



Abstract

Sales Effect on Small Businesses and Proper Model of Local Currency : Gyeonggi Province Case

This study attempted to discuss the characteristics of Korean capitalism and the role of local currency in a consistent context. In particular, the Korean economy is moving from the quasi-periphery to medium capitalism. As a result, capitalist contradictions are deepening and expanding, creating various gaps. In such a society of disparity, the region is the time and space where the common people live their daily lives. At this time, the question of 'how to change the region' is a task of the times.

The contents of this study were composed based on this problem consciousness. Part 1, Chapter 1, outlined the research background, research subject, and performance system. Chapter 2 describes the national and Gyeonggi-do status of local currency. Chapter 3 summarizes five major issues. In other words, the issue of convenience stores, issue of local currency issuance type, controversy about cashability of local currency, controversy about incentives, and priority issues of the two characteristics of local currency (community/regional economy activation type) were discussed, and alternative solutions were dealt with. All.

Part 2 presented a general theory of local currency. Chapter 4 examines Korean capitalism by comparing the planned economy and the market economy from the liberation space. In particular, criticizing the unilateral economic development policy of government-led capital bias support, he diagnosed that the inevitable consequences of this process were inequality, inequality accumulation and poverty, and a society of polarization and disparity. It has been identified that local currency is an indispensable policy as a key means of balanced regional development and easing inequality.

Chapter 5 deals with economic polarization and regional economy. It was revealed that the development process of the Korean economy is a deformed and unbalanced economy that can be characterized as a unipolar growth model centered on large capital and metropolitan areas through state-led growth and capital-led growth excluding regions. A new growth model to overcome these limitations should reflect the distribution of population and economic power and the adjustment of spatial structure through this by paying attention to the potential of the region. This requires regional-led growth for independent and intrinsic development that replaces the growth paradigm led by the state and capital. At this time, it is revealed that local currency can be a powerful means of exerting voluntary, creativity, and innovativeness for self-development by reinforcing local community.

Chapter 6 introduces local currency from a financial perspective. Financial support is support for various financial services to support small business owners by financial companies as a countermeasure against Corona 19. Such support can be classified into monetary support from a monetary policy perspective, regional financial support for regional activation, and electronic financial policy support for electronic transactions. Local currency policy as a financial policy should be

prepared for minimizing the outflow of local funds, promoting consumption and distribution, and converting to digital currency. In this context, Chapter 6 clarifies that future local currencies can enhance the competitiveness of financial services by providing the convenience and scalability of payment.

Chapter 7 reviews cases of domestic and foreign operations of local currency. As a community activation type, LETS, Time Dollar, Ithaca Hours, ATOM, Hanbat LETS, and NOWON were explained. Local economy activation types include Bristol Pound (citizen society-led, UK), Chiemgauer (Germany), Toronto Dollar (Canada), Siru local currency (public-private cooperative type, Siheung City), Bucheon Pay (electronic local currency, Bucheon City), and each other. Eum (Korean version of the Bristol coordination system, Seo-gu, Incheon) was also covered.

In Chapter 8 of Part 3, the effect of sales of small business owners of local currency in Gyeonggi Province was empirically analyzed using DID(difference-in-difference) analysis method. Analysis. Although the effect of introducing the system did not show any meaningful results in the short term, it is revealed through panel analysis using longer-term panel data that the effect of introducing the system is effective from a mid- to long-term perspective. Specifically, as a result of analyzing the effect of local currency in Gyeonggi Province on the sales of small business owners during the year in 2019, the effect of an average monthly increase of 2,600,000 won in sales was generated when there were customers who paid for local currency at small business stores in Gyeonggi-do compared to the case without customers. In addition, if the local currency payment amount was 1 million won higher during the year in 2019, the sales amount was 1.45 million won higher. Even in the case of panel GLS analysis using survey data from January 1, 2019 to June

30, 2020, the monthly average monthly Gyeonggi local currency settlement amount increased by 1 million won even though it includes the period that is greatly affected by Covid-19. As a result, it was estimated that the quarterly average monthly sales of small business owners in Gyeonggi-do increased by 945,000 won. In conclusion, it was found that Gyeonggi local currency has produced a positive sales effect for small businesses.

In Chapter 9, the model for the proper operation of regional currency in Gyeonggi was reviewed. In order to alleviate the regional inequality and regional inequality with Seoul in Gyeonggi-do, the Gyeonggi regional currency operation model that can be applied in the second stage of the “regional currency policy development path” (policy improvement, 3-7 years) was presented.

This operating model is expected to be a solution to easing inequality with external regions and easing inequality within regions as an approach to major regional problems pursued by regional monetary policy. Specifically, it is divided into 6 types of operation, namely, executive, middle-tier, additional selection, sisterhood, win-win, and unidirectional. The executive type is a common regional issue and consists of 2 to 5 local governments in one module. The executive type can be considered as a way to absorb tourism demand in the border area of the ceasefire line. The middle-level type is a module that is tied around its own local government and is a powerful way to prevent the outflow of consumption in the southern region of Gyeonggi, bordering Seoul. The optional additional type guarantees the choice of consumers with different places of residence and activities. The sisterhood relationship is a way to establish complementary relationships according to mutual needs between local governments. Production-consumption can be combined through a partnership between urban and rural areas.

The win-win type is a method of seeking modulo support between regions where regional gaps exist to alleviate regional inequality. The unidirectional type can be said to be a much more advanced support and solidarity for vulnerable localities than the win-win type.

Of course, in the actual policy planning stage, various combinations could be built through more combined pairs.