

## **Community Currencies in Japan** ~ mainly on cases in Kyushu, Western Japan ~

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Note: Websites whose URLs are shown below are almost written only in Japanese, so it's recommended to use translation softwares and/or online webpage translation services for further information for those who don't understand Japanese (even the quality is quite low).

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### **0. Introduction**

Community currencies (CCs) are being more and more widespread throughout the whole world. Cases such as LETS (in countries like Great Britain and Australia, with its variants like SEL (Système d'Échanges Locaux) in France and Tauschringe in Germany), Banca del Tempo in Italy, Clubes de Trueque in Argentina are run to increase exchanges among local residents, with enhanced human relationship as its co-effect.

Japan has been considered as world's one of the wealthiest countries with US\$ 35,990 of GDP per capita<sup>1</sup>, but **the economic stagnation**, triggered in 1991 by the collapse of so-called "bubble economy<sup>2</sup>," **has churned out several social problems**, such as layoffs, aging population, budgetary hardship on the public sector and the worsening situation on children, and **CCs** started to be highlighted **as a way to solve social ones**.

Today 134<sup>3</sup> CCs are operational in Japan, **each one with its specific goals and characteristics in which it is run**. On this report I would like to depict today's picture on Japanese CCs, showing both positive sides and problems to be solved.

#### **1. Brief history of community currencies in Japan, with its social background which gave rise to this social movement**

##### **\* pre-CC-boom movements**

It's relatively only recently that the concept of CCs was introduced to Japan, even there were **two major precedents** which have been operational for 30 years with their network throughout Japan.

**\*Fureai Kippu:** operational since 1973 by Sawayaka Welfare Foundation.

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1 World Bank, 2001

2 The economic boom or overheating which happened in the latter half of the 1980s when terrains surged, making profits to land speculators but making it hard for ordinary people to purchase their own home near the downtown.

3 Izumi, Rui "Chiiki Tsuuka Iroiro," Mirai Keiei no.7, 2002

Its goal is the creation of a system to promote mutual aids among the elderly or between aged people and youngsters (especially in terms of elderly-care), with more than 300 groups active. More information on this system is available at Bernard Lietaer's "The Future of Money<sup>4</sup>," p. 201.

Website: <http://www.sawayakazaidan.or.jp/>

**\*Volunteer Labor Bank:** A grass-root movement by housewives which was born in 1973 by Teruko Mizushima to create a system free from the inequalities in the yen economy, exchanging their services and with "*No inflation is found on labors. Let's make our labor a new money of love. Labor Bank's interest is friendship*" as their motto. This bank has its national network of 170 branches and 1260 members as of July 2000, and is keeping their activities in a steady way.

Website: [http://www.d4.dion.ne.jp/~v\\_rougin/](http://www.d4.dion.ne.jp/~v_rougin/)

**\*Two trends which gave rise to CCs: "Ecomoney" by Toshiharu Kato and "Ende's Money-Go-Around" by NHK**

A few researchers had already noticed the importance of such movements, such as Ikuyo Kaneko on his book "Volunteer - another information society<sup>5</sup>," but it's as late as in **the last few years of the 1990s when CCs started to be appreciated** even bit by bit.

The first one is **Toshiharu Kato**, then of the Ministry of Transportation and Industry, who showed his idea on the book "**Ecomoney** - from the (financial) big bang towards a human-friendly society."<sup>6</sup> He was quite successful in attracting the attention of local governments, and as many as 60 groups,<sup>7</sup> mainly by local governments but by other entities like coops and chambers of commerce as well, have been founded to study the possibility of introducing "Ecomoney" but with only six cases which are permanently operational.

It is worth accentuating that **the public sector plays by far more roles in terms of social services in Japan than in Western countries**. The first reason is that the Japanese religious groups are quite indifferent to social issues or considered to be harmful to the rest of the society. On top of that, Japanese people tend to think that it is the public sector's role, not their own one, to improve the social conditions. So local governments thought that it would be their role to start "Ecomoney" for the sake of local residents.

The reason Ecomoney is so little active can be explained because of the involvement of many local governments: Many of them become interested in Ecomoney as a way to improve the social services within their city or town or village, but only hold "experimental periods" as they feel obliged to run successfully, which means they are afraid of being accused by local residents in case their "Ecomoney" fails. Usually "experimental periods" lasts only for a

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4 Century, London, 2001.

5 Iwanami-shinsho, Iwanami-shoten, 1992

6 Nihon Keizai Hyoronsha, 1998

7 <http://www.ecomoney.net/begin/group.html> , as of Sep 11, 2003

couple of months, and only services are exchanged to prevent "Ecomoney" economy from invading Yen economy's domain.

The second one is a **TV show "Ende's Money-Go-Around,"** broadcast on May 4 and 5, 1999 on NHK BS-2. The original idea of this TV show was given by Michael Ende(1929 to 1995), one of Germany's most beloved storyteller with "Momo" and "The Neverending Story" as his masterpieces, as he was very concerned about the monetary issues. NHK, a Japanese broadcasting station similar to BBC in Great Britain, had a close relationship with him on its another TV series "Einstein Roman"<sup>8</sup> on which Ende was invited as a critic of Einstein's viewpoint. This TV show starts with Ende's question as follows:

*"So I suppose we should place the money again as a value which corresponds to the reality of the works and goods. And for this purpose everybody should think seriously on what's the core and what should be changed in the current monetary system. I think this is a crucial question which will determine if human beings can go on surviving in this planet or not. The point is the recognition that the money we pay to buy a bread at a bakery and the one we use at the stock market as capital are two types of different ones."*

Ende goes on showing his economic view, telling that we can change the monetary system as it is we the human being who created it, and referring to Silvio Gesell<sup>9</sup> as "the first man to think of it(monetary system)". The TV show presents Wörgl as a specific case for which Gesell's monetary theory was applied and visits several CC cases, such as Ithaca Hours, Tauschring in Halle, Germany and Wirbank in the Switzerland. This TV show was the first one in Japan to give clear ideas on CCs, and more and more grass-root groups, on top of Ecomoney advocates, referred to it. The same crew made two more TV shows, one on CCs in Japan and another on alternative banking systems, but with less impact on the Japanese society. It is very hard for me to understand why there is so little repercussion from Japanese people, nicknamed as "economic animal," in terms of alternative banking.

Further information on this TV show by the author

In English: <http://www3.plala.or.jp/mig/will-uk.html>

In Spanish: <http://www3.plala.or.jp/mig/will-uk.html>

In Japanese: <http://www3.plala.or.jp/mig/will-uk.html>

### **\*Peanuts: the first Japanese CC with a huge influence on following ones**

The first Japanese CC which was born under the influence of Western CCs is Peanuts, by the non-profit Chiba Machidukuri Support Center<sup>10</sup>. Kazuhiro Murayama, vice-representative of this non-profit, visited Great Britain in July 1999 to study how LETS are run, was shocked to see that they are used only

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8 Broadcast in 1991.

9 Further information on Silvio Gesell will be given in English, French, German, Japanese and Spanish by the author at <http://www3.plala.or.jp/mig/gesell/index-uk.html>.

10 <http://www.jca.apc.org/born/>

among the poor, and tried to arrange the system of a country where “70% of people live their life indifferently from the national economy<sup>11</sup>” before introducing it in Japan where “80% of Japanese people, of the middle class, are affected by the national economy<sup>12</sup>.”

He talked with Yurinoki Shopping Street, near JR Nishi-Chiba Station, Chiba, to see the possibility to introduce his system, named “Peanuts” after Chiba’s local product, but was only accepted by one of about 30 businesses. Makoto Kaiho, owner of the only business(barber), started to accept it as a way to promote his business, but realized that what is important for his business is “to keep the good human relationship with his customers,” and Peanuts participants are happy to have new relationships which have been created thanks to it, for instance with an organic farmer and a non-profit.

Peanuts has been very influential on defining the default form of CCs in Japan: at first Peanuts used checks but they started to use booklets to register each transaction as they were afraid that the authorities would forbid this system by regarding checks as “counterfeits” of Japanese yen. This booklet system became the standard among Japanese CCs,<sup>13</sup> with its both positive and negative side-effects.

## 2. Characteristics of CCs in Japan

Japanese CCs have various characteristics compared with other countries which can be explained mainly by the difference of Japanese participants’ viewpoint, by the different goal that they want to attain, and by the different social background.

**\*Only one term is used to describe this movement, defining its character as well**

Today the only term in Japanese which is used to name CCs is “chiiki tsuuka.” “Chiiki” stands for “area” and “tsuuka” for “currency,” so it’s natural that this impression that Japanese people have on hearing this term is quite different from what English-speaking people understand by “Local Exchange Trading System” or the general idea among Argentineans on “Club de Trueque”(“Barter Club” in English).

This conceptual difference between Japanese and Western terms can be seen in several phenomena.

a. I have heard several times the expression to **“pay in CCs for voluntary activities,”** for instance paying in CCs for elderly-caring, sign-language translation and other social works just because not enough yen is available, and I have noticed that they are only thinking of applying the conventional idea

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11 Murayama, Kazuhiko and Tsukada, Kozo, “Chiiki Tsuuka no Kanousei, Peanuts Jissen Hokoku”(Report on Peanuts ~ Possibilities of local money), Chiba Machidukuri Support Center , p. 6

12 ibid.

13 Strangely enough, most “Ecomoney” cases use bills like those of Ithaca Hours or Toronto Dollars.

of “money” into CCs **without taking into account the generic rule of CCs to “increase reciprocal trades.”** I am not against this idea, but it is worrisome that those who think of starting CCs have no idea on which kind of services and/or goods can be obtained for volunteers with what they earned in CCs.

b. CCs are considered to be their community’s own system, and they are only interested in forming their internal human relationship, **lacking completely the idea of “InterLETS” and being little interested in interacting and/or communicating with other CCs.** On top of that most CCs are fed up with the amount of CC surveys done by researchers<sup>14</sup>, and tend to provide little information for outsiders.

#### **\*Only social benefits are underscored**

In Japan most people who think of starting CCs are only interested in CCs’ social benefits neglecting their economic ones. Japan’s current economic hardship is affecting a huge variety of sectors, especially small and middle-sized businesses as banks force them to repay the whole amount of their debts in advance refusing to offer new loans for them. Banks’ hostile attitude towards small businesses is explained as a way to regain as much money as possible to fill up the losses by big companies who saw their assets severely decreased by the collapse of the “bubble-economy” after which lands’ price dropped. The increase of unemployed or only temporarily-employed youngsters and laid-off middle-aged workers is one of the most serious social issues in Japan, but the relation between the unemployed and social services is still very weak, preventing CC promoters from applying its system for them.

#### **\*CCs tend to be made to deal with a specific social issue**

As we will see below on specific CCs in Kyushu, each CC is created to deal with a social issue each community is afflicted with, for instance to improve the economic life of mental patients in case of Hanako and to attract more tourists in case of Yuro. What is good of this tendency is that CCs begin with a certain amount of steady members who, in many cases, know each other quite well, but we cannot ignore the negative effect of this tendency that those who are not interested in the specific issue find it hard to get involved with the group.

### **3. Operational specific cases in Kyushu**

I will try to depict main cases of CCs in Kyushu, Western island in Japan where I live, as each case is formed and operated for different purposes and it is quite difficult to sum them up.

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14 One of such cases can be seen on a message on YUFU’s website that says: “So many coverages by journalists and other people rush into us that our original activities and members’ lives are severely disturbed. So we’re very sorry to tell that we can’t respond to coverages and/or visits. Nor can we deal with contacts for researches or graduation thesis which we receive almost everyday. Thank you for your comprehension.”

**a) YUFU (Yufuin, Oita Pref, shown as “yf” on the map above)**

YUFU is the first CC in Kyushu island in Yufuin, Oita. Yufuin, on a plateau, is well known as a booming place for sightseeing and as many as 4 million tourists visit this small town of only 11,592 inhabitants while the tourism became popular only in the beginning of the 1990s. Another key industry for Yufuin is the SDF<sup>15</sup> military base, and some U. S. military practices have been given there as well.

Ryuji Urata<sup>16</sup>, who grew up there and runs a liquor shop, had been involved with several grass-root activities, such as Yufuin Movie Festival and Anti U.S. Military Practices Campaign, and realized that CCs can be used as an effective tool to **run an autarchy which would make them less dependent on monetary inflow from tourists and/or the military base**. Starting in 2000, it has more than 100 members within Yufuin, beginning to have their own farm and with their own room where an information board on trades is placed, some Yufu members gather to chat and/or spend some time in a relaxed mood.

At first YUFU used a booklet system but started to use “debt certificate” system<sup>17</sup>. Here is the translation of the YUFU format.

Local Exchange Trading System for our symbiosis	
Date of issue:	/ / _____ YUFU
I, ( issuer’s name ), issue this ticket to ( receiver’s name ) as my gratitude for him/her.	
I’d like to pay back this gratitude to a YUFU members at any chance.	
Note:	

This system allows each member to issue their own ticket and has reduced YUFU office’s works significantly. Nowadays this “debt certificate” is mainly used among YUFU members, dispensing the offerer to have the booklet with himself/herself to register the transaction as the purchaser can issue his/her debt certificate on the spot.

Website: <http://www.coara.or.jp/~yufukiri/letsyufu/>

15 The Article 9 of the Japanese constitution, taken into effect in 1947, forbids the government to have military forces but the United States asked Japan to have the “Police Reserve,” which would later become the Self-Defense Force to be in charge of defending Japan from attacks from outsiders.

16 His website is found at <http://www.coara.or.jp/~yufukiri>

17 This system was proposed by Eiichi Morino, of Gesell Research Society of Japan, as a way to find a solution to the conventional system which imposes a lot of works to the central office. Further information is available at <http://home.debitel.net/user/RMittelstaedt/Money/watto-e.htm> (in English) and/or at <http://home.debitel.net/user/RMittelstaedt/Money/watto.htm> (in German)

### **b) Yoka Yoka (Hakata Area, Fukuoka, Fukuoka Pref.)**

The second oldest CCs in Kyushu is held in Hakata area, traditional commercial downtown of Fukuoka City. This area, famous for its festival "Hakata Gion Yamakasa" which constitutes the identity of Fukuoka city, prospered until 1950s by dozens of wholesale stores, but the golden age ended when such stores moved to the suburbs in 1960s. Takashi Futami, researcher at ABC Research & Design, proposed the introduction of a CC at the Naraya City Planning Committee as a means to **promote mutual aids among residents within this area**, and it was officially started on August 08, 2001 after three months' experimental period(March to May). Currently some 60 members join this group and use this system for mutual aid and trades of second hand goods which can be found at its office.

Website: <http://www3.coara.or.jp/~yoka>

### **c) Coal (Omuta, Fukuoka Pref.)**

Omuta, once prospered for the coal mining, is now the city with the hugest percentage of aged population(65 years or older) among cities with more than 100.000 inhabitants<sup>18</sup>, and there it is urgently needed to improve the welfare service for the elderly. Coal, of course named after the area, was founded in May 2001 among social volunteers as a way to **facilitate mutual aids**, and is trying to make it accepted at local businesses as well.

Website: <http://call-oomuta.hp.infoseek.co.jp/>

### **d) Fuku (Nakatsu, Oita Pref.)**

In Nakatsu, Northern Oita, traditional downtown is now facing with the hardship as two shopping malls have been built not near from it. Many shoppers go only to malls without dropping by the traditional shopping street, and **local businesses decided to start their CC**(named "FUKU" after Yukichi Fukuzawa, local philosopher and founder of Keio University whose figure is shown on the 10.000 yen bill) as a way to **attract customers to them**, on top of promoting mutual aids among residents. Begun in February 2002, member shops hold some events in which Fukus are given away.

Website: <http://fukuuchi.hp.infoseek.co.jp/>

### **e) Hanako (Kawanabe, Kagoshima Pref.)**

Kawanabe is a unique town in Kagoshima, Southern Kyushu, in the sense that Kodama Hospital, for **people with mental diseases**, is trying to enable patients to live in harmony with local residents. Several facilities have been built where more freedom is entitled to patients, a shop "Moe" opened to allow them to make ends meet, and a CC, called "Hanako," started in March 2001 to

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<sup>18</sup> According to the national census done on Oct 01, 2000 the percentage of aged population(65 years and older) is 25.2% in Omuta while the national average is 17.3%.

**provide them with another tool to promote trades and mutual aids.**

Website: <http://www.minc.ne.jp/~moe-moe/hanako.htm>

#### **f) Yuro (Beppu, Oita Pref.)**

Beppu had been much more attractive than its neighbor Yufuin for a variety of hot springs, but started to receive less visits due to its outdated style of tourism. Tatsuo Kurita, owner of a live house and eager for the community activities, learned the concept of CCs and came up with the idea to make use of it to **attract more visitors**. The system started in spring 2003, Yuro (means "road of the hot spring" but of course in unison with Euro in tribute to the visit of Bernard Lietaer who played an important role in the initial stage of ECU planning) tickets are used rather as coupons than CC (to be circulated within Beppu).

Website: under construction

#### **4. Problems to be solved**

□ Here are some problems which can be observed at most of Japanese CCs.

- **Few goods provided:** In Japan, as described above, mutual help is so stressed that people think little of exchanging local goods, for instance vegetables and used clothes. Its main reason is that Japanese participants are in need not of basic commodities but of human relationship, on top of the current picture of the agriculture in Japan which is far from being an autarchic, so the urge for them to improve their economic life is quite little.
- **Lack of chances for members to gather:** The first problem leads to this second point as people regard CCs not as a way to get goods but to have new friends, so barter markets are not frequently held. The CC office makes up a list in which what goods and/or services (but mainly services) are offered or needed and distributes it to all members, but members are reluctant to call somebody who can offer them whatever they need as they do not know each other. Sometimes members ask the office to "coordinate" because they hate to negotiate by themselves, and there is even a one case in which direct trading between members is forbidden<sup>19</sup> because its goal is to create "new human relationships," avoiding that trades be done among conventional friends.
- **Lack of communication among CCs:** Japanese CCs are in general very unwilling to contact each other as each one is proud of its uniqueness without feeling the necessity to communicate each other. That makes it almost impossible to make the list of all CCs throughout Japan and prevents some knacks of a club from being diffused to others.

#### **5. Conclusion**

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<sup>19</sup> I was told so when I heard a conference by a member of Kurin, Kuriyama, Hokkaido which was held at Fukuoka Volunteer Center, Kasuga, Fukuoka on July 18, 2003.



Japanese CCs have developed their own style which cannot be found in any other area in the world, such as their diversity, specific social goals and their stress on mutual help. But the lack of the concept of autarchy makes CCs only effective in the domain of social services, and their unwillingness to communicate each other makes them isolated, preventing them from improving their system by sharing wisdom of other cases. So it will be harder and harder for researchers to grasp the whole picture of Japanese CCs as their activities get more and more invisible.