to external shocks and geopolitical situations.

Then, how to make your local economies more self-dependent and resilient? What kinds of approaches and methods are there to help us to move forward? This is the topic of my presentation.

Leaky Bucket Model

The New Economic Foundation in UK created a “Leaky Bucket Model”. Think of your local economy as a bucket. You have been trying to pour money from outside into it by getting subsidies from your central and regional governments, inviting private companies to locate their offices and factories in your town and attracting visitors so that they can spend money in your town for foods and souvenirs.

Yet, majority of the money you put into your “bucket” may go out from your local economy quite soon! You can get subsidies from your government to build a museum, for example. A big success for your local economy! But if the builders of the building come from outside areas, the money spent for building the museum goes out from your “bucket”. You successfully have a factory relocated to your town. A big success! But if most of the parts for assembly come from other areas or other counties and most of the legal and maintenance works are done by outside service providers, the money put in the bucket, again, goes out immediately. The same goes to the visitor’s spending.

Therefore, the key to more resilient local economies is finding the “holes” of your local economies and patching some of them, hopefully bigger ones. Then you can circulate the money put in your local economy again and again for larger economic benefits for local businesses and people.

Local multiplier effects

Let me show you the difference between money “flowing out” and “circulating inside”. Imagine

Town A gets 10,000 yen from outside. Businesses and people in Town A is not interested in circulating and keeping the money in their local economy. People purchase most of the goods from outside by going to shopping malls in other towns and by ordering at Amazon and other Internet stores. Businesses and town government procure most of the goods and services from outside companies. Totally they spend 80 % of the money for outside spending and they spend only 20 % of the money in their local economy.

First round: 20 % of 10,000 yen, 2,000 yen remains in their local economy. Second round: 20 % of 2,000 yen, 400 yen remains. When you repeat rounds, in the end, you can create approximately 12,500 yen worth of values for your local economy.

Imagine Town B gets 10,000 yen from outside. Businesses and people in Town B is concerned about their local economy. People purchase most of the goods from their local shops and stores. Businesses and town government procure most of the goods and services from local companies. Totally they spend 80 % of the money in the local area and they spend only 20 % of the money for outside goods and services that they cannot get from local businesses.

First round: 80 % of 10,000 yen, 8,000 yen remains in their local economy. Second round: 80 % of 8,000 yen, 6,400 yen remains. When you repeat rounds, in the end, you can create approximately 50,000 yen worth of values for your local economy.

With the same amount of money, 10,000 yen, from outside, Town A gets 12,500 yen and Town B gets 50,000 yen!

This is called the “multiplier effect”. This big difference explains why we have to focus more on keeping and circulating within our local economy.

How to find “holes” in your local economies

The good news is that now we have tools and methods to “find and patch” holes in our local economies.

First of all, in order to patch holes, you have to know where in your local economy you have holes and how large they are. It is impossible to patch all the holes you have. Therefore it is strategically important to “visualize” the holes in the first place.

Local inter-industry relations tables

Almost all national governments produce their inter-industry relations tables (“Input-Output Tables”). In Japan, prefectural governments also create their own inter-industry relations table for their own prefectures. This inter-industry relations tables show you the complex relationships of various industries. You can get to know which industry purchases from which industry and how much. Then you can see which industries in your area are “money-earning” and which are “money-losing”. Money losing industries are the “holes” of your local economy.

However, national-level and regional-level inter-industry relations tables are too rough for your cities and towns. Therefore it is necessary for you to create your own inter-industry relations tables for your cities or towns. There are several examples of such local-level inter-industry relations tables in Japan and I have been helping a few local towns to produce them by combining official data and data gained from hearing processes with local businesses.

For example, Shimokawa Town in Hokkaido with 3,300 residents created their own inter-industry relations tables. The tables show them the biggest hole they have. That was energy spending. The town is located in one of the coldest areas in Japan, with minus 30 degrees Celsius during winter time, and it means they have high level of fuel demand for heating. Kerosene and other fuels for heating and electricity combined, the town spent 1.3 billion yen every year and the money went out of their town since they were dependent on imported fuels like almost all municipalities in Japan.

With this result, the town decided to “patch” the energy hole by installing biomass boilers for heating because there were abundant wood residues from the local forestry industry. At present they supply 49 % of their heat demand with locally produced heat, saving several hundred million yen from leaking out from their local economy.

LM3(Local Multiplier 3)

his inter-industry relations tables are very effective to get a whole picture of a local economy but even one company or organization can make a difference on their own. The LM3(Local Multiplier 3), proposed by the New Economic Foundation, is a tool to assist individual organizations to map out their current spending to find rooms for improvements. LM3 stands for Local Multiplier 3 and it takes a look at spending up to round 3 and calculates the multiplier effects of the organization spending on the local economy.

Shopping surveys

And even a group of consumers can make a difference. They can conduct shopping surveys for consumers to get to know where and how local people purchase goods and services. In many municipalities, local governments also conduct such shopping surveys regularly and that results can be used.

A group of people called Transition Town Totnes in Totnes in UK, a town of population of about 8,000, conducted analysis of the results of the surveys and found that only one thirds of purchases of foods and drinks of local people is done within the town. It means that two thirds of money spent for foods and drinks by local people flows out from the town.

And the result of their calculation shows that if local residents shift only 10% of the money they spend for

foods and drinks from large national chain supermarkets to local independent food stores, the town could retain 2 million pounds in their local economy. This is a huge amount of money! Based on this result, Transition Town Totnes is now engaged in campaigns to raise awareness of local people to make a shift to local food vendors.

Impact of small

Dr. Ko Fujiyama, an outstanding expert in this field in Japan has advocated “Getting 1% Income Back” aiming to achieve a one percent growth in income returning back to the local areas to support the local population. The strategy aims to promote the evolution of social systems that support and encourage a more sustainable society.

In the past, basic needs for food and fuels were typically supplied within the local community, but the current rate of local procurement in these areas is not even 10%, he says. If we could get this local procurement rate back up to 50%, then local production and consumption of nearly 200 million yen (U.S.\$1.68 million) would be generated in a village with a population of 1,620.

He also shows his analysis of the actual data collected from some areas to see the potential in recovering regional income. According to household expenditure surveys conducted by the Shimane Prefectural Mountainous Region Research Center, the annual expenditure for bread per household is 30,000 yen (about \$250). In the case of an area with 300 households, the total demand for bread amounts to as much as 10 million yen (about \$83,000). If people buy bread from market outside of the area, regional income does not increase, as explained in the previous examples. On the other hand, if people buy locally-made bread from local bakeries, the sales would be enough to cover the profits of one bakery, allowing some new residents to settle in the area.

And he advocates reallocating 1% of total purchases from outside of the area to the local production of raw materials. The reallocated 1% can generate an income increase of 1% in the area. This is the key to the strategy of 1% growth in income recovery.

According to his research, a household expenditure survey in a semi-mountainous area showed that about half of food expenditures were spent outside of the area, especially for eating-out (restaurants, etc.). The average annual food expenditures per household were about 550,000 yen (about \$4,580), of which only 1.4% was spent on locally produced food. This is a truly disappointing result from the viewpoint of the local economy as well as local food culture. Furthermore, supermarkets, convenience stores, hotels, and welfare facilities in the area procured their food mostly from non-local shops, except for buying local products at farm stands.

Based on these data, he introduces a specific simulation study on income recovery in a semi-mountainous area with a population of 4,000. In the simulation, if 50% of all items of food and

fuel were purchased at local shops, about 16 million yen (about \$133,330) of income was newly created, equal to an amount that would support about five households.

Next let's look at another case in which the ratio of products produced locally is increased to 30%, while keeping the ratio of local purchases unchanged. In this case, the income increase is considerably large, amounting to more than 60 million yen (\$500,000), which can provide a living for 21 households. When thinking about items to sell at shops, new businesses such as bakery and sweets shops could be launched. Increasing the local circulation ratio of local products makes it possible to secure actual income to support people that settle down in rural areas.

I agree with him in thinking we have to create a social system to not only recover the economy and population of regional areas, but also realize more sustainable communities. And there is a good example for this aim, Kinuya Corporation that runs a chain of supermarkets in the western part of Shimane Prefecture, Kinuya is raising the percentage of local products among its entire merchandise. Local products once accounted for about 8% of total sales but this has risen to nearly 15%, because Kinuya has increased its use of local products by 1% each year.

Any farmers and food processors can bring in their vegetables and processed foods to the supermarket to sell at a locally-produced product corner by paying a 15% commission. Some farmers have gained annual sales of over 10 million yen (about \$83,300) exclusively in that section of this supermarket chain. As many as 607 farmers and food processors ship their products to all of Kinuya's supermarkets, and the total local goods Kinuya purchases now has reached 1.6 billion yen (about \$13.3 million). Above all, these vegetables are fresh, inexpensive, and delicious.

He concludes that like this case, market systems can be used to circulate many locally-produced items in small quantities in mountainous areas to the nearest regions. One possible system is a street stand, which is now gaining popularity nationwide, where small trucks go directly from farms to cities nearby with vegetables loaded on the rear deck.

In the current systems of society, which put a priority on economies of scale, we have been losing the option of having choice in a variety of things in small quantities. However, this alternative approach will actually give us delicious foods, attractive products, and the potential to return economic value back to local communities.

How to patch “holes” of your local economies

After finding some of the big holes in your local economies, you can discuss the results with various stakeholders in your town and come up with possible projects to patch the holes. The above example of Totnes is one illustration of it.

Ama Town in Shimane Prefecture in Japan, a remote island town with 2,300 residents, lost its only linen

used to remain in the island but now the money flows out to outside cities on the main island.

Ama Town decided to start their own laundry company so that they could patch the hole. Now the new company is engaged in not only local laundry businesses but also production of souvenirs sold in the town (previously most of the town's souvenirs were produced in other towns and counties).

There are many ways and examples of “taking back production” of goods consumed by local people and businesses to their local area. And it is quite effective to focus on some of the big holes universally found in local areas. In case of Japan, they are “food holes” and “energy holes” And now there are many initiatives and projects to increase self-sufficiency ratios of foods and energy.

Re-localization of money

It is also important to re-localize money needed in the local area. In the world, you can find an increasing number of projects and programs, such as “Slow Money Movement”, to get necessary investments for local businesses via local investments by local people.

In Japan, NPO Bank 'of the People, by the People, for the People' has been promoted and expanded.

We need a certain amount of money to make our daily living. In particular, starting a business or revitalizing a community requires some money. Of course we can launch a business or a project with our own savings, but on a larger scale, we are likely to want financial support, that is, to borrow money to fulfill our dreams, establish a business or revitalize a community.

The role of finance was originally to meet the expectations of such people and communities, but since ordinary financial institutions are commercial companies, they don't fund clients who pose potential risks. Financial institutions profit from the difference between their total interest expenses and interest income (profit margin). Therefore, their policy will be to fund projects with limited risks and large economic returns.

Carrying out highly public, non-profit projects, on the other hand, such as community-based nursing care or welfare activities, preserving the natural environment, promoting renewable energy sources, supporting young or female entrepreneurs, and helping heavy debtors or homeless people resume their lives, calls for a social rather than economic return. Not a few projects of high social importance involve high risks and low returns. It is often difficult to get loans from ordinary financial institutions for these projects. Under conventional financial systems, money doesn't flow to those in need. To remedy this, we can collect the money needed on our own and circulate it to those in need according to our intentions. Such "financing of the people, by the people, for the people" initiatives are spreading across the world.

Japan also has citizen-led banks such as the Community Bank, Shimin Ginko (citizen bank) and NPO Bank. They provide citizen-oriented financial services managed mainly for community revitalization. They typically solicit investments in the amount of several tens of thousands of yen (roughly several

hundreds of U.S. dollars) per share, and loan money to NPOs or individuals at low interest rates, drawing on the funds. This allows the funds to be used for citizens' activities and local efforts.

According to the Japan NPO-BANK Network, there were 14 citizen-led financial projects as of March 31, 2015. The amount invested in them totaled 580.235 million yen (about U.S.\$4.84 million), excluding undisclosed data. Their loans came to a cumulative 3,225.078 million yen (about U.S.\$26.88 million). And many of them focus on "local economy".

For example, in response to their desire to put their valuable money to good use for society and solving local issues, The Seikatsu Club Consumers' Co-operative Union established the Tokyo Community Power Bank (Tokyo CPB) in 2003, based on the activities

of the Seikatsu Club. The Tokyo CPB is a non-profit "citizens' bank" for financing social business entities helping the environment and social welfare with the money invested by individual and organizational members. The main target is citizens and organizations that reside in and run small-scale businesses throughout Tokyo.

As of August 31, 2015, Tokyo CPB members totaled 648, including 601 individuals and 47 organizations. Their contributions have come to 105.15 million yen (about U.S.\$880,000), with a cumulative total of 68 loans, amounting to a total of 296.13 million yen (about U.S.\$2.47 million).

Case Study :Minamata City

Here is a case study from Minamata in Kumamoto Prefecture, Japan, of community building through local money circulation analysis.

Japan is promoting regional revitalization with the goal of forming local communities that offer hope for the future of their residents by helping them lead affluent lives with enhanced individuality. Combating regional economic contraction is central to this effort. To stop economies from shrinking in local areas and to build communities with diversity and attractiveness are not only important for rural areas but essential to Japan as a whole for enjoying well-being in a mid-to-long-term perspective.

The ministry of Environment developed a tool called "Regional Economic Cycle Analysis" that enables people to identify a community's strengths and issues with regard to greenhouse gas emissions, with the goal of revitalizing regional economies through the use of local resources.

The major feature of this analysis is to demonstrate the issues to be addressed in the local economic flow within the region and between regions, by extending the perspective from production alone to distribution and spending as well, including consumption, investment and inter-regional balances of payments. In production, distribution, spending, investment and inter-regional balances of payments, the analysis allows money drainage from the region to be identified and local economic circulation issues to be understood. Moreover, by understanding which industries can acquire money outside the

region, it is also essential to differentiate local products and services from those outside the region and create field-oriented businesses by utilizing regional resources. Moreover, creating local businesses in a way that elicits demand outside the region can stimulate demand within the region, too.

Methods of Analysis

In this analysis, the region's economic activity is divided into five parts: production, distribution, consumption, investment and inter-regional balance of payments (difference between total revenue and total spending in the region). Various statistics are necessary for analyzing the local money cycles in each part, the most important being GDP by prefecture and municipality and inter-industry input-output tables by municipality, which provide a detailed understanding of the flow of goods and services into and out of the region. Interviews and surveys can supplement these statistics when they fail to provide a complete understanding.

Identifying Issues through Regional Economic Cycle Analysis

Although Minamata in Kumamoto Prefecture has made progress in its environmental efforts, its local economy has been battered by the impacts of a falling and progressively aging population, so the city sought to address the issue of how to revive its economy through environmental policies. Using calculations of civic economic benefits and a survey of all businesses in the city, Minamata prepared an inter-industry table for the city along with a variety of other statistics. Using these data, it conducted a "health check" of the local economy based on the Regional Economic Cycle Analysis approach, which yielded the results shown below and highlighted certain issues.

(Viewpoint 1) Production: Which local industries have an edge?

Industries in Minamata capable of attracting funding from outside the region included manufacturing, such as chemical manufacturers, as well as the healthcare and human services industries (center of secondary medical district). Of the city's domestic production value of 212.3 billion yen (about US\$2.02 billion) in 2010, one central business group in the city (Company A) accounted for about 57.6 billion yen (about US\$549 million, 27%), followed by the healthcare, health, social security and nursing care sectors that accounted for 25.7 billion yen (about US\$245 million, 12%). As for the value-added amount, Company A accounted for 24.8 billion yen (about US\$236 million, 23%) and the healthcare and human services industries accounted for 14.39 billion yen (about US\$ 137 million, 15%). Considering that Japan's manufacturing industry accounted for 19.6% of its entire gross domestic product (GDP) in 2010, Company A accounted for a significant portion of Minamata City's value-added

amount.

Taking into account the perspective of regional balances in Viewpoint 5, the industry making great profits outside of Minamata was also represented by Company A, with 53.6 billion yen (about US\$510 million), followed by the healthcare industry, with 10 billion yen (about US\$95.24 million). Beyond that, other manufacturing industries such as electric machines, pulp/paper/wooden products and electronic parts had competitive companies, each with sales of 4.5–5.7 billion yen (about US\$42.86–54.29 million) outside of the city. At the same time, one company in the city (Company A) did business with other companies in Minamata in the field of capital investment, but procured nearly 100 percent of its raw materials from outside the city. In other words, expansion of Company A's production in the city was limited to its existing equipment, which also limited the economic ripple effect within the city.

can be clarified quantitatively.

To expand the amount of money circulating within a region's economy, it is essential to utilize local resources sustainably, to earn more money outside the region and to decrease the draining of money from the region. To earn money outside the region, it is also essential to differentiate local products and services from those outside the region and create field-oriented businesses by utilizing regional resources. Moreover, creating local businesses in a way that elicits demand outside the region can stimulate demand within the region, too.

Methods of Analysis

In this analysis, the region's economic activity is divided into five parts: production, distribution, consumption, investment and inter-regional balance of payments (difference between total revenue and total spending in the region). Various statistics are necessary for analyzing the local money cycles in each part, the most important being GDP by prefecture and municipality and inter-industry input-output tables by municipality, which provide a detailed understanding of the flow of goods and services into and out of the region. Interviews and surveys can supplement these statistics when they fail to provide a complete understanding.

Identifying Issues through Regional Economic Cycle Analysis

Although Minamata in Kumamoto Prefecture has made progress in its environmental efforts, its local economy has been battered by the impacts of a falling and progressively aging population, so the city sought to address the issue of how to revive its economy through environmental policies. Using these

data, it conducted a "health check" of the local economy based on the Regional Economic Cycle Analysis approach, which yielded the results shown below and highlighted certain issues.

(Viewpoint 1) Production: Which local industries have an edge?

Industries in Minamata capable of attracting funding from outside the region included manufacturing, such as chemical manufacturers, as well as the healthcare and human services industries (center of secondary medical district). Of the city's domestic production value of 212.3 billion yen (about US\$2.02 billion) in 2010, one central business group in the city (Company A) accounted for about 57.6 billion yen (about US\$549 million, 27%), followed by the healthcare, health, social security and nursing care sectors that accounted for 25.7 billion yen (about US\$245 million, 12%). As for the value-added amount, Company A accounted for 24.8 billion yen (about US\$236 million, 23%) and the healthcare and human services industries accounted for 14.39 billion yen (about US\$ 137 million, 15%). Considering that Japan's manufacturing industry accounted for 19.6% of its entire gross domestic product (GDP) in 2010, Company A accounted for a significant portion of Minamata City's value-added amount.

Taking into account the perspective of regional balances in Viewpoint 5, the industry making great profits outside of Minamata was also represented by Company A, with 53.6 billion yen (about US\$510 million), followed by the healthcare industry, with 10 billion yen (about US\$95.24 million). Beyond that, other manufacturing industries such as electric machines, pulp/paper/wooden products and electronic parts had competitive companies, each with sales of 4.5–5.7 billion yen (about US\$42.86–54.29 million) outside of the city. At the same time, one company in the city (Company A) did business with other companies in Minamata in the field of capital investment, but procured nearly 100 percent of its raw materials from outside the city. In other words, expansion of Company A's production in the city was limited to its existing equipment, which also limited the economic ripple effect within the city.

(Viewpoint 2) Distribution: Do the earnings of local companies translate into income for local residents?

In fiscal 2010, local gross income totaled 108.8 billion yen (about US\$1.036 billion), of which labor income represented 60 billion yen (about US\$571 million), or about 55 percent. Of that, 10.74 billion yen (about US\$102 million) was related to the healthcare and nursing care industry, while the share related to Company A represented 10.67 billion yen (about US\$102 million). Company A's share of the total was lower than expected from the standpoint of local citizens, and this was attributed to changes in its business model and other factors that left it with only about one-fifth of the number of employees

it had at its peak, thus accounting for a decreased proportion of labor income of the city overall.

(Viewpoint 3) Consumption: Is the income of local residents being consumed locally?

From data on the movement of residents and where Minamata residents went for personal business such as shopping, it was found that nearly half of the residents went shopping outside the city on their days off. In addition, while retail sales fell by nearly 5 billion yen (about US\$47.62 million) in the 10-year period from 1997 to 2007, roadside commercial districts in adjacent cities saw retail sales increase by 8.5 billion yen (about US\$80.95 million) over the same period. This indicates an outflow of capital from income within the city via consumption in areas outside the city.

(Viewpoint 4) Investment: Are residents' savings being reinvested in the local community?

An analysis of savings deposited at financial institutions in Minamata, totaling more than 100 billion yen (about US\$952.4 million) revealed that only 20 to 30 percent of the amount was being reinvested in the city, while the remainder was used to purchase government bonds and for lending outside the city. Underlying factors are thought to include the lack of both financial institutions' stance toward financing and corporations' inclination to invest in plants and equipment. Minamata is a so-called "business castletown" for Company A. While there are vertical business relationships between Company A and its subcontractors with high-level technology, there is little horizontal cooperation among these subcontractors, which discourages the creation of new businesses.

(Viewpoint 5) Interregional balance of payments: Is there an outflow of funds to other regions?

According to Viewpoint 1, while the manufacturing and healthcare industries brought in capital from outside the city, the service and commercial industries were unable to meet local demand, and capital in these industries was flowing outside the city. Generally, business services, real estate, telecommunications, electric power, gas and heat supply business and commerce are necessary for all industries.

In Minamata, however, although the ratio of business services to meet all industries' demand was relatively high, net exports of these business services were in deficit because many companies used services from outside the city. In addition, due to energy-related payments for electricity, gas and petroleum products such as gasoline and coal-based products, approximately 8 percent of total regional production, equivalent to about 8.6 billion yen (about US\$ 81.9 million), was also going to payments outside the city.

Minamata's Initiatives for Environmental Town Building Using Regional Economic Cycle Analysis

In Minamata, the citizens and some experts have been discussing local revitalization through "environmental town building" using the Regional Economic Cycle Analysis, and have been promoting concrete projects to expand the regional economic cycle. Some of these initiatives are introduced below.

As a measurement of industrial development to stimulate consumption and demand both inside and outside the region, the city has promoted low-carbon tourism using public transportation. It has started operating sightseeing trains on which passengers can enjoy scenery and dishes that use locally produced ingredients along the railway line. In addition to development of low-carbon travel services, it also provides facilities featuring environmentally friendly spaces under the concept of "spiritually affluent public spaces." Such efforts have led to a certain amount of increase in tourism revenues.

To stem the outflow of energy costs, a renewable energy project was proposed at a civic participation round-table meeting. Photovoltaic generation and biomass power generation business projects are promoted. Biomass power generation business in particular is expected to create jobs in local forestry business and power plant operation. It may be possible to sell energy from renewable sources to other cities.

Moreover, to increase the amount of re-investment within the city, a financing system for activation of environmental investment has been considered. For financing of environmental investment by local small- and medium-sized businesses, the city has established a system to subsidize interest for three years and provide the total amount of guarantee money to credit guarantee corporations. As a result, the amount of loans for introducing high-efficiency lighting and air conditioning and facilities related to recycling and renewable energy has been increasing.

Summary

It is needless to say that local economies are very important. It has been advocated for long. And now we are having tools and processes to localize and re-localize economies. This paper shows you that the Leaky Bucket Model is easy-to-understand and there are several concrete ways to find and patch "holes" in your local economies.

The beauty of such processes of re-localizing economies is that they can also enhance happiness and well-being of local people since effective processes require involvement and participation of various stakeholders in the area.

New Collaboration and Initiatives by Producers and Consumers at Palsystem

노노야마 리에코
(Nonoyama Rieko)

1. Introduction

Palsystem Consumers' Co-operative Union (Palsystem) is a federation consisting of 10 local member co-ops spread in 11 prefectures (Tokyo, Kanagawa, Chiba, Saitama, Ibaraki, Tochigi, Gunma, Fukushima, Yamanashi, Shizuoka, and Niigata). Our organization has kept growing based on the business concepts of “solving daily life problems facing co-op members” and “providing lifelong support for co-op members.” Currently, Palsystem consists of as many as 1.5 million households in the member co-ops, and its revenue reached about 211 billion yen in fiscal 2017.

Based on sanchoku (direct producer-market channeling with communication) and environment as its business pillars, Palsystem actively promotes eco-friendly agriculture, through member participation and collaboration with production areas and producers, and it builds its businesses with the aim of increasing the food self-sufficiency rate.

The Sustainable Development Goals (SDGs), adopted at the United Nations in 2015, are committed to “Leave no one behind” in order to achieve the international goal for 2030 to build the sustainable world. Along with this movement, efforts in ethical consumption have also been attracting increasing attention recently. Ethical consumption can be defined as consumption that is friendly to people, environment, and communities. In the field of agriculture, promotion of organic farming and distribution of organic farm products would be the best fit for the concept of SDGs.

Major companies have already started to pay attention to SDGs. In order to increase corporate value, they have started the efforts in order to enhance value of their products. However, both ethical consumption and SDGs seem to be used merely as part of their CSR activities, and they should not be used for advertisement as Get Out of Jail Free cards. If they are used for such purposes, it will rather make it more difficult for consumers to see what is essential. We must firmly place our entire business in the 17 goals of the SDGs and build our business while taking account of such issues as the planet, environment, people, communities, and disparity in wealth.

At the first Japan SDGs Award, Palsystem received the Deputy Director SDGs Promotion Headquarters Award, being recognized for its initiatives including “ ‘Real and authentic’ -Action on better living.” Among over 280 organizations and corporations, Palsystem was the only one that received the award in

the co-op community and the distribution industry. One of the reasons for the award given to us was our “tireless efforts to build a sustainable society through ‘choosing’ products, which will contribute to environmental protection such as organic farming as well as community revitalization.” Rather than merely handling organic farm products as part of the product lineup, we are expected to build people, environment, and communities while placing organic farming at the core of the entire process, ranging from production, distribution, and sales to consumption and disposal.

2. Why focus on domestic production?

Even at Palsystem, the price difference from commercial products always becomes a big challenge whenever we develop products with focus on domestic and sanchoku ingredients. These ingredients wouldn't be able to match imported ones if we only pursued lower prices. However, there are also other issues such as “what is behind the lower prices,” “what has resulted from mass-production and mass-consumption,” “what will come next once we start relying on imported ingredients,” “genetic modification,” and “TPP.” At Palsystem, we strongly believe that it is important to raise these issues widely in the society.

Palsystem has Five Principles of Product Development, which have served as the policies in our product development. Through Palsystem's products that embody these principles, we will discuss with a number of co-op members and propose action on issues such as “the whole concept of eating,” “safety and security,” and “food self-sufficiency rates.” These principles are what Palsystem always comes back to.

Principles of Product Development

1. Are we respecting the original functions of the nature and living creatures?
2. Are we contributing to food production and life that are rooted in a community?
3. Is there any dependence, inertia, or compromise in relationships with makers?
4. Are we delivering products that are delicious to eat and nice to have?
5. Are we truly communicating stories behind each product?

3. Palsystem's “‘Real and authentic’ □ Action on better living”

If we are to focus on domestic production, we naturally need to communicate the value besides prices and have many consumers understand and support that value. Otherwise, the business won't be successful. At Palsystem, we believe that food and act of eating must be real and authentic, by which we mean that the products conform to the Principles of Product Development, that we are firmly connected with people who do a real and authentic job, and that we can see stories behind products. These are the values no one else offers.



(1)Action Policy 1: Know the value of Palsystem' s products and let us choose by ourselves!

Price competition, which has been intensifying due to trade liberalization and deregulation through the Trans-Pacific Partnership Agreement (TPP), is about to jeopardize our food, which serves as the source of life, and safety in our daily life. Choosing products without being misled by superficial cheapness and convenience is not only essential in protecting our own health and life but also powerful in supporting producers, communities, and manufacturers in the country. We will propose “Buying is voting,” where consumers can make a significant contribution.

(2)Action Policy 2: Meet and talk to producers and manufacturers who make Palsystem' s products!

In order to share stories behind product development and makers' passion, we will provide more opportunities for co-op members to hear stories directly from production areas and manufacturers, bringing them closer to each other.

Rather than focusing only on economic efficiency, we will learn about the focus and efforts in production and manufacturing, then recognize and spread their value.

(3)Action Policy 3: Use Palsystem' s products with happiness without waste!

We can enjoy products while making the most of them deliciously and without waste. We will propose an economical and spiritually rich lifestyle while discussing its value with many co-op members.

We will rediscover the value of washoku (traditional Japanese cuisine), which has been added to the UNESCO Intangible Cultural Heritage list, and pass the wisdom for everyday life onto the next generation, including foods that are rooted in our climate and preserved foods.

We will revisit the concept of mottainai (no waste). We will propose a lifestyle where people purchase products weekly in an organized way while effectively using Palsystem' s products, rather than impulsively buying too many products on sale just to throw them away.

4.Having agriculture fulfill its original functions

Originally, agriculture has many functions in addition to the one as a mechanism to produce food.

First, it uses what is available in the natural world, nurtures various living creatures including microorganisms, and produces food on the side. This is the original structure of agriculture.

Crop farming also has a function to transform residues, which can otherwise become waste, into valuable food and resources. It produces food that is essential for human beings by having microorganisms break down waste from stock raising and local industries.

Palsystem aims to promote eco-friendly agriculture and organic farming, which make the most of such functions of the natural world and the mechanism of agriculture.

5. What we lose by being greedy

The original form of agriculture produces safe food that is essential for human beings while making full use of things in the natural world that cost almost nothing. Therefore, we shouldn't be greedy, trying to get many or good-looking products.

However, in the last four to five decades, our agricultural policies have focused on the economic aspect, such as increasing crop yields and improving product quality mainly in terms of appearance. By chasing for more results than what is available through the original function of agriculture, we have ended up with creating the farming system that would depend on heavy use of pesticides and chemical fertilizers.

Use of highly toxic pesticides have killed many microorganisms in the soil and impaired the functions to purify water and to nurture biodiversity. Under such conditions, the original function of agriculture to circulate has a negative effect, spreading the contamination of pesticides and chemical fertilizers in the soil and water. As consumers, we have lost so many things by becoming able to get "cheap" and "good-looking" farm products in a "stable" manner.

6. The key is collaboration between producers and consumers

In response to this situation, we should go back to the original form of agriculture, have producers practice "non-greedy" farming that makes the most of the functions available in the natural world, and properly recognize its value. This is Palsystem's biggest theme in promotion of eco-friendly agriculture.

This cannot be done through producers' efforts only. This is also the issue for consumers, who receive and consume farm products; they also need to fully understand and promote the initiative together. Consumers also need to revisit their attitudes toward food then practice eating and consuming in a way that lets the original mechanism of agriculture realize its full potential. Otherwise, Palsystem's eco-friendly agriculture will not be successful.

7. Promoting both movement and business: Producer-Consumer Council

Palsystem Producer-Consumer Council (PCC), a platform for collaboration between producers and consumers, is one of the essential mechanisms for Palsystem to exist as a co-op that values stories behind products besides prices. We can say that PCC is a quite unique initiative across Japan, providing opportunities for producers who supply farm and livestock products to Palsystem, consumers, and co-ops to discuss and work tougher on equal footing.

When the current member co-ops were individually engaged in their activities in each community, they had sanchoku relationships with production areas. However, as small co-ops became integrated and grew larger, producers' organizations started joining together to fight against the increasing purchasing power.

A conflict of interest exists between production and purchasing, or between those who make and sell

products and those who buy and consume them. PCC was founded in 1990 in order for producers and consumers to work together to further promote sanchoku while keeping the tension between them.

To this day, PCC has built Palsystem's sanchoku while keeping the relationships where producers and consumers lead each other. In the joint efforts by producers and consumers to overcome challenges in sanchoku activities, we strive to build stronger bonds between them, strengthening voluntary solidarity between farmers and urban residents.

PCC currently consists of 159 production areas and 12 co-op organizations, striving for stronger solidarity where producers and consumers work together as citizens. Based on three local block activities (in Tohoku/Hokkaido, Kanto/Chubu, and Kansai/Western regions) and five sections (eggs, vegetables, rice, fruits, and livestock) as the pillars, PCC conducts various activities including exchange meetings with active communication, targeted at young people and at women, as well as workshops for co-op members. It also calls on producers across the country to join the movement against TPP and to work on new energy issues.

Moreover, Palsystem has worked together with a number of communities, governments, and production areas to locally establish councils. Such cooperation includes 15 local councils to promote, exchange experience on, and develop products in recycling-oriented and eco-friendly agriculture; 2 local councils to revitalize communities through agriculture-commerce-industry collaboration such as food processing; and 2 local councils to increase the food self-sufficiency rate by promoting processing of local sanchoku ingredients. An excellent example is the initiative in Onna Village, Okinawa. We work with Onna Village Fisheries Co-operative, Onna Village, a mozuku (seaweed product) manufacturer, and a local NGO to promote human interaction between urban areas and the fishing village through the activity to plant corals in Onna Village.

8.Sanchoku = advanced form of off-market distribution

A major goal of off-market distribution is to let consumers, who demand safety and security, obtain traceable farm and livestock products by shortening the distance with producers, who have become difficult to see due to distribution through the market.

Originally, off-market distribution started as a mechanism to obtain products that are hard to get in the market. As for Palsystem, consumers had a hard time in the market to obtain farm and livestock products that would ensure safety and security, in terms not only of production process but also of product quality. Therefore, we have chosen off-market distribution where consumers would directly ask producers to make products.

Traditionally, the market has the function to determine product prices. However, through off-market distribution where consumers and producers are connected directly, we have built a participatory mechanism where those who make products and those who eat them have direct dialogue to discuss

and agree on prices. Moreover, co-op members can also be involved in collection and distribution functions, discussing with producers on how the products are grown and quality of delivery.

In addition, we have also found a cost advantage by distributing products without going through various wholesalers. The benefit can be returned to both production areas and consumers.

9. Other benefits only available at off-market distribution

We often see other gaps as well between what the market values in or wants from production areas and what consumers really want. In distribution through the market, efforts tend to focus on promotion of mass-produced, uniform, and highly selective products as local specialties. Moreover, in the market that centers around store sales, we tend to see excessive competition, focusing on appearance and product shelf life.

In Palsystem's sanchoku, however, we have rather focused on the uniqueness of each production area. Since dates of shipment and delivery are scheduled at Palsystem, we do not need to worry about shelf life. Also, if we have different focuses, we can introduce the same vegetable with a different name and a label unique to Palsystem. As a result, we can develop products that focus on taste, safety, and individuality rather than convenience for distribution.

10. Nurturing the next generation and revitalizing communities: Building the future of Palsystem's sanchoku

Recently, Japan has been experiencing aging of workers in the agricultural and livestock industries. The average age of farmers is said to be over 60 years old, posing a serious problem. As cheap imported farm products keep gaining power, the prices of domestic farm products are also kept low, resulting in the decreasing number of full-time farmers and a lack of successors.

As for rice farming, the largest agricultural industry in Japan, it had been difficult until recently for farmers to freely decide on how much of what products to grow due to the acreage reduction (production adjustment) policy. In the livestock industry, the business environment is so harsh for small farmers that only large and business-oriented producers can survive.

Under such conditions, Palsystem sticks to supplying domestic agricultural and livestock products.

The best way to nurture the next generation should be to let the agricultural and livestock industries become successful as business, which includes not only being able to make ends meet but also having bright prospects for the future and finding meaning and joy in the job itself.

Also, as long as we engage in sanchoku, it is essential to build a mechanism where both producers and consumers share the efforts and costs for eco-friendly agricultural and livestock industries and fair prices can be paid for such efforts.

11. Developing products while recognizing enthusiasm of young producers

In production areas of Palsystem' s sanchoku, young people are preparing themselves as the next generation of farmers. In some major sanchoku production areas for vegetables, young producers have founded independent organizations to exchange skills, technology, and information on business management. In one production area in Niigata Prefecture, a totally new organization and farming methods are emerging. Here, an organic farmers' group by the parent' s generation and a new group of young producers, also working on organic farming, compete with each other to improve their skills and technology.

In particular, when young people grow up in a farming family, they tend to decide whether they would have a career in farming or not by observing their parents. These parents also decide on the future by examining their own business situation. If the parents are certain that the business can be successful, they can strongly recommend their children that they should take over the business. However, if they are not certain about the future prospects, they tend to close the business before the next generation takes over.

Once the young generation starts working on farming, they are quite enthusiastic about taking on new challenges. Many producers are also highly aware of environmental protection. Palsystem will also need to recognize such enthusiasm and support them. Even if they take on challenges for eco-friendly agriculture and organic farming with new technology, their efforts may not be properly recognized in the traditional marketing. Securing the channel to sell such products will lead to creation of the environment where enthusiastic producers can continue farming with confidence.

12. Connecting local organizations and unique producers

Along with such transition to the next generation, relationships have also changed between production areas and various local organizations, such as agricultural co-operatives. Most production areas with long-time involvement in sanchoku have separated from systematized shipping and agricultural co-operatives then developed their own distribution systems. However, recent and young producers are working together once again with local organizations, such as agricultural co-operatives, and building new networks while recognizing the direction traditionally taken by agricultural co-operatives.

In some cases, Palsystem' s sanchoku plays a helpful role as a bridge between such local agricultural co-operatives and producer organizations. For example, while agricultural co-operatives have organizational stability, they are hoping to introduce technology for eco-friendly agriculture and to show uniqueness in their product items. Meanwhile, small producer organizations may need to have reliable administrative work and invest in large facilities for storing and shipping. In such cases, Palsystem has served as a mediator so that they could collaborate with each other.

Agricultural co-operatives can be inspired by unique activities by producer organizations, while young

producers can further focus on farming by having agricultural co-operatives do what they are not so good at, such as administrative work, distribution, and storage. Through such collaboration, Palsystem can also ask them for more production and distribution.

Furthermore, in order to effectively use abandoned farmland, which has been growing recently, there are also programs to provide opportunities for people interested in farming to join the industry by introducing young producers and conducting training on farming skills and technology.

13. Raising the level of both producers and consumers through the participatory guarantee system (PGS) (bilateral certification)

At PGS, consumers visit producers' farms to see their work with their own eyes and share the passion for production. PGS auditor training is conducted not just to enable consumers to check sanchoku as auditors. It also brings great significance in raising the level of consumers as a whole.

Since Palsystem positions organic farming as the ideal form of agriculture, we continually work with producers in production areas to promote the Agrichemical Reduction Program. As of fiscal 2017, Palsystem's sanchoku production areas with the organic JAS (Japanese Agricultural Standards) certification account for 18% of the total area in Japan. Community-wide efforts are essential in promoting organic farming. Traditionally, organic farming has tended to be recognized for its contribution to environmental protection, food safety, and quality. Yet, it also has great potential for community development that allows participation by everyone. One example in this area is agriculture-welfare collaboration.

Agriculture-welfare collaboration literally means collaboration between agriculture and welfare fields. More specifically, it aims to support people who are socially vulnerable, such as people with disabilities and those in poverty. The programs often have these people engage in farm work, as well as processing and selling farm products, providing them with places to work and belong.

Palsystem also promotes agriculture-welfare collaboration, mostly in the production areas that practice organic farming.

We strive to provide income security to ensure their decent living in a community. Economic, psychological and physical independence is necessary to live in happiness, one of the big themes in our life, whether or not we have disabilities. The agricultural industry currently faces a serious worker shortage. However, agriculture-welfare collaboration is not just to fill in the gap. It aims for community development through organic farming, where people with disabilities can participate in their community, cooperate with local residents, pursue valuable work they can be proud of, and form a local community. We would like to keep paying attention to this initiative that complements strengths and weaknesses of agriculture and welfare.

14. Reforming three mechanisms to protect agriculture and food

We are working on three initiatives to increase the food self-sufficiency rate.

The first initiative is to transform the production mechanism. It means production to fully bring out the intrinsic value of agriculture rather than focusing on efficiency to increase production. It means promoting agriculture that centers on food and also focuses on its multidimensional value.

Meanwhile, we are also transforming the distribution mechanism, the second initiative. In a sense, we believe we should also transform systematized distribution. We need a mechanism to properly reward the producers who have made efforts. Take milk (in Hokkaido area) for example. Some dairy farmers stick to grazing with self-supplied feed while others raise cows in sheds using imported feed. Even if members of Palsystem say they would like to drink the former, we cannot make it happen because the mechanism to collect and process milk does not allow separate management between the two.

We say, “We don’t mind paying extra for the milk produced by really hardworking dairy farmers.” However, the suppliers would say, “We cannot give special treatment to just some of the producers.” Therefore, we need to build a distribution mechanism so that consumers can get what they really want and producers can be properly rewarded according to their efforts. In this way, we should be able to increase producers’ incomes while consumers can get safer and better products.

The third initiative is to transform the consumption mechanism among co-op members. We would like them to learn how to see the value of products and to change the way they eat. It means not buying prepared food or eating out too much. If consumers would like to eat domestic products, they can check where each ingredient comes from when they make their own hamburger stake. When they eat out, however, they would eat it without knowing whether it is made from imported ingredients or not.

Let’s cook meals with ingredients made by domestic producers. We are proposing that it would be more economical, costing less. The best example would be rice. Some people say Palsystem’s rice is so expensive. However, they are the ones to buy rice balls at a convenience store, each costing 100 to 130 yen. If they buy organic rice from Palsystem and make a rice ball, it will cost only 30 to 40 yen. We are proposing that kind of wise way to eat.

Food safety is threatened under TPP. For example, people used to say Japanese and foreign-made milk and dairy products are not that different in quality. However, their safety levels are completely different, including the issues on feed, such as genetic modification, and standards on use of additives. It is true that the SPS Agreement (Agreement on Sanitary and Phytosanitary Measures. It ensures the rights of WTO member countries to take measure to protect life and health of human, animals and plants) is there to address the issues on additives, contaminants, and veterinary drugs. Yet, as the economic aspect is now more emphasized than safety, the national standards are about to be loosened.

Moreover, there is no guarantee for Japan to secure food from other countries in the future considering the

increase in abnormal climate at the global level and starvation in developed countries.

Now is the time for both producers and consumers to recognize the importance of agriculture, to revitalize it, and to build a mechanism to make full use of its multidimensional functions. We are driving the movement so that people who make products and those who eat them can work together to make it happen.

Palsystem strives to develop policies that allow everyone to promote agriculture well into the future, including large-scale and small-scale farmers, full-time and part-time farmers, as well as people in rural areas.

15.Crop-livestock collaboration: Effective use of resources to enrich both

One of our efforts in crop-livestock collaboration is feed rice. Palsystem, rice and pig farmers in Iwate Prefecture and Akita Prefecture, and JA (Japanese agricultural co-operatives) have worked together to produce the branded pork Komebuta (rice pork) using feed rice. This pork is delivered to co-op members.

Through this initiative, we have built the circulation of paddy fields, rice, livestock, manure and paddy fields. The initiative has also led to effective use of other local resources, building a food system that provides rich connection between producers and consumers.

Palsystem has been developing the mechanism for circulation in a number of communities by organizing joint conferences for crop and livestock industries. We have asked leaders of Zennoh (agricultural co-operative associations) to start building a distribution mechanism that allows us to engage in sanchoku of self-supplied feed. For fertilizers too, we must work with producers to transform a distribution mechanism so that they can receive what they want at lower cost. We should produce and deliver truly safe food while providing products at lower cost by eliminating the waste. That is the kind of food system we need now.

In contrast, TPP is taking the completely opposite direction. Our response to TPP would be to build a mechanism so that consumers can truly feel and enjoy health by eating safe farm products, while communities can also enjoy its benefits such as better environment, revitalization of abandoned farmland, enhanced biodiversity, and conservation of their traditional art and culture.

16.Conclusion

Through our multilateral initiatives to promote real and authentic products, we have developed networks with a number of business partners, production areas, communities, municipalities, and other organizations. Our accomplishments have been built on the joint efforts by many people with the same ambition as Palsystem to enrich life and communities. We would like to keep working together on equal terms, by discussing, connecting, supporting and sharing with each other.

End.

A Framework for Citizen-led Economic Transition

Jay Tompt

First, a little context setting. “The system is broken.” This is now an unremarkable statement that seems to find its way into almost every private and public conversation. The dominant socio-political-economic paradigm—call it whatever you like: global neoliberalism, corporate capitalism, industrial growth, mass consumerism, patriarchy—is largely the cause of biosphere destruction, mass species extinction, global warming, corruption of democratic institutions, increasing inequality, and much more. The consequences of these problems are felt by real people living in real communities in the form of, for example, ill health, crime, exploitation, forced migration, xenophobic politics, violence and injustice. So, whether one believes the system can be reformed or must be totally replaced, there is broad agreement that change to something better must happen.

There are many ideas describing a better system—natural capitalism, Capitalism 2.0 & 3.0, the green economy, the blue economy, the new economy, the social and solidarity economy, the circular economy, the pluralist economy, inclusive/good growth, degrowth and steady state, etc. There's lots of overlap, but probably too much divisive debate over small ideological differences. Some of these conceptions call for a total reboot, some for the new to develop within the shell of the old, and some for incremental technocratic policy reform.

Our frame is focused on the practical activity of 'building the new within the shell of the old', drawing inspiration from many ideas and approaches. In sharing our perspective and experience, we seek to be a 'productive node' in a network of related activity and actors, contributing to a 'knowledge commons' of what is actually working. And, hopefully, contributing to a growing, robust and resilient movement. This paper is shared with that mind, which is hopefully of value in some way, but if not, is open for rebuttal and refutation, dialectic or indifference.

Our work begins with a vision of a better economic system that is just and inclusive, ecologically wise and socially regenerative, and builds resilience at every scale □ community, town, city, region, etc. We have ideas of what this might look like in the end, but we're not ideological nor fixated, a priori, on

particulars. We're happy to be surprised by unanticipated innovations in human relations. Nor do we have dogmatic prescriptions for the best ways to get there. We need a diversity of bottom-up, top-down and side-to-side change moving toward that broad vision. And whether coming from bottom, top or side, we're all working for change within the massive complex-adaptive system that is our eco-socio-political-economic reality and so, can only ever humbly address our small part and hope positive ripples will propagate outward.

It's in this context we propose an approach for citizen-led economic transition. It has emerged from our work over the last several years in Totnes and other places, however we see elements of the framework we advocate in evidence in other parts of the world, arising from different perspectives and contexts, and so claim no special ownership. It has emerged for us in the context of diverse and productive networks of which we're a part, locally, regionally, nationally and internationally. In practical terms, we often describe our work as trying to create alternatives to the dominant 'global neoliberal' paradigm, through relocalising production, ownership and accountability; reducing consumption; and increasing community wellbeing. It's place based, bottom up and complements-even amplifies - other efforts at creating economic change. And it's beautiful, too, creating new opportunities for people to participate in a process of economic change that are fun, life enhancing and effective.

Our starting point for action is a simple proposition: if we want to transition to an economic system that is just and inclusive, ecologically wise and socially regenerative, and increases resilience, we must create the conditions for appropriate new economic actors, relationships and models to emerge and thrive.

One may argue that we must also create the conditions for existing actors, relationships, and models to evolve, but while welcomed, there isn't sufficient time for incremental change alone. To borrow from Schumpeter, we must create the conditions for rapid 'creative re-configuration' of our socio-economic-political systems. This means remediation, reinvention, and innovation of epoch-defining proportion if we're to collectively provide for the wellbeing of people and regeneration of ecosystems, while simultaneously dramatically reducing our energy and material consumption. There's no greater innovation challenge for our species and one of the greatest leaps we have ever had to make.

So, the logic of our modest proposition has implications at every scale. If we begin with the agency of the citizen, then the actions we can take are inherently local and inter-personal, (of course some citizens are well-connected in powerful networks, so sometimes, the ripples of local, interpersonal actions may have far reaching effects.) Citizens, if activated and bold enough, can do many things □ start enterprises and NGOs, influence the organisations where they work, change their consumption habits, invest for impact, sign petitions and vote, inspire vast movements, run for elected office, and

much more, of course. In the context of our proposition, citizens working together in groups, collectives or platforms can organise projects that contribute to the common good and create the conditions for positive economic change to occur.

More formal organisations, such as NGOs, government agencies and enterprises can be influenced by these groupings, or participate in them □ by citizens working within them, of course, playing role of intrapreneur or simply using the power of their office. Organisations can be mobilised to support citizen-led initiatives, and they can be vectors of innovation and positive change, too. But we can't abdicate our own agency while waiting for institutional-led change. We don't have the luxury of patience.

If we're concerned with local and regional economic scale, then the actions citizens can take to create the conditions for new economic actors, relationships and models to emerge and thrive fall into, at least, these four categories:

- catalyzing a transition-oriented entrepreneurial culture
- mobilising local and regional social and financial capital
- building supportive and regenerative 'enterprising ecosystems'
- weaving 'convergence networks' of diverse actors across localities and regions

We believe this approach provides a basic framework for citizen-led and community-supported interventions that can guide a process of positive change and amplify the effects

of other programmes that may already be underway, such as community economic development, pro-social and pro-ecological entrepreneurship, cooperativism and commoning. Indeed, it provides a framework that begins, perhaps, further upstream, bringing these diverse efforts into productive relationship with one another. It also implies new roles and new spaces that allow for more participation, solidarity, reciprocity and exchange. More importantly, perhaps, it offers useful theories of change and development that can guide ongoing activities, attract people and resources, and align the efforts of others across a greater scale of place.

Citizen-led economic transition: What's in a name?

Our approach could be called lots of things, and we often use many ways of talking about it depending on our audience. We're talking about economics, therefore we're talking about relationships between people within layers of cultural meaning, so use of language is as important as the numbers. And we're talking about power and change, so we're also talking about values, beliefs and political agency, therefore 'it pays' to be cognizant of how we use language to frame issues, ideas and proposals.

Citizen-led. Framing this approach as 'citizen-led', as opposed to 'community-led', is important for contributing to a culture of agency and problem solving. A fair amount of resources are invested by governmental bodies, foundations and charities in 'community-led' initiatives, however this framing is problematic. Nothing is 'community-led'. The concept of 'community' is woolly and imprecise. Is it defined by place, shared culture, networks of relationship? For many government-, foundation- and charity-led initiatives, 'community-led' is often a shortcut reference to a local NGO, ad-hoc committee or 'community group' – a small sub-set of the wider population, often not elected nor demographically representative, but who have claimed to be working for 'community benefit'. By defaulting to such groups without further inquiry, 'community-led' becomes a 'black box', obscuring deeper understanding of how change happens. Why not think clearly about this?

There is further confusion caused by monolithic notions of '3rd sector' and 'voluntary sector'. Monolithic divisions of this kind help to reinforce the predominant cultural story that we are separate from each other and that within us there are distinct performative roles expressed only in narrowly defined contexts. We are citizens in 'civil society', but not in the 'private sector', where we are either workers or consumers. Nor in the context of 'community', where we are volunteers, investing our volunteer selves after business hours for the purpose of 'giving back' □ atonement for taking? – or re-establishing our 'work-life balance'.

Rather, change comes from whole citizens, individuals who initiate action, build inter-personal relationships, and in so doing, work hard to develop support for their ideas and initiatives from other people in the places they live. They are often animated by analyses of injustice or instability, called to action by their own sense of personal sovereignty and responsibility, motivated by intrinsic values of right and wrong. Citizens are driven to lead change not because it's funded or because it fits neatly into their spare time. Citizens are more than voters. They're instigators, organisers, entrepreneurs, investors, mentors, participants. Citizenship isn't put on hold when they cross the shop floor either as consumer or shopkeeper, worker or manager. Nor as investor. Just as citizens can choose to act to change governmental structures and constitutions, citizens can choose to act to change economic structures and constitutions. When supported and reinforced, the activities motivated by these intrinsic values stick, attract others, and become new cultural norms. For those interested in economic democracy, this is exactly what sets the stage for more cooperative and collaborative enterprise models.

Economic transition. As alluded to above, the challenges we face as a species and a society are to a large degree a natural, perhaps unintended, consequence of our economic system. If we're to survive, let alone thrive, in this century, we must rapidly and dramatically shift the ways in which we currently meet our needs for food, shelter, energy, community, culture and so on. The evidence is clear that we're up against

or shooting past ecological limits by almost every measure. Experts are saying we must reduce our carbon emissions by at least 80% in the next few decades. Experts are also saying that climate change is happening now, and quite possibly accelerating far faster than models have predicted. More climate change related disasters will happen, affecting more people in more places, and with more frequency and intensity, putting, among other things, global and centralised supply chains at greater risk.

Meanwhile, there's massive economic inequality and precarity in the world. Over half of the world's wealth is controlled by fewer than a hundred people and their corporate networks. And dominant models of governance throughout the system continue to privilege this wealth and these corporate networks, evidenced by free-trade deals and globally mobile capital perpetuating extractive patterns of consumption and growth.

None of this is new information, but the situation is now critical. For many years, people have been working to make positive changes in and through international bodies, government, corporations, NGOs and others, giving rise to Sustainable Development Goals, the Paris Accords, renewable energy feed in tariff programmes, corporate sustainability programmes, ethical and green consumer campaigns, and some technological innovations. All good stuff and necessary, but it isn't sufficient.

If the current system for meeting our economic needs is blowing past our planetary ecological boundaries and compromising our democratic institutions, then we must find ways of meeting our needs that empower citizens, are ecologically healthy and increase resilience. The roots of this endeavour are inherently local. We must ultimately transition to economic systems that fit the carrying capacity of our ecosystems. This implies much less energy and material consumption, new models of production and provisioning, new livelihoods, roles and relationships, and in fact, new conceptions of what we consider to be our 'needs' and how we 'satisfy' them, within markets and outside them. This implies becoming less dependent on corporate-owned, global supply chains and financial systems, and creating differently owned, accountable, local and regional alternatives. And all of this implies not just behaviour change, but culture change.

Existing economic actors, relationships and models must evolve, but to drive the transition to a different state of affairs will require new actors, relationships and models. By new actors, we include entrepreneurs and new firms that are motivated to create and innovate. But not only entrepreneurs — there are opportunities for many new actors, such as investors, mentors, supporters and friends, activists and organisers, 'ecosystem' and network builders, networks and associations. Established actors can take on new roles, too, such as local authorities, NGOs and universities, as well as a host of 'anchor institutions', who can use their resources, procurement and influence to support a process of 'transition

entrepreneurship'.

New relationships linking these actors are possible, but only if there's action taken to build them. New relationships between producers and consumers, such as 'community supported agriculture' schemes and alternative means of exchange beyond the monoculture of national currency. New relationships between 'ownership' and 'labour', such as the many flavours of cooperatives. And new relationships between members of the community and their local entrepreneurs through events and co-working spaces.

In this context, models for collaborative and cooperative enterprise, as well as community engagement, are important for driving change, as are other new and established models of economic development, social entrepreneurship, 'community wealth building', commons and commoning, peer-to-peer production, open source, etc. There's space for sole proprietors and private business in this transition, too, as well as open source technology, peer-to-peer production, platform cooperatives, etc.

In sum, active citizens taking the lead on initiating economic change in a place, can give rise to these new actors, relationships and models, and can create new cultural norms for collective action, self-reliance, problem solving and reproduction. Both the process and the results increase diversity and resilience.

The approach

If we're to create the conditions for these new actors, relationships and models, we must: catalyze a transition-oriented entrepreneurial culture; mobilise the local and regional social and financial capital for local entrepreneurs and developing enterprises; build out an ecosystem of supportive and enabling institutions, structures and spaces; and weave networks of diverse individuals and organisations whose interests are aligned with economic change, or who would be if engaged.

Catalysing 'transition entrepreneurial' culture. The role and character of 'entrepreneur' is a cultural construct. The 'entrepreneur' is not born but a role that emerges from a context within which it is a possibility. The notion of 'entrepreneur' produced by our dominant cultural paradigm is one driven by ambitious individualism to take risks, nurture their own genius, succeed at building huge companies that feed economic growth, fulfill endless consumer wants, propel technological innovations into underexploited geographic, social and/or psychological markets, and finally, cash in through being acquired by a global brand or an initial public offering on the world's stock exchanges.

The culture that produces this sort of 'hero entrepreneur' exists all over the world and one could argue

is a product of the 'corporate/consumerist/neoliberal' paradigm that has enveloped most of the earth. The epitome of this kind of entrepreneurial culture may be that of Silicon Valley.

In places like San Francisco and Silicon Valley, it's taken for granted that one could, if one had the desire, start a business, and not just a business, but one that could change the world. It's a mythos shared by many of the inhabitants that this is, indeed, possible. Why? In part, because it's part of daily life. One overhears such conversations in public places—cafes, restaurants, social occasions. There are stories in the media of this or that person who has done it on one scale or another. One meets people who call themselves entrepreneurs or potential entrepreneurs, investors or potential investors, innovators, technologists, start-up team members and co-founders, supporters, trainers, mentors, cheerleaders. The built environment includes not only the offices of start ups and investors, but incubators, accelerators, co-working hubs, accountants, attorneys, advisors, etc. Stories abound of success, failure and second chances. The pathways for trying something new are clear and abundant, even if they're not universally accessible.

Granted □ there are many problems in Silicon Valley, including ones caused directly by their particular brand of entrepreneurial culture. But still, there are lessons to be learned here and in other places that have developed proactive, problem-solving entrepreneurial cultures.

Contrast this with the experience of many other places where there are no stories of any kind, no encounters with people who have started or invested in something, no clear pathways in evidence, even if one had the ideas and desire to start even the most modest enterprise. How does one get past the pessimism and 'it'll never work' attitudes that often prevail in such monochromatic landscapes and create new openings of possibility, however modest?

This is a supremely important question for two reasons. First, the globalizing economic system concentrates production and supply chains, and enriches a small number of corporations in a few metropolitan areas, leaving the rest of the planet to provide raw materials or consume the products of the system. As a result, these de-industrialised cities and polluted hinterlands suffer a range of negative personal, social, economic and ecological consequences which, in turn, create the conditions for resentful political populism.

Second, if we need new economic solutions in these places, social and economic innovation, more inclusion, ecologically wise methods for meeting our needs—who is going to create them? Where is the creative energy going to come from? In this historical moment, we need people who can develop new

models for meeting real needs in these places—new models that reduce our dependence on global supply chains and are bioregionally appropriate, that contribute to new local and regional economic systems that are just, diverse and resilient, that build community wealth and increase wellbeing.

If 'entrepreneur' is a cultural construct, how can we begin the process of culturally producing the kinds of roles and processes necessary to start up and drive the transition to local and regional economies of this kind? People make culture in community through relationships and stories, and modeling new behaviours in public spaces, therefore the process of cultural change and recreation can begin simply, inexpensively and modestly. This means convening and connecting people in ways where new stories can be shared and new relationships can be born.

What kinds of stories? Perhaps those about people who start projects that benefit the community, that collaborate, that create solutions to existing challenges, that take risks but are supported by their community; stories about trying, failing, and trying again, experimenting and learning; and stories about collective and cooperative endeavour, shared risk and shared reward. Stories about people who are part activist, part community organiser, part permaculturalist, and who have the skills to organise resources and make something self-sustaining.

These stories can become embodied and enlivened in community gatherings that aim to empower, motivate and connect people for action. There are many example of these kinds of activities: events that map the opportunities for new projects and enterprises that will benefit the community; film showings that tell of positive examples in other places; 'hackathon' workshops that gather people to develop ideas into tangible projects; events that connect local entrepreneurs, potential entrepreneurs, investors and potential investors, mentors, catalysts, enablers, and supporters. All of these things are within the capacity of an abundance of citizens living almost anywhere.

This process of cultural reconstruction applies to 'investor' and other roles, as well. We can tell new stories of what it means to invest money in local and regional enterprises, earning returns that include a better, healthier place to live. And stories about investing skills and experience – mentoring, convening, and supporting the kinds of enterprises and being involved in the kinds of economic relationships we'd like to see in our communities. Stories of participation.

These kinds of public gatherings create platforms for building relationships and propagating new stories. Citizen organisers can, of course, use email lists and newsletters, social media and conventional media, and other communications channels to spread these stories throughout their communities and beyond.

With the prevalence of these kinds of events and communications, and the stories and networks of relationships that ensue, the sense of the possible begins to emerge. When action follows, new norms begin to take shape and new pathways for starting new ventures become clear. This is happening in some places and in other places, of course, this process has yet to begin. But if we're to drive change, this kind of activity is necessary but insufficient on its own.

Mobilising local social and financial capital. In almost every place there are people who know how to do something and people with a little extra financial or other resources that could contribute to starting up a new self-sustaining project. It's a matter of degree, of course. Many communities are on government lists for deprivation, have high levels of young people out of work and undereducated, lack access to decent food, child care, transportation, decent and affordable shelter, etc. In some of these communities in the UK and US, practitioners of Asset Based Community Development work in these places to develop a recognition of the assets and skills they do possess, and putting them to work for positive change. In other places, there are people with extensive business experience and a bit of extra money in the bank or in the stock market. Sometime these places are adjacent to one another.

Whatever the skills and assets that are present in a community, these can be made available for developing new economic possibilities. Seed capital is an important and tangible input for new enterprises, and so are the skills and advice of an experienced mentor. The lack of local or cooperative banks make it difficult for worthy local businesses to access capital for their own development, but local investors can help in these cases, too. But there must be opportunities and pathways for doing so, as well as cultural barriers to be transformed.

Activities to catalyse a new entrepreneurial culture, such as those referenced above, can provide platforms for awareness raising, testing out new roles, as well as attracting and organising such social and financial 'capital'. Skill-sharing workshops, more formal workshops, informal and formal mentoring relationships, investor clubs and investor events can all be organised. Hackathons, 'Detroit Soups', Local Entrepreneur Forums and other events can provide the context for productive relationships to form, whether these relationships are based on investing skills, experience, money or other assets. In some places, there exist legal models for more formal financial relationships, such as Community Development Financial Institutions, (CDFI), that can aggregate local financial resources and reinvest them in community enterprises.

Putting local social and financial capital in play, so to speak, reinforces the cultural shift and contributes to an enterprising ecosystem. When this happens, people in the community literally invest themselves

in their local entrepreneurs and local projects. Perhaps, because of relationships and proximity, local investors are more likely to share the risk-'friendly and patient capital'. When this all of this happens publically, it normalises the activities and the role of the local investor.

It may be that locally invested financial and social capital is insufficient to transition local and regional economies, but it is a necessary step. In any case, local projects that enjoy local support will be in a better position to access finding or expertise from outside the area, if necessary.

Building out an 'enterprising ecosystem'. The above actions are necessary, but if they only happen once or diminish over a short period of time, there is no lasting change. To ensure a long-term regenerative system, there must be institutions that provide enduring access points and pathways for local enterprise projects to get the support and resources they require to launch and develop.

Let's consider this word, 'ecosystem'. In terms of ecology, an ecosystem is composed of the communities of living things and how they go about sustaining their lives in the context of interdependent relationships with other living things. In an abundant and diverse ecosystem, there are many pathways for living beings to, well, make their livings. In a bleak, desolate environment, not so much.

An abundant ecosystem for 'transition-oriented enterprises' would similarly offer many pathways for getting something started, for accessing necessary resources of whatever kind, and opportunities to connect and collaborate with others. If we consider the case of Silicon Valley once again, it is an abundant ecosystem full of structures, institutions and spaces where one can gather the necessary resources to launch a new venture-angel investor networks, entrepreneur networks, venture capitalists, cafes and watering holes where one can meet similarly interesting people, incubators, accelerators, co-working spaces, regular events, training and education programmes, universities, banks, and so on. These structures, institutions and spaces provide a lift for entrepreneurs, but they also help to regenerate the entrepreneurial process, reproducing the culture, and driving the process of economic evolution.

In our context, when we run events like hackathons or Local Entrepreneur Forums on a reliably regular basis, they become part of the local ecosystem. They become institutions and spaces. Citizen organisers can use these kinds of events as platforms to undertake more ambitious projects, like organising entrepreneur or local enterprise networks, investor networks, or develop relationships with the nearby business support providers or entrepreneur training programmes. Or more ambitious still □ developing co-working hubs and incubators, perhaps even supported by local councils or anchor institutions. Or even start a local bank!

Many elements of an such an ecosystem may already be in place but simply lack visibility or a relationship with other elements. Sometimes the missing piece is simply an interpersonal relationship between individuals. In fact, the modest beginnings of such an ecosystem-building project affords the active citizen many opportunities to draw in key people from local authorities and universities, which may bring further institutional support and collaboration.

The concept of 'entrepreneurial ecosystems' isn't new. Much has been written, inspired by the experience of Silicon Valley and other places, and much in the context of tech enterprise, however the learnings are transferable. The elements include the cultural aspects and availability of local social and financial capital, as we've described above, as well as co-working hubs and incubators, events and spaces to meet, sources of finance, supportive policy from local and state government, training and skills development for entrepreneurs and workers, innovation support from universities, support from anchor institutions, cross pollinating networks, and more.

Where these elements don't exist, they can be created. Where they do exist, they can be influenced and reoriented toward economic transition. It isn't unreasonable to suggest there are tens of thousands of places around the world that could support the kinds of events we've described, co-working hub and incubators, and support from some existing local institutions.

Weaving 'convergence' networks. Above all, we must connect with others who are doing similar work, as well as those who aren't—or aren't, yet. There are many people working for economic change of the kind we're talking about, and in many places. They may belong to homogeneous networks related to their field, for example, people working in community renewable energy may belong to a community renewable energy network. These networks may be formal or informal, hierarchical or horizontal, animated by face-to-face events or online platforms. And they exist for many sectors of what might be called 'new economics'—food sovereignty, affordable housing, natural building, impact investing, and so on.

These homogeneous networks and streams of work represent a nascent movement. However, even between the various streams of work in the 'new economy', there is a lack of connectivity and therefore there is not yet a strong, aligned movement nor the conditions for innovations to spread.

If we want to transition to better local and regional economies of the kind we're talking about, we can't continue to work only within sectors and silos. Connecting these diverse

streams of work creates the conditions for adjacent possibilities, new alliances and collaborations, cross

pollination of novel ideas, and innovations to emerge and spread. It will create the conditions for an aligned movement to form and momentum to build.

Weaving diverse networks across regions is important for movement building and is necessary in supporting the development of entrepreneurial culture, mobilisation of local social, and building of 'enterprising ecosystems' in the various localities within the region.

The experience in Totnes and other places

We've just outlined a framework for citizen-led action to transition local and regional economies. It provides a systems-level conceptual map that can guide development strategy, helping change makers create the conditions for new actors, relationships and models to emerge and thrive. And it provides a lens through which to understand our approach in Totnes, as well as diverse examples of citizen-led initiatives in other places.

This framework emerged for us as our work in the Totnes REconomy Project has developed over the past 7 years. We've run numerous events of the kind alluded to above – films, talks, networking events and so on. We've had notable success with our principal projects, the Local Economic Blueprint, REconomy Centre, Local Entrepreneur Forum and Devon Convergence.

The Local Economic Blueprint was a local economy evaluation exercise that included local government and other community leaders, and made the economic case for more local ownership, production, and accountability. It gave our group credibility and helped 'prepare the soil', so to speak. And it led to a good relationship with the local council who eventually gave us use of office space rent-free for a co-working and incubation space, the REconomy Centre.

The REconomy Centre has been running for five years, has about 100 active members, and because of low running costs, is operating on a 'pay what you can', self-managing model. Members of the REconomy Centre, and others on our network, offer workshops on topics ranging from business planning to personal resilience. Members collaborate with each other and several have pitched at the Local Entrepreneur Forum.

The Local Entrepreneur Forum has been running for 7 years. Over this period, over 170 people in the community have acted as 'investors', pledging financial support of close to £100,000, and non-financial support worth an estimated £30,000, for 31 enterprises, many who have then created new jobs and have gone on to raise more money. These enterprises offer 'import substitutes' to local consumers and some even operate outside the market system. Many work with local suppliers, driving up the local multiplier.

Importantly, many find ways of supporting one another, sometimes collaborating on projects. The annual event has had gross participation of over 830 people, some of which have gone on to pitch and subsequent events or have joined the REconomy Centre. And over the past two years, we've run hackathons as part of the Forum, helping to develop 10 very young ideas, one of which pitched last year.

Finally, the Devon Convergence is a collaborative networking event we have been running the past four years across our region. The aim is to develop a horizontal network of actors in order to align activities, amplify the effects of our work, spread innovations that are working, and to spark new initiatives in other parts of our region where they are needed. It has led to the developing a regional cooperative bank project, and new economic relocation projects.

This framework can also help us understand diverse other approaches and possibly provide a unifying theory to guide development for cooperative and solidarity economy strategies, such as Cooperation Jackson or Cooperativa Integral Catalana; community wealth building, such as 'Cleveland Model' and 'Preston Model; Degrowth activities; peer to peer and commons; and other approaches to citizen-led economic transition.

Somehow, we are going to have to rapidly find alternatives to the destructive ways in which we are living. This will require radical change and it's going to have to come from the bottom and the top, and from the sides. All effective efforts toward a more just and inclusive, ecologically wise and socially regenerative, diverse and resilient system are welcome. The more these efforts are aligned, the more rapid and effective the transition, but we're dealing with complexity, so we can only take our next steps and attempt to move into adjacent possibilities. We can all participate, we all have a role to play. We're all citizens of this planet, regardless of what colour passport we carry, and we must exercise our agency to support this massive shift we all need to make. This framework provides just one way of thinking about how we can act in the places we live to begin making a difference. Maybe it can.

Strategy for Localization

CHAPTER 5

Workshop Session 1, 'Local Futures'

-
- Revitalization of Local Economies and Public Involvement | Edahiro Junko
 - Village Leader's Growth Strategy, Starting with Urban Regeneration and Community Activities | Kim Sung-gook
 - Urban Regeneration Sustainability from the Local Circular Economy Aspect | Im Gyeong-su

Workshop Session 1

‘Local Futures: Urban Regeneration and Residents’ Participation’

The Session 1 will be conducted as follows: sharing cases of local economy recreation, opinion convergence and analysis, and presentation of alternatives. First, there will be presentations of overseas cases and those of resident representatives and the Jeonju City Urban Regeneration Support Center director. The participants, divided into three small groups, will discuss, share discussion details, and seek alternatives. Each moderator will perform the discussions of three small groups, respectively, and more specific debate will be carried out, focused on the above-presented subjects.

■ SEQUENCE

Time (min)		Program	Details
14:00 ~ 14:05	5'	Opening Session	Opening speech, introduction of presenters/small group discussion moderators, introduction of guests, and workshop guidance
14:05 ~ 14:20	15'	Presentation One	Presentation of overseas case Edahiro Junko Chairperson of Institute for Studies in Happiness, Economy and Society
14:20 ~ 14:40	20'	Presentation Two	Presentation of Jeonju City’ s urban regeneration case one Kim Sung-gook President of Angel Road People Community
14:40 ~ 15:00	20'	Presentation Three	Presentation of Jeonju City’ s urban regeneration case two Im Gyeong-su Urban Regeneration Support Center Director
15:00 ~ 16:00	60'	Small Group Discussion	Moderator: Chung Soo-kyung President of Pleasant City Research Institute Moderator: Ko Eun-seol President of Byeoluibyeol Moderator: Cho Sun Jeonju Regeneration Support Center Team Leader
16:00 ~ 16:10	10'	Breaktime	
16:10 ~ 17:00	50'	Sharing Results	Sharing small group discussion results and free discussion

Chairperson Heo Moon-kyung (Research Professor of Jeonju University)

Moderator Kim Chang-hwan (Jeonju Social Economy Center Director)

The Future of Local Areas: Revitalization and Public Involvement

Edahiro Junko

Revitalization of local cities, towns and villages is crucial for the future of the local areas as well as a country as a whole.

In Japan, there are nearly 1,800 municipalities all over the country including big cities and small villages. And more than half of that are towns and villages with population less than 30,000. The total population of these small-scale municipalities is approximately 8 % of Japan. The total land areas of these town and villages is about 48 % of the whole country. It means that 8 % of the people manage and protect nearly 50 % of Japan's land area. It is essential to revitalize local towns and villages so that local people can continue to live in the areas. It is important not only for these areas but also for the entire country.

Revitalization by empowering people and activating local economies of local towns and villages, however, is easier said than done. How do we involve local residents in the process? This is one of the most important and the most difficult parts. You can set hearing opportunities in the process and it is important to listen to the voices and desires of local people. Our question is: how can you reflect such inputs from local people for your revitalization plan? And what kinds of principles do you have for public involvement since there are various voices from various residents and local groups?

This is why I have been trying to create and generalize a process of building social consensus based on my experiences of helping local towns in Japan for years. At this workshop, I would like to share the process I created: "Three steps for local revitalization"

The first step is to create a shared vision among local people for the area based on a backcasting approach. The second step is to try to grasp a bigger picture of interconnected factors with systems thinking approach. The final step is to jointly come up with projects and initiatives to create or strength desirable positive feedback loops and kill or weaken undesirable positive feedback loops. After this, the Plan-Do-Check process comes in to move the area toward the shared vision.

I will share case studies from Japan to show more concrete image of the process and we will also hear actual case studies from Jeonju and other cities. From there we will have the discussion on social consensus building and other important aspects of local revitalization.

Village Leader's Growth Process Starting with Urban Regeneration and Community Activities

Kim Sung-gook

Angel Road People Community (Village Community)

1. Learning the meaning of urban regeneration

People have lived based on village communities throughout history, and they gain psychological stability from living in a village. However, as new housing lots are developed in a city, and a new better town or city is built, people who have lived in the village leave. Therefore, population decreases in the village, and living environment changes.

To tackle run-down and outdated environments, spaces used by villagers are developed and apartments are built using the method of “redevelopment.”

Many know it is the best option. However, as they learn the meaning of urban regeneration, through which villages could revitalize, they start to have hope for living together without leaving their villages. In this context, I began to play a leading role in village and community activities

2. Truth can beat selfishness

As a research institution, the “Urban Regeneration Support Center” was established in our village at the end of 2011,

I took part in the center as a village resident, and learned, practiced, and evaluated various urban regeneration programs.

I grew up looking at The New Village Movement in the 1970s, and realized the true meaning of a village in which people can live together. Although I tried to look for village residents who would join me, the participation rate was low, and the residents paid little attention.

The village residents' thinking that the administrative agencies will do everything with taxes they pay is wide spread. Therefore, I started by promoting friendliness with the village residents at first, rather than performing projects with them.

We had meals and traveled together, and found various new facts about our village, while operating a village regeneration school.

As more people gathered, we started interesting village projects. First painting an alley in front of one person's house and also other surrounding allies. In this way, local residents' participation increased.

I persuaded villagers that such an activity can revitalize our village and elevate our property value, and change our village.

3. Building a fun community

In our village, there is a beautiful story of good deeds called “An angel without a face.” The person referred to as the Angel Without a Face has donated KRW 550 million to our village anonymously each year for the past 18 years, and the donation has been delivered to some 4,500 people.

We built the “Angel Road” based on this beautiful story, and shaped such village communities as Angel’s Handicraft, Angel’s Vegetable Garden, Angel’s Rest Area, and Angel Road People. In this way, we promoted various projects by connecting the angel’s story and village projects. Using village resources, we implemented a natural dye project. With all these, we endeavored to shape a fun community in which residents participate and can live happily.

4. Village leaders’ role in urban regeneration and community activities

As the new government was launched, urban regeneration and community gained attention, and many policies and projects are promoted. If such policies and projects achieve good performance, I think the role of village leaders that can encourage village residents to participate and implement various projects through agreement and support is important and necessary.

Village leadership is lonely and requires patience. Village projects are not conducted fast, like the projects performed by companies or administrative agencies. This is because much time and patience are required for local residents to agree upon and implement such projects.

Urban regeneration and community activities need to be sustainable. As solid project base can be shaped by growth through twists and turns over a long period, the village leaders’ role is important in such a process.

5. Commissioned as a community activist like a miracle

I have never received personal support, while engaged in village projects as an activist for the past seven years. I have worked with a belief that I serve the village where I have lived for a long time and where I will live in the future. I have always tried to maintain balance between my private life and voluntary service.

Jeonju City commissioned me as a community activist through educational courses requiring a lot of time and various types of evaluation. As a community activist or village leader, I can build self-esteem, which can be regarded as miracle to myself. The policy appears to be a meaningful policy by which local government fosters community activists and enables them to participate in village projects, and supports village projects and community activities.

6. Dreams and belief of village leader.

Looking back upon the past seven years, I think the meaning of urban regeneration or village community is an activity naturally occurring in the space of one’s village in everyday life.

I am determined to become a village leader with big dreams and a belief to shape our village to live together in a community that can promote the quality of our lives.

The Sustainability of Urban Regeneration from Local Circular Economy Aspect

Im Gyeong-su

Jeonju Urban Regeneration Support Center Director

1. Intro

Korea's regional development has been implemented aiming to increase external money coming in. From the position of local society, where human and physical capital is insufficient, it depends on central government support and attraction of external investment. Such dependent regional development causes imbalance between regions, such as east-west conflict, and also that between the Seoul Metropolitan Area and provincial areas, and between cities and rural areas in general. Because the money coming into local areas due to regional development tends to flow out again, various projects including resident-led village shaping, social economy, and urban regeneration are attempted. However, many people express various concerns, as the urban regeneration projects (so called a New Deal Policy), in which the government invests large amount of finance, are implemented.

2. Aspect of local economies

A. Bicycle store in Seocheon-eup, Seocheon-gun

I lived in various small cities before moving to Wanju. When I was living in Chuncheon, I had to buy a bicycle, because my oldest child had reached that age. Actually, bicycles in a large discount mart were cheaper than the bicycle stores in our neighborhood. However, I bought a bicycle at the neighborhood store although it was more expensive, because I saw the store's owner (an old man) gazing the sky many times with a sigh, and few customers entering the store. We took the bicycle to Seocheon-gun, Chungnam. My child commuted to school with the bicycle, and we went to a neighborhood bicycle repair shop to repair a tire. The repair man grumbled, while he was repairing the bicycle. Nobody comes to his store to buy bicycles, but people just come to repair bicycles, which does not cost much. Large discount marts in Seocheon-eup and Gunsan City are within 20 minutes by car. Although people buy bicycles in the discount marts, because of cheap prices, they would not go to Gunsan to repair bicycles. The job of a local resident selling and repairing bicycles in the region has become risky like that

B. Hanbok (Korean traditional clothes) experience in Jeonju Hanok (Korean-style house) village

The Hanok Village in Jeonju is a Korea's representative tourist attraction where over 10 million people visit annually. Annual sales were KRW 123.4 billion, over KRW 380 million per day on average (2017 data). One of the stores in operation in Jeonju Hanok Village is Hanbok rental shop. According to the data surveyed by the center, where I am working, at the end of 2017, over 200 Hanbok rental shops are in business, and additional new shops were also possible since demand was sufficient, according to one rental shop owner.

Where do the Hanbok in all these shops come from? The rental Hanbok is rented at the price of KRW 10,000 per hour, and can only be rented out 20–30 times. Therefore the Hanbok, which has to be cheap, is made in Seoul Gwangjang Market. I asked some old women who run small Hanbok-making and selling stores in Nambu Market whether they could make the rental Hanbok. They said they could not make it, because of self-esteem, not to mention price. According to them, the Hanbok rented in the Hanok Village doesn't represent Korea, and is Korean Hanbok only in terms of shape. The money that tourists spend in Jeonju Hanok Village flows out again, and the dignity that those old women once held has disappeared.

3. Urban regeneration project of the old and original city center in Jeonju

The urban regeneration project of the old and original city center in Jeonju will cost KRW 18.2 billion from 2016 to 2020 around Jungang-dong and Daga-dong (1.43km²), which were once the city center of Jeonju. The project has the following strategy under the goal of developing four districts in balance, centered on tradition and culture, led by citizens: promoting start-ups in the fields of culture, arts, and commerce, promoting residents' economic activities in declined areas, and enabling all tourists and locals who come to the vitalized Hanok Village and Film Street, to visit all areas.

The following have been implemented in the Jeolla Provincial Office Street Specialization Project:

- ① Set the vision of the Jeolla Provincial Office Street, participate in the consideration process of the street design, and promote residents' voluntary activities by establishing a resident council with various stakeholders.
- ② Shape Jeolla Provincial Office Street as a street combining tradition and culture suitable for the entire direction of the Jeolla Provincial Office Street and urban regeneration projects in which restoration is executed.
- ③ Support building appearance maintenance under the condition that no rent is raised for a certain period through an agreement with building owners to promote start-ups related to tradition and culture.
- ④ Shape the platform to assist citizens' various activities as a social innovation project of the Ministry of the Interior and Safety using idle facilities around the neighboring university.

Other projects are also promoted through similar details and procedures.

4. Jeonju old and original city center regeneration project from the local circular economic aspect

The vitalization plan for Jeonju old and original city center regeneration did not set local economic circulation as a clear goal. However, a framework is presented in which demand within the area increases, thereby promoting start-ups, and economy circulates coupled with an increase in tourists, due to invigoration of resident activity within the old and original city center. However, there are some additional parts to be considered:

First, although circular economic effect is shown, if the framework functions properly, there is a possibility of minimal effect, because specific fields were not strategically implemented, after the

project implementation. From the planning stage, there is a need to find empty fields of the circular economy and foster them through analyses of current status and outlook of each business type and pro and post-associated business types with potential within the project region. Based on the plan, the participation of residents with memories of the past within the circular economy's framework and accumulating various experience and wisdom is an essential factor.

Second, local economic policies considering circulation at the level of Jeonju City and urban planning to back up the policy are needed. The specific urban regeneration district in Jeonju has limited spatial scope that cannot achieve circular economy within the district. Within the entire circular economic structure in Jeonju City, the role of urban regeneration projects must be established. A new urban plan backing up the region's self-reliance and circular economy should be devised by abolishing urban planning under the condition of population growth and spatial expansion.

Third, local economic circulation effect does not occur, if gentrification is countered only by preventing rent increase. Large scale capital outflow occurs mainly by external ownership of finance. This is the biggest hurdle to the local economy. Land and finance should be owned by communities through cooperative financing and efforts for civic capitalization.

5. Epilogue

Korea is still within the growth paradigm, despite population decrease, aging, and the decline of the manufacturing industry. Monetary happiness actually confuses many people via such a belief that the economy should grow to create jobs and enable individuals to make money, which will bring them happiness. Such confusion causes collective misunderstanding that large scale land development projects can bring money that may go to other regions to our region, making our region better off. It seems a distant hope that Korea's medium-sized cities can become self-reliant and shape the circular economy transcending such a misunderstanding. However, I dream that a medium-sized city, like Jeonju, can give hope to other regions by thorough efforts to change regional development awareness and shift central government policy.

Strategy for Localization

CHPATER 6

Workshop Session 2 'Local Food'

-
- Revitalization of Local Economies and Public Involvement | Kato Kaori
 - 「Jeonju Food 2025」 Plan Implementation Strategy | Kang Seong-wook

Workshop Session 2

‘Local Food’

- Preparation for an arena to share mutual vision and experiences with overseas experts, c relevant domestic agencies and onsite entrepreneurs pursuing common goals in the eco-city and social economy domains, which are the main values of our city governed by the seventh mayor, elected by popular vote.
- Inducing a shift in civil awareness by sharing the value of the economics of happiness and enhancing interest in a society where people can live together beyond competition and bipolarization.

■ SEQUENCE

Time (min)		Program	Details
14:00 ~ 14:10	10'	Opening Session	Opening speech, introduction of presenters/small group discussion moderators, introduction of guests, and workshop guidance
14:10 ~ 14:40	30'	Presentation One	Local food plan and Palsystem’ s role Kato Kaori Product Planning Department Chief Director of Palsystem
14:40 ~ 15:10	30'	Presentation Two	Jeonju Food 2025 Plan Implementation Strategy Kang Seong-wook Jeonju Food Foundation Office Manager
15:10 ~ 15:20	10'	Breaktime	
15:20 ~ 16:30	70'	Discussion	Park Su-yeong Wonju Food Cooperative Secretary-General Kim Hyeon-gon Aide to National Assemblyman Kim Hyeon-gwon Cho Kyung-ho Local Agriculture Research Institute Director
16:30 ~ 17:40	70'	Q&A and Free Discussion	Nonoyama Rieko Chairperson of Palsystem Kim Yang-woo Chairman of Jeonju Food Producers Association Chang Soon-cheol Chairman of School Lunch Council
17:40 ~ 17:50	10'	Closing Session	Closing and commemorative photograph

Chairperson Hwang Young-mo (Research fellow of Jeonbuk Development Institute)

Collaboration between Producers and Consumers of the Palsystem

Kato Kaori

Activities of Producer–Consumer Council (PCC)

The following summarizes collaborative activities between producers and consumers:

- Learn advanced organic farming techniques to improve farming methods, to develop eco-friendly agriculture, and to promote farming methods that protect biodiversity
- Establish and revitalize local councils based on agriculture
- Develop international solidarity among farmers
- Promote collaboration, information exchange, and communication between producers and consumers

1. Developing Local Communities through Producer–Consumer Collaboration

Palsystem defines the aim of sanchoku (direct producer–market channeling with communication) as, “Contributing to healthy and safe life, where producers and consumers work together as citizens to rediscover diverse values of agriculture and to build eco-friendly, recycling-oriented, and rich local communities that connect food and farming.” What is unique about this definition is that we see sanchoku not merely as a method to procure food. Rather, we strive to build local communities through collaboration between producers and consumers.

Since 2005, Palsystem has established local councils with production areas across the country. Producers and consumers work together at the councils to develop products while effectively using local resources, to develop activities for communication, and to develop communities. These efforts aim to build eco-friendly and recycling-oriented society.

There are many cases where producers struggle with sales even when they use local resources to develop products. That is because their ideas are not well received by consumers. Palsystem has been promoting sixth industrialization of agriculture through agriculture–commerce–industry collaboration. We can produce desirable results by creating products that people wish to have and want. This is made possible by having consumers participate in the process and effectively using local resources.

(1) Building a Recycling Mechanism in a Community while Effectively Using Community

Resources: Initiatives by JA Sasakami Members of JA (Japanese agricultural cooperative) Sasakami

in Niigata Prefecture use various resources in innovative ways. For example, they make shimekazari (New Year decoration) with rice straw from rice farming then supply it to Palsystem. They also produce and supply specially cultivated rice and organic rice to Palsystem in a stable manner; the rice is sold based on an annual reservation system.

They have also founded a tofu factory through joint sponsorship with Palsystem and other consumer co-ops. They plant soybeans at former rice fields that used to be abandoned due to the acreage-reduction policy. Using the soybeans grown there, they produce and supply “Umeteba Tofu,” made only from domestic soybeans but with no anti-foaming agent. This tofu has been quite popular among consumers.

Through these initiatives, production areas can effectively use untapped resources, producers can increase their incomes by processing the soybeans on their own, and consumers can meet their needs to eat real and authentic tofu. Therefore, this initiative brings benefits to both producers and consumers.

(2) Palsystem-Government Community Food Program: Rice School

In Japan, 5th graders are required to study rice, our staple food. Since 2011, Palsystem Tokyo (a Palsystem member in Tokyo) has provided the “Rice Class” program at elementary schools in Tokyo. In fiscal 2017, 10,807 students at 151 schools took this class, accounting for 11% of all 5th graders in Tokyo.

As rice consumption keeps declining, the program aims to teach children how to preserve Japanese traditional farming by eating rice, what it means to increase the self-sufficiency rate, how hard producers work, and how to appreciate food.

In this year-long program, students grow rice either in buckets or in paddy fields provided by schools within their premises, experiencing the rice production process, from planting to harvesting, threshing, and hulling.

Students take a lecture on rice before experiencing the rice growing, and compare tastes of different types of rice afterward. Either employees of Palsystem or co-op members who engaged in food education visit schools as instructors. Seedlings are provided by producers who grow organic rice. Producers sometimes visit schools to give lectures, which are very popular. Participating students also receive gifts, such as a notebook for studying rice and chopsticks made of timber from forest thinning in Tokyo.

Recognizing these efforts, Tokyo Metropolitan Government offered them a subsidy to promote food education. The money was used to purchase equipment for the class. They also provide small space for children to experience farming at a nursery school they run.

(3) Palsystem-Government Community Food Program: The Third-Sector Initiative

A council has been formed to have various exchanges among Toujinosato Co., Ltd. (a third sector sake

brewery sponsored by Joetsu City in Niigata Prefecture, JA Echigo Joetsu, and Palsystem Tokyo), Palsystem Consumers' Co-operative Union, and Palsystem Tokyo. Representatives of Palsystem Tokyo also participate in various events in Joetsu City in response to requests by Joetsu City Council for Promotion of Food and Agriculture. They work together to develop products and to promote agriculture while exchanging ideas with Joetsu City and farmers in Joetsu. Programs to experience sake production and farming in Niigata are quite popular among members of Palsystem Tokyo, so are programs that have producers visit Tokyo to give workshops on sake and soba (buckwheat noodle) making.

(4) Palsystem-Government Community Food Program: Farmers' Markets and Restaurants

In Fujisaki Town, Aomori, famous for “Fuji” apples, we also have a council with Fujisaki Town, JA Tsugaru Mirai, and Tokiwa Poultry Agricultural Cooperative.

All the cities and towns mentioned above have been working on local production for local consumption in school lunch as one of their major policies, based on their plans to promote food education. Moreover, a farmer's buffet restaurant using local food opened next to a farmer's market, two years ago in Joetsu City and this year in Fujisaki Town; they are very popular among local residents and tourists. In Fujisaki Town, other facilities are also established next to the restaurant, including a tourist information desk, to promote agriculture and tourism simultaneously.

「Jeonju Food 2025」 Plan Implementation Strategy

Kang Sung-wook

President of Jeonju Food Foundation

♣ Korean Agricultural Administration for some 60 Years: Growth, Competition, and Efficiency

- Modernization of agriculture: stagnant growth (Downward trend in productivity, total input, and growth rate)
- Acceleration of incorporation into market: mechanization, specialization, and scale-up (pan-nation agricultural food commercialization)
- Environmental deterioration: maintaining high ratio input of agricultural chemicals and chemical fertilizers and intensification of factory-type stockbreeding
- Deepening crisis of agriculture and farmers existence: concentration of large scale farming, commercialization, and vertical integration
- Collapse of rural area's reproduction structure: aging of farmers
- Request of a co-existing system of regions and society: reduction of agricultural income and deepening bipolarization (migration of farmers to urban areas and poverty)

♣ Shift of Agricultural Administration Paradigm: guarantee of basic food right and food (production) right and local invigoration

- Self-reflection: competition, growth, and efficiency ⇒ recovery of relationship, win-win situation, and sustainability
- Tactics: centralization and design conveyance ⇒ localization, decentralization, governance, and autonomy guarantee
- Strategy: building local food base ⇒ national food strategy expansion
- Goal: fostering the agricultural industry ⇒ improving nation quality of life (realization of happiness-pursuing right through foods)

♣ Reality of Food Production, Distribution, and Consumption in Jeonju City [Production]

- Ratio of small farming family cultivating less than 1ha of farmland: 71% (65.7% - Korea) - Jeonju Food Survey data, 2015
- Ratio of farmers with side job (4,510 households): 63% (over 75% of aging ratio of those who are 65 or older)

2018 행복의 경제학 국제회의 전주 지역화를 위한 전략

○ Farming income of those who are 65 or older: KRW 6.7 million (11.257 million nationwide on average and KRW 9.850 million-Jeollabuk-do)

【Distribution】

- More than 80% of large conglomerates' distribution monopoly: E-mart (1), HomePlus (3), SSM (26), and convenience stores
- Vitality reduction of traditional markets, local marts, and local small businesses

【Consumption】

- Out of KRW 1 trillion of total household food consumption amount in Jeonju City (Engel coefficient): local production ratio is about 5% (KRW 50 billion)
- Threatening civic basic food right and health right: GMO import-No. 2 in the world. The food poisoning accident (1,600 people), due to meal service of Pulmuone's cakes, occurred nationwide in Sep. 7, 2018.

♣ Jeonju Food 2025 Plan

- Provide safe and healthy foods to citizens.
- Stable income creation and job guarantee of local people
- Building a self-reliant circular economy in which locally produced agricultural, livestock, and fishery products are consumed within the region
 - ※ A Plan for 10 years of Jeonju City Foods was declared (Nov. 17, 2015): vitalize the citizens' dining table, agriculture, and local economy by increasing agricultural output of Jeonju, currently just KRW 50 billion annually to KRW 200 billion annually, and by realizing the right to guarantee safe and healthy foods for citizens
 - ※ Diffusion of Jeonju City agricultural cases under the Jeonju Food Plan: pilot implementation of 19 stores in 2018, planned for 100 by 2022 (The Ministry of Agriculture and Forestry).

♣ Reasons to Continuously Implement the Jeonju Food Plan

- Dependence on agricultural products produced in other areas, not in Jeonju City: more than 95%
- Serious outflow of local capital: more than 80%
- Maintaining 21,538 farmers, 6,269ha of farmland, and production diversity of various species and small quantities of more than 300 species
- Consumer demand increase for opening local food stores selling directly to consumers within Jeonju city
- Market expansion through developing various distribution channels, including exchanges between regions other than Jeonju

- Guaranteeing Jeonju citizens' stable civic food rights and building a local circular food system

♣ Direction to Implement the Jeonju Food Plan (2018–2020)

- Reorganization of the legal system related to basic food rights in Jeonju
- Restoration of agricultural productivity in Jeonju and broadening food production in Jeonju
- Opening and operating four compound type stores directly selling consumers to guarantee Jeonju citizens' food accessibility
- Construction of public meal service (school) supply expansion system, including supply of local products within Jeonju
- Expansion of supply projects for city–rural area win–win situation, including Seoul
- Expansion of national food network through local–unit food virtuous cycle system

♣ Realization of Healthy Citizens, Sustainable Agriculture, and Independent Economy City, Jeonju

- Reorganization of production, distribution, and consumption: building virtuous cycle system with annual KRW 200 billion centers for in–region consumption of in–region products
- Governance: combination with various themes including Jeonju Food, Social Economy, Urban Regeneration, and Local Currency
- Expansion of national agricultural policy with local food strategy: realistic measures to cope with globalization
- Future vision realization of local agriculture: contribution to harmony and win–win situation awareness diffusion under the philosophy, “All People’ s Agriculture”

Strategy for Localization

CHAPTER 7

Workshop Session 3 'Local Finance'

-
- Citizen-Led Economic Transition Workshop Jay Tompt
 - Happy Money Siheung Currency “Siru” Circulated in the Region Lee Jae-hwan
 - Community Economy Shaped by Eunpyeong Currency “Peace” Park Chi-deuk

Workshop Session 3

‘Local Finance’

- Preparation for an arena to share mutual vision and experience with overseas experts, relevant domestic agencies and onsite entrepreneurs pursuing common goals in the eco-city and social economy domains, which are the main values of our city governed by the seventh mayor, elected by popular vote.
- Inducing a shift in civil awareness by sharing the value of the economics of happiness and enhancing interest in a society where people can live together beyond competition and bipolarization.

■ SEQUENCE

Time (min)		Program	Details
14:00 ~ 14:10	10'	Opening Session	Opening speech, introduction of presenters/small group discussion moderators, introduction of guests, and workshop guidance
14:10 ~ 14:40	30'	Presentation One	Happy Money “Siru” Circulating in the Region Lee Jae-hwan Official in charge (Siheung City Hall)
14:40 ~ 15:10	30'	Presentation Two	Community economy shaped with Eunpyeong Currency “Peace” Park Chi-deuk Eunpyeong Social Economic Hub Center Director
15:10 ~ 15:20	10'	Breaktime	
15:20 ~ 16:20	60'	Discussion	Jay Tompt Lee Jae-min Professor at Woongji Accounting and Tax College Yun Sung-il Chairman of Mapo Community Economic Network “Moa” Go Eun-ha Jeonju social economic network representative
16:20 ~ 16:50	30'	Q&A and Free Discussion	Q&A with presenters and panel and free discussion
16:50 ~ 17:00	10'	Closing Session	Closing session and commemorative photograph

Chairperson Sohn Hyun-joo (visiting research fellow of the Korean Research Institute of Science, Technology and Civilization of Chonbuk National University)

Citizen-Led Economic Transition Workshop

JayTomp

The current economic system, as we know, is the root cause of biosphere destruction, global warming, inequality, corruption of democratic institutions, and more. Experts warn we must rapidly reduce the energetic and material throughput of the global economic system by orders of magnitude in the coming years or face severe consequences. The negative consequences of this system hits people in communities in towns, cities, and surrounding regions. What's needed is a radical reconfiguration of how we meet our needs. There is no bigger innovation challenge.

At least part of the solution to this problem lies in developing alternatives to this system that are fair, ecologically wise, socially regenerative, diverse and resilient. De-centralised, as well, shifting economic and political power back to communities and democratic institutions. And all of this in the context of dramatically less consumption of energy and material.

The simple proposition is that if we want these kinds of alternative economic systems, we must create the conditions for new economic actors, relationships, and models to develop. The proposition is useful, inviting us to think in terms of systems. Local and regional economic systems, while complex, are typically human scale and intuitively graspable. The logic is straightforward and guiding, suggesting a theory of change and development.

While some of these alternatives require change at the macro and State level, citizens can and must take actions beyond the occasional trip to the voting booth. After all, the negative consequences of our current system will affect all of our communities. And if we're to radically reduce the size of our carbon and ecological footprint, (something like 80% over the next couple of decades) the solutions will be found at local and regional scales. Therefore all these communities, towns, cities, regions represent the innovative edge-space of economic transition.

The actions citizens can take to create the conditions for change fall into these four categories:

- catalyzing a transition-oriented entrepreneurial culture □ if we want new actors, relationships, and models, people will have to start new firms and projects, whether cooperatives, solidarity or commons projects, anchor institution plays, peer-to-peer, social enterprise, sole proprietorships, partnership, etc; whether the goals are creating livelihoods or decoupling from the corporate global supply chain; whether within a market system or outside it. This means redefining entrepreneurship, investment,

'incubation', as well as the social norms and stories giving meaning to these processes and the roles required to animate them.

- mobilising local and regional social and financial capital—in every place, there are people with skills and know how and financial assets of whatever modest or abundant quantity. Mobilising these assets for economic transition may not be sufficient for achieving all aims, but it's necessary for getting started, involving the community, building community wealth, creating local accountability, and creating the conditions for attracting more from other sources, such as foundations or government.

- building supportive and regenerative 'enterprising ecosystems'—transition-oriented enterprises start up in the context of cast of supporting players—networks, co-working and incubation spaces, training programmes, banks and financial institutions, etc. An interconnected constellation of such spaces, institutions and structures forms an ecosystem providing tangible, useful pathways for starting new ventures. It creates the conditions that makes visible and possible the idea of transition-oriented entrepreneurship.

- weaving 'convergence networks' of diverse individuals and organisations across localities and regions —building horizontal networks comprising diverse actors in the landscape of economic alternatives is essential for creating the conditions for connecting people, resources and ideas, for innovations to emerge and spread, and movement to develop.

This framework provides a conceptual map that can guide development strategy and action for citizens, whether acting as entrepreneurs, community groups, or within the context of an NGO or local authority. Working in this systems context can create the conditions for the emergence of, not just a single new enterprise or project, but many. It is therefore 'upstream' for many activists and entrepreneurs working in the context of social entrepreneurship, cooperatives and commons, *economia solidaria*, Degrowth, etc.

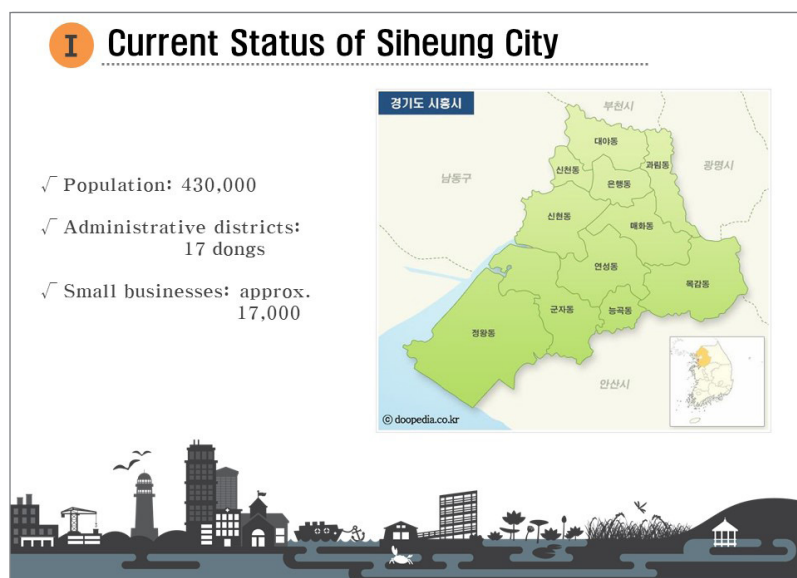
There are many examples of successful initiatives that can be understood within this framework, such as the Totnes REconomy Project, which has developed the Local Entrepreneur Forum, Project Design Hackathon, REconomy Centre, Local Economic Blueprint and Devon Convergence. There are variety of other initiatives that are also working in this way, such as Calderdale Bootstrap, Berkshares, Boston Impact Initiative, Cooperation Jackson, Cooperativa Integral Catalana, and 'the Preston Model', demonstrating a diversity of specific projects that fit the framework.

In this workshop, we will combine a mix of lecture about this framework with specific cases from our experience in Totnes and diverse other contexts. We will include activities designed to transfer know-how and demonstrate tools that will allow participants to adapt this approach to their own projects and contexts. Participants will also be invited to participate in the international REconomy Community of Practice, a diverse network of activists, organisers, and change agents involved in a range of local economy projects in about 15 countries in Europe and the Americas.

Happy Money Siheung Currency “Siru” Circulated in the Region

Lee Jae-hwan

Official in charge (Siheung City Hall)



Current Status of Siheung Currency “Siru”

- ✓ Enforcement basis: Ordinance for Siheung Currency Issuance and Operation (May 2018)
 - ✓ Sales start date: September 17, 2018
 - ✓ Discount rate: 5% (10% during the launch commemoration period and traditional holidays)
 - ✓ Types of notes: KRW 1,000, 5,000, and 10,000 notes
(three types in total and simultaneous execution of mobile notes)
 - ✓ Purchase/money exchange: all 31 Nonghyup branches within the area of jurisdiction
(purchasing commission: 0.7% and money exchange commission: 0.8%)
 - ✓ Venues for use: small businesses (business registered in Siheung City
(based on Distribution Industry Development Act)
- * Some 3,500 establishments had been accepted as of Sep. 10, 2018.



Goals and Plans

Year	Goal	Performance and Plan	Budget
2018	Distribution of KRW 2 billion by Q4	Enactment of the relevant ordinance and laying the foundation for adoption of Siru	KRW 300 million
2019~	Distribution of KRW 20 billion annually/adoption of mobile Siru	Seeking application of various welfare expenses, allowances, and rewards	KRW 1.3 billion
2020~	Adoption of community exchange of labor-type Siru platform	Promotion of idle resources transaction application within the region	

✓ In case of KRW 38.0 billion distribution in Siheung City, there were the effects of KRW 17.0 billion reduction of consumption outside of the region, and 391 jobs created (Research Report of Korea Polytechnic University, 2018).

✓ Local community spirit consolidation based on regional consumption invigoration (shaping social capital base)



IV Preparatory Process of Adoption

○ Seeking period of adoption (Oct. 2016~Feb. 2017)

✓ Private-Public research meeting (4 times): case studies of Suwon and Daejeon and learning relevant data and materials

✓ Hosting civil lectures (3 times): invitational lectures on the cases of Mapo and Daejeon and related data and materials

* Discussion of model for adopting Siheung version local currency



[Private-Public Research Meeting]



[Civil Lecture]



IV Preparatory Process of Adoption

○ Private-Public Cooperation Promotion Period (Apr. 2017~May 2018)

✓ Organizing **Siheung Local Currency Promotion Commission**

(24 commission members including merchant associations and civil organizations, April 2017)

✓ Civil questionnaire survey (one time) and presentation visits (approx. 50 times)

* As a result of the questionnaire survey targeting 487 people, more than 70% approved of adoption.



[Civil Questionnaire Survey]



[Presentation of **Merchant Association**]



IV Preparatory Process of Adoption

√ Local currency name and civil design contest (August 2017)

- * Selected name "Siru" : "Si" of Siheung City + "Ru" (meaning tie) = Siheung Economic Community
- * Selected design

[Contest Poster]



[Selected Designs]



IV Preparatory Process of Adoption

√ Pilot Operation of the 12th Siheung Gaetgol Festival (Sep. 2017)



[Sales Booth at the Festival]



[Currency Use]

√ Open Forum of
Siheung-version local
Currency (Dec. (2017)



[Forum]

V Implementation Process

- √ Requested to build a Siheung version local currency mobile system (Korea Polytechnic University, Dec. 2017)
- √ Siheung City organized **Siheung City Local Currency Promotion Commission TFT** and held a meeting (14 sessions, ~Feb. 2018).
- √ Opened Siheung Academy "Local Currency School" (30 students as of Apr. 2018)



[Private-Public TFT Meeting]



[Opening Ceremony of Local Currency School]



V Implementation Process

- √ Enacted the Ordinance for Siheung Currency Issuance and Operation (May 3, 2018)
 - * Specified the organizing "Siheung Currency Issuance Commission" guaranteeing the participation of civilians.
- √ Started receiving member store applications (Jun. 26, 2018)
 - * Member store attraction and application acceptance via private-public cooperation through Tong-heads' cooperation.



[City Council's Standing Committee Meeting]



[Signboard Hanging Ceremony of No. 1 Member Store]



V Implementation Process

- ✓ Signed sales agency agreement (Nonghyup, Jul. 27, 2018).
- ✓ Entered into MOU to build the mobile local currency system (KOMSCO, Jul. 27, 2018)
- ✓ PR for private-public cooperation (continued) / Administrative TFT organized for adoption preparation (five people)



[Agreement Ceremony among Siheung City, KOMSCO, and Nonghyup]



[PR for Mom Café's Flea Market]

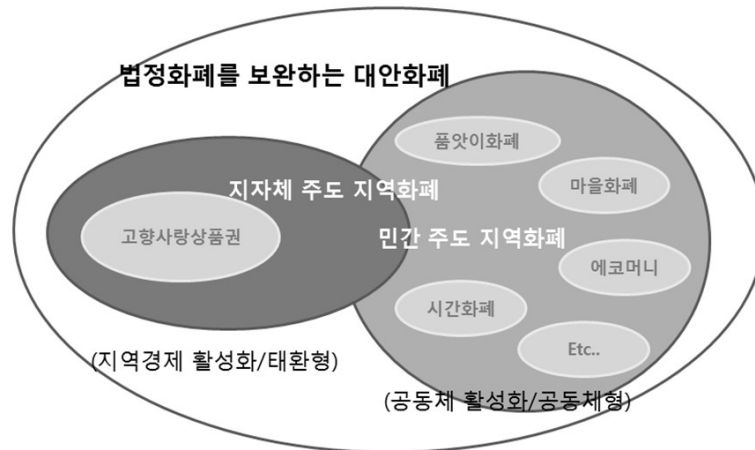


VI Future Plan

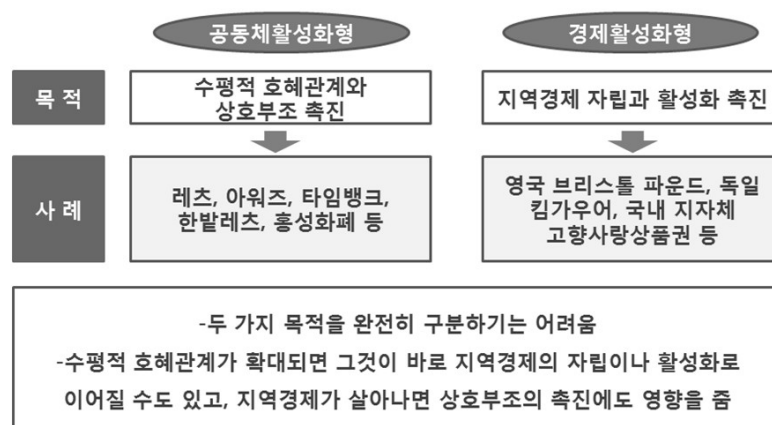
- ✓ Secure and maintain 5,000 member stores for user convenience enhancement.
- ✓ Additional adoption of mobile local currency to elevate convenience in case of purchase and money exchange (Feb. 2019)
- ✓ Scale-up project for realistic local economic invigoration
 - Review of connection of welfare policy with local currency (policy for dividend for young people)
 - Promotion of offering public officials welfare points, various allowances, and conversion of Siru (public purchase)
 - *Discovering one task per one Dept. for Siheung currency vitalization
- ✓ Devising operation structure for sustainable projects
 - Settlement of private-public cooperation-based **"Siheung Currency Issuance Commission"**
 - Securing Dept. in charge and personnel (plan to set up Small Businesses and Local Currency Team)



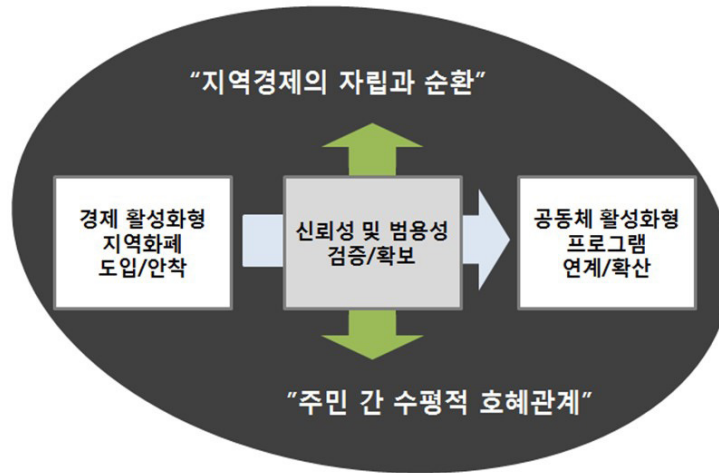
√ Local Currency Type and Distribution



√ Local Currency Type and Distribution



√ Direction for Diffusion of Siheung Version Local Currency

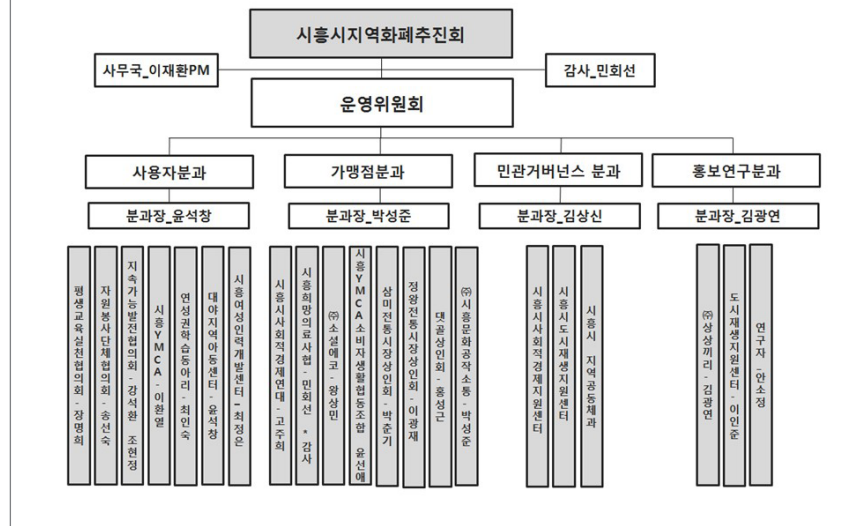


√ Economic Effects on Three Regions in Gangwon Province

Region	Type	Effect Analysis
Yanggu-gun	Internal	Gift certificates are sold to local residents, and the consumption substitution effect using small businesses within the region is the highest, while local residents' consumption in other regions is reduced. Although the distributed volume of gift certificates is only 0.83%, compared to gross regional domestic product (GRDP), additional income increase rate per small business sits at 2.13% as a result.
Chuncheon City	External	Gift certificates are sold targeting mainly tourists from other regions, and thus the sales effect of those within the region is the highest. Expenditure within the region is 3.75 times larger (KRW 2.28 billion) than the gift certificate sales amount (KRW 600 million as of the end of Aug. 2017).
Hwacheon-gun	Integrated	Gift certificates are sold to both local residents and tourists from other regions. Value-added is 15.9 times larger (KRW 698 million), compared to the Hwacheon Gun's investment budget (KRW 44 million), and thus the effect is the highest.

2018 행복의 경제학 국제회의 전주

√ Efforts for Adoption of Siheung Version Local Currency in 2017



√ Efforts for Adoption of Siheung Version Local Currency in 2017

Summary of Civil Questionnaire Survey Results

1) Measurement model

- i. Survey subjects: residents or workers in Siheung City by gender, age, region, and occupational group
- ii. Sample size and sampling method: No. of valid samples – 487 people / random sampling
- iii. Survey method: e-mail questionnaire survey and interview
- iv. Survey period: Jun. 2~Jun. 26, 2017 (for 24 days)

2) Result summary

- [Status of local currency recognition] Do you know the local currency is circulated only in this region for local economic invigoration and community consolidation?

- ① Know (34.1%).
- ② Don't know (65.9%).

- [Utilization fields of local currency] Where do you think the local currency should be used most, if it is adopted in our region, Siheung City? (Multiple choices are possible.)

- ① Traditional market and small businesses (36.4%)
- ② Consumer Cooperatives and Social Cooperatives (11.3%)
- ③ Social companies and start-ups (7.2%)
- ④ Direct transactions of locally produced agricultural and fishery products (11.5%)
- ⑤ Goods and services produced by resident communities (7.5%)
- ⑥ Public services including public parking lots (11.7%)
- ⑦ Local festivals/events and flea markets (13.6%)
- ⑧ Others (0.8%)

√ Efforts for Adoption of Siheung Version Local Currency in 2017

- **[Success conditions of local currency]** What conditions do you think are needed in our region, Siheung City, for the local currency to succeed? (Multiple choices are possible).

- ① Stable securing of stores in which the local currency can be used **(40.4%)**
- ② Increase in citizens (users) using the local currency **(24.9%)**
- ③ Cooperation and support consolidation between civil society (private sector) and Siheung City (public sector) **(18.5%)**
- ④ Active efforts and transparent operation of execution organizations (promotion commission, etc.) **(15.1%)**
- ⑤ Others **(1.2%)**

[Status of local currency use] How often will you use the local currency, if it is adopted in our region, Siheung City?

- ① Actively use **(32.9%)**. ② Use, if necessary **(57.6%)**.
- ③ Will not use **(2.8%)**. ④ Don't know **(6.6%)**.

Thank you!



Community Economy Shaped by Eunpyeong Currency “Peace”

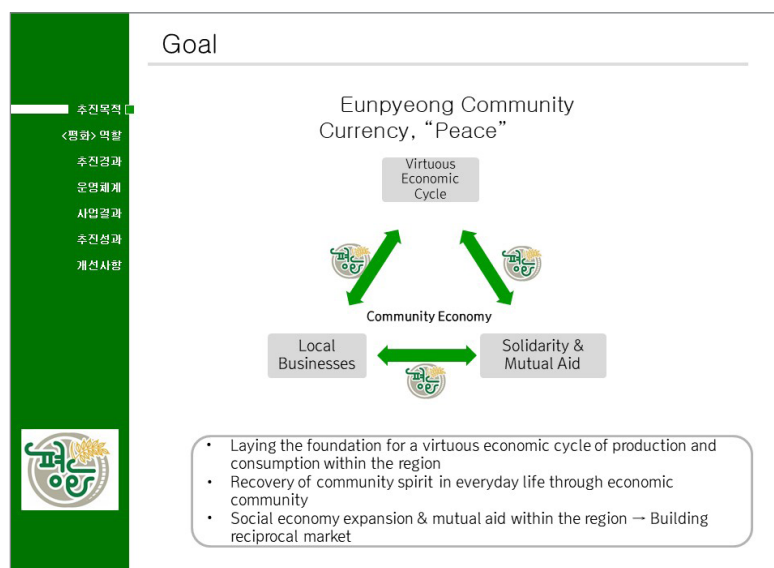
Park Chi-deuk

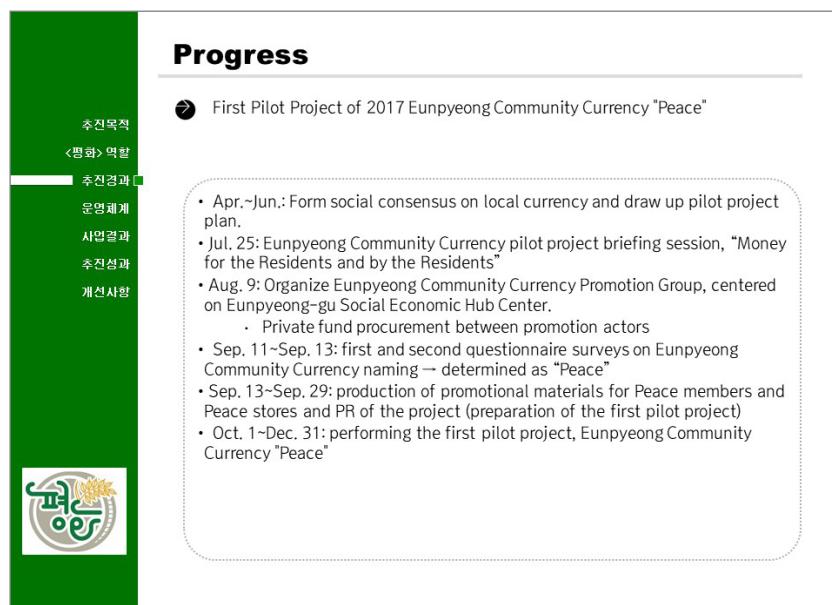
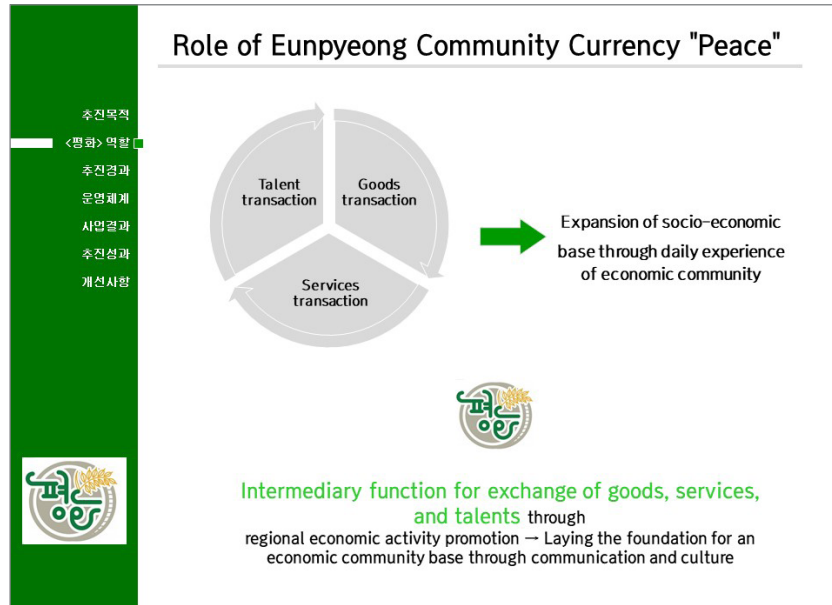
Eunpyeong Social Economic Hub Center Director

Community Economy Shaped by Local Currency “Peace”

November 2018

Eunpyeong Community Currency Promotion Group





추진목적
<평화>역할

추진경과

운영체계

사업결과

추진성과

개선사항

Progress

➔ Second Pilot Project of 2018 Eunpyeong Community Currency "Peace"

- Jan.~Feb.: first project result evaluation and second project planning
- Mar.: Eunpyeong-gu Village Portal and Village Currency System - contract signed
- April: System development and content upload
 - Peace Store information upload (store information, images, etc.)
 - User convenience implementation and system design configuration
- Apr. 20: Opening Peace mobile App & web portal (www.eppay.kr)
- May: Production of promotional materials for Peace members and Peace stores and PR (preparation of the second pilot project)
- May 21~Jul. 31: performing the first pilot project, Eunpyeong Community Currency "Peace"

추진목적
<평화>역할

추진경과

운영체계

사업결과

추진성과

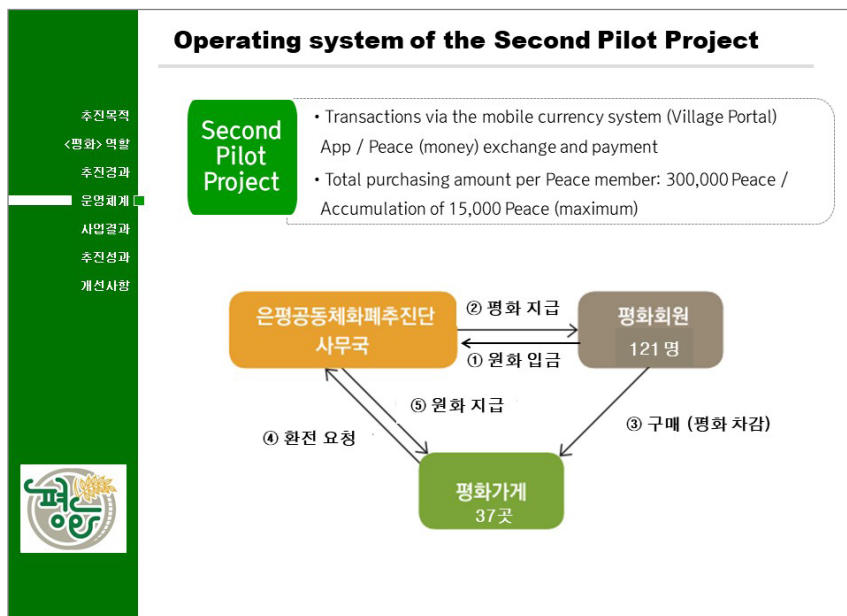
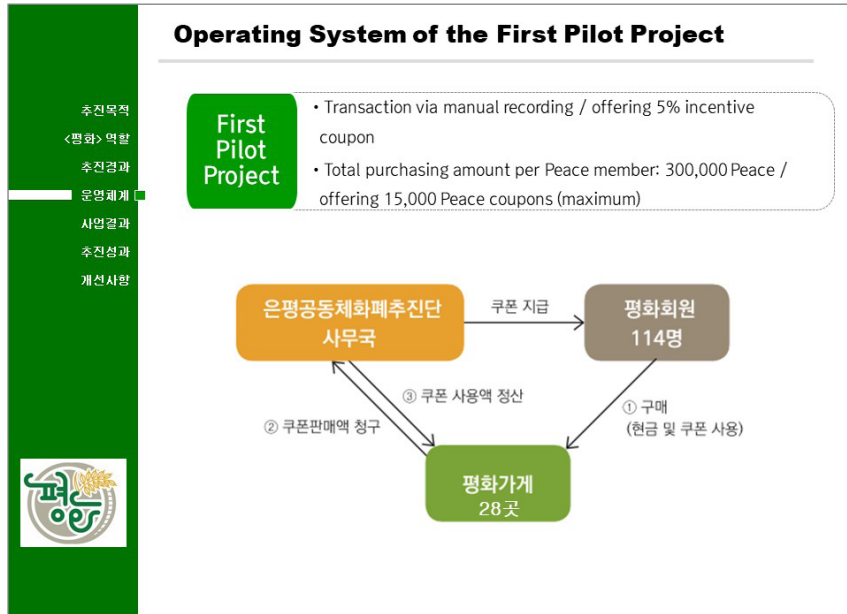
개선사항

Current Status

➔ Currently the third pilot project of Eunpyeong Community Currency "Peace" (Oct. 1~Dec. 31, 2018) is underway.

Basic **operation** method is the same as that of the second pilot project.

- Minimization of system instability (factor improvement) and presenting the appeal of added convenience
- Seeking connection with existing programs and mutual transactions
- Increase in high-quality member stores (setting stronghold area) and user motivation (i.e. discount)
- Identification of sustainable operation fund procurement status (sales commission: 1%)
- Period: Oct. 1 ~ Dec. 31 (three months)



추진목적 <평화>역할 추진경과 운영체계 사업결과 추진성과 개선사항 	Results			
	➤ Results of the first, second, and third pilot projects of Eunpyeong Community Currency "Peace"			
	Category	First	Second	Third
	Period	Oct. 1~Dec. 31, 2017 (three months)	May 21~Jul. 31, 2018 (two months)	Oct. 1~Dec. 31, 2018 (three months)
	Operating system	Manual recording	Mobile App	Mobile App
	Peace members	114	121	Approximately 130
	Peace stores	28	37	45
	Transaction amount	15,686 million Peace	7,994 million Peace	?
	No. of transactions	333 (3 per day on average)	474 (7 per day on average)	?
	Operating method	—	Concept of payment in advance (advance deposit in the joint fund bankbook + App installation + Peace exchange)	Concept of payment in advance (advance deposit in the joint fund bankbook + App installation + Peace exchange)

추진목적 <평화>역할 추진경과 운영체계 사업결과 추진성과 개선사항 	Performance	
	1. Recognition of need for community currency and social consensus expansion	
	• Increase in the number of Peace members, Peace stores, and transactions (first < second < third) of pilot projects.	
	2. Organizing private promotion actors implementing the community currency project	
	• Eunpyeong Community Currency Promotion Group (eight organizations) – Eunpyeong-gu Social Economic Hub Center, Eunpyeong Sangsang, Eunpyeong Civic Cooperation Platform, Social Cooperation Network for Eunpyeong Social Innovation, Eunpyeong Community Support Center, Salim Health Welfare Social Cooperative, Eunpyeong Dure Consumer Cooperatives, Mulpure Book Cafe • Private fund procurement – Secure incentive expenses needed for operation of the first and second pilot projects, centered on the private sector. – Initial fund procurement of the community currency through mutual cooperation in the promotion group (KRW 2,750,000 in total).	

추진목적

<평화>역할

추진경과

운영체계

사업결과

추진성과

개선사항

Performance

3. Building basic infrastructure to continue the Peace project

- Secure fixed number of Peace members (121 members).
 - Centered on promotion group workers and residents
- Secure Peace stores (45 stores)

<Social economic organizations: 21>

- Geumja Dongee, Mulbit Village Rich Soybean Paste, Mulpure Book Cafe, Shiny Photo Studio, Salim Clinic, Samlim Dental Clinic, Health Innovation Clinic, Sports Center Dajim, Communication Cooperative, Daddymom, Joeunewoot Coop, Eunpyeong Dure Consumer Cooperatives (Gusan Branch, Nungam Branch, Jingwan Branch, Bulgwang Center Branch), Café for All, Cooperation Store, Village Rainbow, 36.5 Store, Steek, Dreaming Bakery

<Local community entities: eight>

- In the Village, Bapulggot, Book & Cafe Quoirez, Eunpyeong Village Arts Center, Bienbook, Quoirez.Bs, Joyful Firefly, Fredericbooks

<Young people's stores: seven>

- Nokeum Coffee Bar, Rainbow Tree, Fool's Craft Workshop, The Makers, Chorong Stationery, Sambong Bar, Innovation Park Window Cafe

<Local small businesses: nine>

- Bulgwangmoongo, Wonmi Tasty Restaurant, Shin Opticians, Flower Sea, Yubin's Bakery, Eunpyeong Chicken, Gaio Noodles, Bulgwang Blacksmith, Daddymom

추진목적

<평화>역할

추진경과

운영체계

사업결과

추진성과

개선사항

Problems & Complements

➡ Improvements for sustainability

- System stability enhancement in line with the mobile environmental change
- Need to integrate money exchange, purchase, and payment functions
- Securing Peace operational finances (ensuring continuity)
- Discovering Peace member stores with high-quality goods and services, and accessibility
- Maintaining and expanding loyal Peace member base
- Clarification of the identity of Eunpyeong Community Currency "Peace"
 - Creation of a concept differentiated from Zero Pay and autonomous Gu (County)-centered local currency

Strategy for Localization

CHAPTER 8

Free Discussion

- **Moderator** Park Jin-do (President of the Korea Regional Development Foundation)
- **Panel** Helena Norberg-Hodge, Jay Tompt, Nonoyama Rieko, Kim Chang-hwan, Im Gyeong-su, Hwang Young-mo, ' and Sohn Hyun-joo

[illegible]

[illegible]