SOCIAL CURRENCY: ANALYSIS OF THE ECONOMIC POTENTIAL OF COMMUNITY DEVELOPMENT BANKS AS INSTRUMENTS OF PUBLIC POLICIES IN BRAZIL

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ABSTRACT

Objective: Analyze Community Development Banks and social currencies as instruments of public policies.

Theoretical Framework: The study includes theoretical approaches on Community Development Banks and public policies focused on solidarity economy and social currency.

Method: The study is a basic, qualitative research grounded in a descriptive approach method, supported by a literature review.

Results and conclusion: It was observed that Community Development Banks adopt solidarity financial practices and financial inclusion by facilitating access to credit for individuals in socially vulnerable situations. Social currencies emerge as instruments aiming to energize the local economy through Community Development Banks, promoting the inclusion of marginalized populations. However, there is still much to be explored regarding complementary social currencies, and many municipalities are replicating and implementing this model in their territories to leverage local development. Simultaneously, resources are made available to enhance consumption and income in areas with low levels of credit conditions and financial literacy.

Implications of the research: The study emphasizes the need to address Community Development Banks and, particularly, the establishment of public policies for solidarity economy and the creation of social currencies, considering the diversity of each locality.

Originality/value: This study offers an original and valuable approach in analyzing Community Development Banks and social currencies as instruments of public policy. It reveals significant insights into the effectiveness of these banks in promoting solidarity financial practices and financial inclusion, especially for those in socially vulnerable situations.

Keywords: Community Development Banks, Social Currencies, Public Policies, Solidarity Economy.

MOEDA SOCIAL: ANÁLISE DO POTENCIAL ECONÔMICO DOS BANCOS COMUNITÁRIOS DE DESENVOLVIMENTO COMO INSTRUMENTOS DE POLÍTICAS PÚBLICAS NO BRASIL

RESUMO

Objetivo: Analisar os Bancos Comunitários de Desenvolvimento e as moedas sociais e seu instrumental enquanto políticas públicas.

Referencial teórico: Foi realizada abordagens de natureza teórica sobre Bancos Comunitários de Desenvolvimento e políticas públicas voltadas para a economia solidária e moeda social.

Método: O estudo consiste em uma pesquisa básica, de natureza qualitativa e fundamentada no método de abordagem descritivo, tendo como amparo a revisão bibliográfica.

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1 INTRODUCTION

The social currency has been used as an important tool for implementing public policies aimed at reducing social and economic inequality in many localities. The complementary social currency is a regional economic alternative and presents itself potentially as a social technology, instituted to support local development, besides acting for the realization of the autonomy of people in situations of social vulnerability, in the realization of its emancipation from the financial control of the current system of traditional banks (Gonzalez et al.; 2020).

Social currencies are an alternative means of exchanging goods and services and contain a variety of forms. They can also be used to promote local productive activities and contribute to local socio-economic development (Mello et al., 2022).

If social inclusion is not perceived within a financial system, the alternative may be the search for the realization of these supportive instruments that can adjust the circulation and reach of resources for local realization of the less favored who are excluded from credit activities. In this time, financial services are presented at low cost to reach the population in a situation of social vulnerability, as well as the offer of microcredit to those excluded from the formal capitalist system (Soares, 2011).

Economic growth has a significant influence on urban development, driving the expansion and evolution of cities. In this context, the EU development banks emerge as key elements to boost this process. By channeling financial resources in a targeted and strategic way to local projects, these institutions play a crucial role in stimulating economic activities, strengthening the foundations of communities (Machado et al., 2022).

In this context, the present work consists of a bibliographical analysis of the Community Development Banks and the social currencies and their instrumental as public policy. This research was directed towards the data collected from pioneering experiences in Brazil, with a special emphasis on the currency of Palma, in the Palmeiras neighborhood, in Fortaleza, and to
Mumbuca, in Maricá, Rio de Janeiro.

The conclusion that can be obtained from the research is that this instrument has managed to move the local economy, seeking its development and crediting the most needy people so that, in the face of a social line of credit, it manages to expand its investments, mainly in the local economy. The various examples that one has in the country show this movement, with the proviso that the current models should continue in constant evolution, in order to diminish even their disuse.

The economic growth of recent times, coupled with the market economy, has promoted a growing index of inequality and de-bankruptcy, because modern society has not managed to reach the conditions of humanity and to promote the socioeconomic balance, even with all the apparatus of the State. The Community Development Banks, together with the social currencies, came up with mechanisms of social, financial and economic inclusion from a solidarity perspective. This decarbonization disfavors financial citizenship and excludes the hypothetical from access to credit (Cernev & Diniz, 2020). However, it is sought to understand how the Social and Community Development Banks could, by means of complementary currencies, realize the inclusion of financial citizenship.

This time, the objective of this research was to address the main models of social currencies, with emphasis on Palma (Fortaleza - CE) and Mumbuca (Maricá - RJ), pointing out the challenges faced and results obtained by social currencies in the Brazilian context, with the purpose of understanding them as potential public policy instruments capable of stimulating the local economy and contributing to the well-being of the communities. In this intention, the debate resumed on Brazilian inequality and the orthodox financial system, as well as the exclusion of credit attacked by people in a situation of social vulnerability, from the perspectives developed by the social currency.

The concept of the solidarity economy was developed, to analyze, in item two, the solidarity development banks created to include people in situations of social vulnerability who have difficulties in obtaining credit from the traditional financial system, in the application of commercial investments as a way of softening the control of credit by the traditional financial system.

In addition, the models of Community development banks have been recapitulated. To do so, the main Brazilian examples and their dilemmas stand out, and it is examined how they were solved or are on the way to a solution. The last item concludes with the understanding that the social currency is an instrument of public policy, as it contributes to access to credit while promoting regional development, both economic and identity.

2 THEORETICAL FRAME

Development and economic growth are concepts that have always been paired within the civilizing and modern perspective. The economic movement coming from the last century, based on the neoliberal model, established in the Washington Consensus, dictated rules of budgetary austerity, privatizations, the opening up of national markets to countries classified as world third parties and that at the time were lagging behind with their productive and technological capacity. The reforms imposed by the International Monetary Fund and based on the neoliberal model have left traces of ruthless social inequality. And so the whole productive system, coupled economic growth with development. Thus, it can be concluded that development, in the way it is being elaborated, favors social and economic inequalities across various world regions. With this, the states that had this marked inequality took some measures regarding public policies to decrease these inequalities (Batista Júnior, 2009).

Brazil started discussions on sustainable territorial development only in the 90s. These
discussions are important for understanding the territory, the relations of society with the historically constructed space, struggles and political practices promote thinking and work forms of development that take into consideration and harness the riches of each territory, agents and local potentialities, strengthening the lower circuit of the economy (Raposo, 2014).

The territorial configuration becomes an integral part of a dynamic network of local interactions, encompassing the intricate production processes that develop in shared spaces, sustained by the relations between its members. In this way, a web of knowledge is established, flowing between the spheres of production and consumption, optimizing the use of the available resources. (Lima et al., 2014).

According to Raposo (2014), the federal government's territorial development policy aimed to promote sustainable territorial development based on the principles of solidarity economy (self-management, cooperation, solidarity).

Due to recent changes in the economy, a significant strengthening of the emergence of solidarity-based economy enterprises is observed as a response to unemployment, providing new opportunities for many workers. These enterprises are part of this scope, based on principles such as democracy, cooperation and self-management. They prioritize improving working conditions and quality of life over profit (Pirotti et al., 2017).

The solidarity economy presents itself as an alternative possibility to support these regional inequalities in the fight against the devastating capitalist interest, because it is committed to social interests and capable of promoting the production of goods and services with human development. The solidarity economy is therefore seen as a new development logic capable of guaranteeing goods and services linked to human development and its policies should be aimed at strengthening these initiatives: fair trade, consumption, finance and credit, based on cooperation, self-management and solidarity, generating sustainable local and territorial development (Raposo, 2014).

This is how we can build a society in which the means of production are maintained on more equal and more balanced foundations, promoting solidarity with people and environmental sustainability, too. The poorest populations face financial exclusion, a factor immediately linked to the socioeconomic issues of their territories. This is because the circulation of wealth is linked to the greater realization of the means of exchange and services and consequently of the productive activities that promote credit. There is a lack of interest on the part of capitalist banks in offering financial services to people in a situation of social vulnerability. Social currencies, also called complementary or parallel, are forms of exchange of goods and services, strictly local, that stimulate the circulation of wealth and encourage the granting of credits to people who would not have access to such credits in recognized formal banking institutions (Cernev & Diniz, 2020).

2.1 Social Currency as a Public Policy for a Solidarity Economy

Financial exclusion has been responsible for the impoverishment of populations living in conditions of socio-economic vulnerability, as well as the precarious conditions faced in the localities where they live. The circulation of wealth and productive activities are indispensable for boosting development in a given community, and essential for financing services to be available. Without these resources presented by the formal economy, the availability of resources to leverage production by these communities is scarce (Melazzo, 2010).

For Administrative Law, public policy places at the center of the discussion the apparatus of the State as well as a legislative direction, with interventionist action and taking into consideration each historical moment. Public policy can be understood as the field of investigation that springs from political science, and which remains around the study of
governments, public administration, international relations and political behavior (Melazzo, 2010).

With the approval of Law 12,865, of October 9, 2013, which dealt with regulating the Community Development Banks (CDBs), besides the standards brought in by the Central Bank, the social currencies found regulation for local circulation and its realization as a public policy. It is sought, through a legislative direction, to intervene in the reality of diverse communities to bring improvement in the conditions of individuals in situations of social vulnerability (Brazil, 2013).

Thus, the State makes available the equipment that encourages the creation of BCDs and the realization of the circulation of the social complementary currency to generate income and services. This financial action that promotes a financial citizenship is the object of resistance and struggle of the communities in its realization and socio-economic emancipation.

Solidarity financing becomes instruments for the achievement of economic democratization with the inclusion in a specific banking system of financing services linked to social public policies. To this end, complementary currencies, Community Development Banks, Rotary Funds, exchange clubs, solidarity credit cooperatives and other micro-finance experiences (or micro-credits) were created to resist this exclusionary system of eminently capitalist production.

In Brazil, BCDs, along with the use of social currencies and the provision of solidarity credit services, have been widely practiced. The expansion of BCDs models took place mainly, from 2005, with the constitution of public policy of solidarity finance promoted with direct support of the National Secretariat of Solidarity Economy (SENAES) of the Ministry of Labor and Employment (MTE) (Oliveira et al., 2017).

With the 2019 pandemic, these models consolidated worldwide as a way to promote the efficiency of public policy implementation that was necessary to alleviate the problems caused by social isolation (Gozalez et al., 2020).

The process of globalization, as well as the expansion of the geographical space of exchanges, has as its tendency the universalization of the currency. However, the universalization of the currency ends up disintegrating the relations of supply and local demand and removes the economic autonomy of the place, promoting an erosion in the endogenous potential for the creation and circulation of wealth in the different territorialities. Therefore, the creation of coins parallel to the official forms are true strategies for the organization of the local territories that arise as an alternative to the limitations caused by the conventional currencies. Local currency promotes the recovery of individuals' ability to contribute to the production of wealth and local social reproduction (Oliveira et al., 2017).

Local Currency Systems are thus a parallel form created and administered by their own users from the meeting of interests of members of local communities who may be neighborhoods or cities that have ended up affected by financial exclusion or economic crises. It is a means of payment which does not seek to suppress national currencies, because they end up coexisting with them. Social currencies still serve as an instrument to stimulate the production, exchange and complementarity of income within spatial boundaries, as well as to promote the development of local identity (Oliveira et al., 2017).

The financial exclusion that affects certain communities, cities or neighborhoods, can be mitigated with public policies aimed at confronting social inequalities. The social currency is a model used throughout the world and has served as an instrument of speed in the reception of these social differences and have made real strategies for the economic and social development of these places that suffered from achievements that mitigate this gap in relations that are unfortunately involved by the formalized capitalist system. Therefore, as a means of stimulating local economies, social currencies are changing the reality of those excluded from
the dominant financial system and promoting conditions of local favoring (Soares, 2011).

The solidarity economy emerged in Brazil in the mid-nineties, as a set of social practices based on collective workers’ undertakings to generate income and local development. Even though this is not a recent phenomenon in Brazilian society, this has allowed the construction of national identity for groups involved in different territorial economies, involving industrial workers and farmers who seek better living conditions in the rural environment. With this panorama, the solidarity economy brought the discussion about the economic aspects to the daily life of the groups submerged in social inequality. The solutions sought by the collectivity promote the union of workers who start to manage enterprise with different economic purposes (production, provision of services and trade) which makes possible an exchange of subjectivities involving the same interests (Silva & Pereira, 2023).

França Filho (2003) understands that "as a phenomenon, the emergence of a solidarity-based economy is intimately linked to the problem of growing social exclusion - which is increasingly defined as an urban issue, in a context of the current crisis of the welfare state (which goes back more than 20 years)".

The National Secretariat of Solidarity Economy (SENAES), which was created in 2003 by the then government of President Luis Inácio Lula da Silva, within the structure of the Ministry of Labor and Employment (MTE), by Provisional Measure 103 and later converted into Law 10.683, of May 28, 2003, formalized in the agenda of the Federal Executive this theme that has as its encouragement the generation of work and income in economic activities of an associative and self-managing character, ethical consumption, sustainability and solidarity finance. This is an association that seeks to reduce traditional financial costs and promotes targeted services in peripheral areas. The so-called Solidarity Finance Enterprises (EFS) are able to take on distinct organizational modalities, with greater or lesser degree of formalization and local rooting, besides relating the logic of local credit and savings to the solidarity economy, having as economic purpose the social utility, thus realizing the productive demands and the daily or emergency financial needs of unstable families and marked by precarious relations (Silva & Pereira, 2023).

However, BCDs are organizations that seek to promote, with the management of the community itself, credit with production, marketing, training and technical assistance practices. In other words, these banks partner with various entities, both public and private, aiming to achieve their goals of building financial funds (Silva & Pereira, 2023).

These entities created around the solidarity economy come to shape the necessary reason for the existence of a system that promotes activities related to the effective distribution of basic income that meets the peripheral demands, modifying the local and territorial reality of the communities in conditions of vulnerability. To this end, coupled with this solidarity-based financial system, is the social currency, which is a servile instrument of community social change, which promotes not only development, but also takes into account public policies of national identity.

The solidarity economy comes about in this social context marked by economic inequalities. The best known initiatives are the cooperatives, where the question of autonomy is raised in various ways, from "decision autonomy" (referring to the responsibilities of production and management) to questions concerning the creation of rules around the organization of the processes of Labor. Democratic management is observed in the critical and comprehensive dimension of social processes by the social body itself, operating beyond formal and bureaucratic, committing itself to deepening participation and dialog composition. It should be noted that, through this type of management, cooperation is observed in the shared responsibility in the production process, in the interpersonal relations of the group, such as trust and reciprocity, especially when exercising the functions of direction and execution, as well as
between intellectual manual tasks (Frizon et al., 2015).

The expansion of the geographical scope of trade within the process of globalization has promoted a gradual trend towards the universalization of money. However, the universalization of currency disaggregates the relationships of local supply and demand and limits economic autonomy, promoting erosion in the endogenous potential for creation and circulation of wealth. The creation of parallel and formal currencies has emerged as an important alternative tool in the fight against the limitations and problems generated by the traditional financial system (Oliveira et al., 2017).

Taking economic issues into account, the social currency aims to foster the capacity of self-development to meet the needs of the community, without invoking local self-sufficiency, but a way to diversify it, allowing to reduce import dependency and activating productive capacities in a sustainable way, prioritizing local exchanges and decreasing economic dependency in relation to other spaces (Oliveira et al., 2017).

The effective realization of social currencies contributes to local autonomy, as well as the economic and social development of spaces that present the necessary state protection through public policies that seek to alleviate socioeconomic inequalities (Santiago, 2013).

Alternative means of payment can take different forms and characteristics depending on the context in which they arise, within social and cultural specificities. Menezes & Crocco (2009) refer to this phenomenon as Local Currency Systems (SML) as a way of referring to the various manifestations of the parallel currencies.

The social currency or Local Currency System appears in delimited spaces, with the action of the third sector, where the State remains retracted in this type of service; applying, when necessary, support of technological resources and support.

The international experiences of social currencies such as Local Exchange Trading Systems (LETSs), created in 1983 in a Canadian village, was constituted as an attempt to mitigate the effects of the economic crisis generated by the transfer of an air base to another region. In the early 21st century there were already more than 2500 LETSs scattered around the world, in the United States of America the Time Dollars arose with the aim of mitigating the lack of certain services caused by the spending cuts with the welfare state in the government. In France, the SELs (Systémes d’Echange Local) were created in 1994 and are now spread throughout France. SELs differ from LETSs by using mostly virtual currencies and each SEL creates its currency and exchange system. Another French system, called SOL, is common to several French territories, being a complementary currency that makes it possible not only to purchase goods and services in the participating companies, but also to stimulate social, ecological and solidarity practices. The Sol-Violette coin was used in three neighborhoods of Toulouse (Center Ville, Rangueil and Grand Mirail) to redirect the SOL system towards the creation of local social currencies. In Germany, Austria and Switzerland there was a network of regional coins called the Royal Movement, created in 2003 with the interest of stimulating the exchange of experiences between different royal systems. In Germany the most well-known social currency is the Chiemgauer, which is worked in the countryside. In Argentina, commodity and service exchange clubs emerged in 1995, spreading rapidly throughout the country and becoming a black economy in the midst of the 2000 crisis. However, several accounting fraud and counterfeiting of coins ended up causing discrediting and distancing the ideology of solidarity (France Son & Rigo, 2017).

In Brazil, Argentina's experience with exchange clubs inspired people to realize that they produced many things and needed many others. And as these people, for the most part, did not have the official currency to buy what they did not produce, they created their own means of payment, like the social currency of Palmas, Mumbuca and others. (Santiago, 2013).

Therefore, complementary social currencies, both in the national and international
scenario, are the subject of studies that seek to understand the diverse experiences, as well as their own characteristics of a movement that takes place around the use of social currencies as an instrument of local development or of political-ideological contestation (França Filho & Rigo, 2017).

2.2 The BCD models in Brazil: Analysis of the Palmas and Mumbuca Models

The expansion of socially appealing economic institutions directed at trust and solidarity has been going on for a long time. This is due to the need to welcome needy communities that have lived with the omission of the State. BCDs emerge as an option for solidarity finance, acting as an alternative to more democratic credit. According to França Filho, Silva Júnior and Rigo (2012), BCDs can be classified as a modality of innovative socioeconomic organization in the management of microcredit among the most impoverished populations.

BCDs can be defined, according to the Brazilian Network of Community Banks (2006), as "financial services in a network, of an associative and community nature, aimed at the generation of work and income in the perspective of the reorganization of local economies, based on the principles of the Solidarity Economy".

Community Development Banks are established to promote development in regions with low levels of development and income through the creation of local production and consumption networks based on the solidarity economy.

França Filho, Silva Júnior and Rigo (2012) conclude that the main objective and commitment of the Community Bank is to build local networks of solidarity economy, through the articulation of local producers, service providers and consumers. Also, according to the same authors and work, these networks are also known as networks of local producers and consumers, causing a break in the dichotomy between production and consumption. However, a network is built through individuals who, in a participatory and democratic way, with common interests and objectives in the environment of a solidarity economy, are continuing to fight against the inequalities promoted by the formal market.

For França Filho, Silva Júnior and Rigo (2012), the BCDs have three characteristics: management by the community itself, involving the coordination, management and administration of resources; an integrated system of local development, which makes possible the credit, production, marketing and qualification at the same time; and circulation of local Social Currencies in the territory.

The Community Development Banks thus play a stimulus to the circulation of wealth using social currencies for the realization of commercial and consumption relations of a given territory where public policies are needed that aim to mitigate, or because not to say extirpation, the inequality established.

2.2.1 The pioneering role of Banco Palmas in Brazil

It was in the neighborhood Palmeiras, with more than 30 thousand inhabitants living in miserable situation, located in Fortaleza, that the Association of Residents of the Set Palmeiras Fortaleza - ASMOCONP emerged. This association, at first, sought to claim rights with the Public Power through the local organization, in order to build a new identity for the Palmeiras neighborhood, in which before there was a picture of poverty and unemployment. Small producers could not produce because of a lack of credit and a lack of marketing strategies. In this context, the pioneer Banco Palmas was created in Brazil, more specifically, in the neighborhood of Palmeiras, located in Fortaleza. This bank was intended to guarantee productive micro-credit through a network of solidarity between producers and consumers,
generating jobs in that neighborhood in which the population lived in a situation of socio-economic vulnerability. Unlike formal banking institutions, Banco Palmas offered credit without collateral requirements, without consulting the credit protection systems, with lower interest rates, in order to reach the local population (Santiago, 2013).

The Exchange Club began in 2000, to combat the lack of demand faced by those who already managed to produce. Then, the bank Palmas started the Club de Trocas Palmares that was unsuccessful due to hunger associated with poverty. The population sought basic food and in the fairs, instead of food, there were only crafts and delicacies. To start a new process, in 2004, the social currency Palma was created, which made the whole neighborhood to function as an Exchange Club. The political strength of the Residents’ Association inaugurated acceptance, almost totalitarian, of the social currency Palma. In the conversion of Palmas into Real, ASMOCONP still managed, with its political strength, discounts in the local trade when the Palma was used and, with this, value the social currency against the real. With five credit lines, Banco Palmas offers: solidarity exchange club with social currency; solidarity shop; solidarity fair; female incubator; school of solidarity socioeconomy (Palmatech); business training in some branches for those who acquire productive credit; and a job counter. Along with all this, he has also advised many projects of popular, community and solidarity banks in Brazil (Santiago, 2013).

The first BCD of Brazil, was Banco Palmas, a pioneer, arose in 1998, in a neighborhood on the outskirts of Fortaleza - Ceará, the Palmeiras Set. It was created by the Association of Residents of the Palmeiras Set (Asmocomp), in response to popular mobilizations fighting for better living conditions and against economic and social inequalities, and its main purpose was to provide credit on affordable conditions. From 2005, it became a correspondent bank, allowing the realization of various financial services, such as the payment of accounts, deposits and bank transfers. The first social currency was the "palmares", created by Banco Palmas in 2000, inspired by the Argentinean experiences and from then on the coins that were arising originated in print form that ends up being defined in names and illustrations by each responsible organization that imposes its local identity on the ballot (Silva & Pereira, 2023).

The Local Association of Residents of the Palmeiras Set - ASMOCONP created the Palmas Bank with the aim of coping with unemployment and poverty within the Community. The Association’s initial idea was to encourage local consumption and production by seeking greater circulation of resources within the community itself. Banco Palmas is managed by the community itself, according to the principle of self-management of the Solidarity Economy. It directs its actions towards two categories of interlinked services: the strictly financial and the more pedagogical ones that accompany credit. The first category comprises Real currency (R$) microcredit for production and microcredit for consumption through the local social currency. The second category comprises the promotion and management of local forums, as well as the promotion of fairs and other local marketing strategies (Frizon et al., 2015).

The external leap took place in 2003, with the creation of the Palmas Institute, which dealt with disseminating to other localities the experience of Banco Palmas. Created by the association itself of residents of the Palmeiras cluster to socialize the already consolidated experience and enable it in other contexts to be applied. So much so that in 2006 SENAES signed an agreement with the Palmas Institute, with the objective of replicating the methodology of the community development banks at the national level. This was significant for the increase in the number of BCDs in Brazil (Frizon et al., 2015).

Other public bodies continued to enter into partnerships with the Palmas Institute in the interest of multiplying the Community Development Banks. The government of Ceará itself, in 2007, through the Fund for Combating Poverty (FECOP), signed a partnership with the Palmas Institute, to implant ten other community banks in municipalities with a lower Municipal
Human Development Index (MHDI). Also, the "Project to Support Community Banks" brought more incentive for the creation of new Community Banks, developed in partnership with the Bank of Brazil, the Bank of Brazil Foundation and the Palmas Institute. In 2010, the Ministry of Justice signed a partnership with resource management in the creation of one hundred and fifty (150) initiatives to multiply in all regions of Brazil (Frizon et al., 2015).

Even containing all of this innovative character and a propitiator of a cure for inequalities, Banco Palmas did not progress its path without hitches, since by combining microcredit with the creation of a new currency, albeit territorial (local), the Central Bank of Brazil handled two lawsuits against Banco Palmas, alleging violation of the national monetary system. Luckily, two years after the distribution of the cases they were filed and, to wrap up, the Central Bank of Brazil (BCB) itself recognized that the Palmas bank is a model of financial inclusion (Silva & Pereira, 2023).

Despite winning the court cases and being recognized as a model of financial inclusion, the whole circuit of the Palmeiras neighborhood saw a reduction in the use of the social currency Palma and, in spite of this, there was also resistance in the interruption of this currency. Even if the currency decreases its use in the neighborhood, residents approve its continuity because they recognize that the actions then established post palm coin was of reconstruction of the neighborhood and valuation of the people living there (França Filho & Rigo, 2017).

2.2.2 The experience of Banco Mumbuca

Maricá makes up the metropolitan region of Rio de Janeiro with a population of approximately 160,000 (one hundred and sixty thousand) inhabitants. The city of Maricá is located in the Santos basin, a region marked by oil and gas resources. Maricá and finance solidarity with the creation of community banks and the protagonism of public power was inspired by the Bank Palmas - Do Bairro Palmeiras, located in Fortaleza - Ceará. In fact, Maricá contacted the directors of Banco Palmas to form a technical cooperation agreement. Law 2,448/2013 instituted the Municipal Program of Solidarity Economy, Combating Poverty and Economic and Social Development of Maricá (PMEPS), which instituted the fight against social inequalities and aimed to potentialize the use of public resources. That law provided for the configuration of the structures leading to the creation of Banco Mumbuca, as well as the operating fund. This fund was created to be an agent of operationalization of the social policies of the municipality and the main means of injection of the circulation of the social currency Mumbuca. The Mumbuca Minimum Income (RMM) program, a policy of income transfer via social currency would make the resources circulate in the territory, stimulating local trade and social inclusion (Silva & Pereira, 2023).

The RMM began with the monthly payment of R $ 70,00, converted into mumbucas, for families with family income in the range of 1 minimum wage (SM) enrolled in the CadÚnico. In the first year, about four hundred families were benefited, from over 3,500 registered to receive the benefit. The program's evolution goal was daring: gradually increasing the amount paid after its launch to reach the R$ 300.00 mark in 2016, for more than 20 thousand families (Pereira et al., 2020).

The Popular Solidarity Credit program, operated by Banco Mumbuca, aims to reverse financial exclusion by offering two lines of financing at zero interest for production and small housing reforms, which enhances the digital social currency in the municipality in a vicious circle that ends up generating return to the bank itself and favor its actions towards the user (Silva & Pereira, 2023).

Mumbuca was the first fully electronic currency, using a magnetic card circulation system managed by Valeshop. This system was used between 2013 and 2017 to make social
benefit payments to 14 (fourteen) thousand households. Local shops were obliged to own a card terminal of that company, which, with each transaction, charged a 3% fee on value, a common practice among other administrators. However, the transactions resulted in the leakage of cash from these registered trades to the urban economy, due to the use of the resource offered by Valeshop. Furthermore, traders could only convert the values into real after the 30-day period. As of 2018, the Municipality of Maricá opted to adopt the e-money app in its shares, a platform developed by the Brasília startup called MoneyClip, which maintains a partnership with Instituto Periferia. Maricá also chose to use a card, which facilitated a smoother transition for beneficiaries (Silva & Pereira, 2023).

With the COVID-19 pandemic, basic income programs needed to efficiently reach people who were isolated and unable to get jobs and income. Maricá became an example at this time with his BCD and the application of the Mumbuca currency. The digital complementary currency, Mumbuca E-Money enabled the distribution of income quickly and securely and ended up mitigating the effects of the pandemic. Interoperability with other payment ecosystem actors linked to local governments are additional measures to scale the use of digital complementary currencies in tackling the coronavirus crisis.

In an oil region, the municipality of Maricá began to receive royalties, and as a result, there was an encouragement for economic development. With the possibility of benefiting low income families, came the community bank of the Banco Palmas Institute. The main idea was to prevent a large part of these resources from leaving the municipality to move the development of the region forward. With this aim in mind, Maricá informed Banco Mumbuca who are the active beneficiaries in its assistance programs, according to their socioeconomic situation, and then transferred the financial resources to the bank, which, in turn, distributes them to the families registered in the program. After the opening of registration at Banco Mumbuca, the beneficiary had registered in his name digital account and received a magnetic card. This card was used for payment in several shops registered in the program (Gonzalez et al., 2020).

The models that were treated and analyzed so far were pioneers in Brazil, especially considering that one model gave rise to BCDs throughout Brazil and the other adhered to technological innovation to make possible the speed and the flow of emergency actions. Banco Palmas is a model copied and that still keeps in its actions the advice for creating other BCDs. Mumbuca follows with the success of the E-Money platform and its Digital Complementary Currency (MCD).

Therefore, the models chosen for the analysis of this article, besides pioneers, added efficiency and demonstrated effectiveness in local development and in the reception of people in situations of social vulnerability; presenting possible financial solidarity inclusion that promotes not only local development, but real identity of community groups.

3 MATERIALS AND METHODS

The study consists of basic research, also known as pure or fundamental research, aimed at expanding theoretical knowledge and understanding of the fundamental principles underlying natural phenomena or complex systems. Such a circumstance is crucial for the advancement of scientific knowledge, laying the theoretical foundations for future developments and innovative discoveries in various fields of knowledge.

With regard to the nature of the method, the study is marked by a research model with a qualitative stamp and interpretation of social, human and behavioral phenomena. Flexibility and openness to new discoveries are key characteristics of qualitative research, allowing for a more holistic and contextualized approach, often contributing even to the theoretical construction and in-depth understanding of certain phenomena of a social character.
As to the ends, the study is based on the method of descriptive approach, aiming to detail and present in a systematic manner the characteristics, behaviors or phenomena studied, without the direct intervention of the researcher. This method provides a precise and comprehensive representation of the object of study, using observations, surveys and documentary analyzes.

About the media, the study deals with bibliographic research, involving the analysis and review of sources of information available in printed or digital documents, such as books, scientific articles, theses, besides other materials of an academic nature. After exploring and compiling relevant sources, such a research model offers historical and critical perspective on the object of study, contributing to the theoretical foundation and conceptual basis of academic and scientific studies.

For the inclusion of the works, they should be publicly accessible, complete and available in Portuguese language, being previously indexed in the databases of Google Academic, Scientific Electronic Library Online (SciELO) and the Portal de Periódicos CAPES. On the other hand, for the purposes of exclusion, unpublished or partially published trials were considered.

Finally, it is noted that, with the establishment of the bases of collections for research, as well as the criteria for inclusion and exclusion, the following descriptors were scored: "social currency"; "public policies"; and "community development bank". It should be noted that the collection of scientific data and the organization of the information were carried out from scientific productions published in the period from 2013 to 2023, with the exception of works of a classical nature.

4 RESULTS AND DISCUSSION

Owing to the space constraints imposed, this article presents only a summary of the results achieved in: a) the social currency in a solidarity economy; b) the Community banking models; and c) conclusions and recommendations.

In the first part, concepts were outlined on the proposed theme and research was carried out, with scientific bibliographic support, and it was possible to verify that the social currency has achieved success projection by several countries such as the USA, France and Argentina. When it arrived in Brazil, it was no different, since the social currency is used as a public policy for distributing benefits to the population under unfavorable economic conditions. Its territorial limitation has taken into account the necessary local development and included a new line of solidarity and non-traditional credit, separate from the capitalist financial system.

Community Development Banks were established to cater for the distribution of social currency and encourage microcredit for people excluded from the traditional financial system. The two Brazilian social currency models analyzed in this research, Palma and Mumbuca, show the efficiency of what is being observed and followed by the various banks created all over the country. This framework demonstrates its real importance and relevance to local development and the credibility of a regional identity.

In spite of being an instrument used in the effective construction of a more balanced social and economic reality, the BCDs are experiencing a moment of stagnation and even disuse of the currency, where the distribution index of the coins is presented without the initial movements. However, it is necessary to look for new ways of acting from these banks so that they can again obtain greater financial movement.

Therefore, the social currency cannot have its potential limited only to the distribution of benefits, the provision of microcredit has promoted a greater financial flow in the BCDs and, with this, a greater stimulus in the regional economy.
5 CONCLUSION

Globalization has transformed economic and social processes, in temporal and technical evolution, into interpersonal relationships. This evolution took place in an unbalanced way between the slower social factors, while the economic factors were showing itself to be quicker. There was a dissociation of the economy from the social that opened up space to the liberal capitalist system and, thus, inequalities were formed in space and time, with a marked exclusion of people in conditions of economic helplessness.

The liberal capitalist model ends up producing practices that promote complementarity, with room for the solidarity economy that seeks the inclusion of those who had already been designed out of the traditional financial system. The currency starts to produce local well-being and seeks to complement the formal currency. The social currency ceases to be a facilitator of exchanges, as in the traditional system, and associated with other factors, it becomes a social facilitator.

Banco Palmas is an example of success, since it was responsible for improving the lives of the inhabitants of the Palmeiras neighborhood, located in Fortaleza - Ceará, generating social and economic inclusion for people who did not have credit to leverage their projects of the most varied objectives.

The social currencies end up producing strategies that face the shortage of money and even controlled by their users strengthen their respective territories (localities), especially through the solidarity economy. Social currencies are linked to democratic financial organizations and credit services, boosting the production and circulation of wealth.

Community Development Banks adopt financial solidarity and financial inclusion practices by facilitating access to credit for people living at social risk. Social currencies appear as instruments that seek to boost the local economy, through the BCDs and promote the inclusion of marginalized people.

The models analyzed, from Banco Palmas and Mumbuca, confirmed that the incentives provided by the social currencies to the local BCDs changed the reality of these localities and promoted, besides financial inclusion, group identity and social and economic development. Banco Palmas, a pioneer in Brazil, served as an instrument for the neighborhood, which previously faced serious problems related to poverty, to reorganize itself and move the conditions of exclusion to a distant reality, especially with the support of the residents themselves.

In the Rio experience, it was no different and, in the same vein, it has sought to reduce the poverty rates and the deficit in unemployment and development in the region of Maricá. In addition to being a facilitator instrument, used to distribute basic emergency income, in the period following the COVID-19 pandemic.

There is still a lot to be presented by complementary social currencies and, in this scenario, many municipalities are copying this model and applying in their territories so that local development is leveraged and, at the same time, resources are made available to expand consumption and income in localities that show low rates of credit conditions and financial citizenship.

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