

# **Revaluing Uang Kepeng as a Medium of Local Exchange in Bali**

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Chinese money, known generally as Uang Kepeng in Indonesian and as Pis Bolong in Bali, has circulated as a medium of exchange in Bali for at least the past 1,100 years, and only ceased to be used for local purchases in the early 1970s. Up until that time, a Balinese could use Uang Kepeng in many ways, from buying meat and vegetables in the market or snacks in front of the school, or watching movies with friends at an outdoor theatre.

Throughout history, Uang Kepeng was extremely important to the Balinese people, touching on all aspects of their lives, cultural, religious, social, political and economic. Today, the valuation of Uang Kepeng relates mainly to cultural uses in the arts and religion, while the social, political and economic aspects have withered away.

The cultural uses of Uang Kepeng have depleted the supply of the coins, resulting in the production of poor quality coins that do not meet cultural and religious standards. Efforts are being made by the Bali Heritage Foundation to increase the supply of Uang Kepeng and producing it in an appropriate way according to cultural and religious guidelines, with the goal of producing a new series of valuable Uang Kepeng for cultural use.

In the meantime a series of disasters that have struck Bali before and after the terrorist bombing in 2002 have dealt a serious blow to the local economy. As jobs in tourism and export decline, more and more people are returning to the agricultural economy to survive. However, the supply of money at the local level is insufficient, and therefore people are finding it increasingly difficult to make ends meet.

People often think that the value of money is somehow embedded in the materials used to make it. They look at the size, weight, shape and design, the composition of the materials used, without considering the deeper aspects of valuation, the aspects that relate to history, culture and society, and through these aspects to how we govern ourselves, or meet our daily needs using money. While the cultural valuation of a traditional currency is important, to only value a currency in this way is to make it a historical artifact, an object to be displayed in museums, and not as the medium that ties these elements of a culture together and contribute to its sustained vitality. In essence, the real value of the currency is lost.

If we see that the valuation of money goes beyond its physical attributes to include other elements, would it not be a good idea to consider the re-issuance of Uang Kepeng as a medium of local exchange? Further, rather than seeking external support for projects to improve local development and self-reliance, wouldn't it be better to suggest systems of self-reliance that the Balinese people are already very familiar with, but only quite recently have fallen from use?

The former use of Uang Kepeng as a medium of exchange in Bali has played a central role in the vitality of Balinese culture, religion, society, governance and economy, and therefore should be re-issued as a complementary medium of exchange to meet present concerns about cultural degradation and demands for an increased supply of Uang Kepeng that is valuable to the people and supports the elements of Balinese culture.

## **The History of Uang Kepeng**

According to the ancient history books of Bali, written on lontar palm leaves, Uang Kepeng has circulated as a primary medium of exchange on the island of Bali for at least the past 1,100 years. A wide variety of these coins, made of various metals and with different texts, share the similarity of having a hole in the center, similar to a washer for a bolt, which allows them to be strung together to become larger units of currency.

Although the earliest records of the use of Uang Kepeng as a medium of exchange in Bali dates from 900 AD, the existence of Chinese Tang Dynasty coins (618-907AD), and the production of Brass gongs and circulation of Vietnamese coins, brought by the Dong Son culture of Vietnam to Bali from the 4<sup>th</sup> century AD suggests a much earlier date of introduction of the currency. Certainly, the Chinese coin was a medium of exchange throughout most of east Asia from at least 1,000 years ago.

Until the early 1900s, Uang Kepeng was the dominant currency in Bali and considered legal tender by the local people. When the Dutch finally “conquered” Bali in the early 1900s, Dutch guilders flowed into the island and could be converted into Uang Kepeng for use in the marketplace, as the Balinese had no use for guilders.

In 1921, De Kat Angelino wrote an article in the Dutch journal *Koloniale Studien* on Uang Kepeng in which he wondered why the Balinese preferred Uang Kepeng as a medium of exchange to Dutch, British or Mexican money, which they often melted into silver jewelry. In Miguel Covarrubias’ book, “La Isla de Bali” (The Island of Bali) written in the 1930s and published after the war, he writes “the Balinese do not count in the present Dutch monetary system of guilders and cents; among the largest, the ringgit, big silver coins (worth two and a half guilders) that are normally divided into 1,200 Kepeng. The Balinese cannot visualize a foreigner using kepengs and when I bought peanuts or a banana at a food stand and they did not have Dutch pennies for change, the women vendors were amused to see me pocket a heavy string of kepengs.”

After Indonesian independence in 1947, and even after the passing of monetary laws in 1951 that made the Rupiah the sole currency of Indonesia, Uang Kepeng continued to circulate as a complementary convertible medium for the exchanging of local goods and services to meet local needs until the early 1970s.

Thus the circulation of Uang Kepeng as a means of exchange was discontinued only 30 years ago, and thus is in the memory of the majority of the Balinese. Most Balinese over 35 years of age recall their parents giving them allowances in the form of Uang Kepeng, with which they could buy lunch and snacks at school or pay for entertainment. Older adults remember their Banjar, the ancient democratic traditional government, imposing fines payable in Uang Kepeng for failure to abide by village rules or attend meetings on time. Others, particularly women, remember using Uang Kepeng to buy nearly all of their families’ daily needs in the marketplace. But regardless of age or gender, every Balinese knows Uang Kepeng as a medium of Hindu religious ceremony.

In recent interviews with local Balinese people, they reminisced about the days when they could buy what they needed without the national currency of Indonesia, the Rupiah. It also reminds them of the fact that despite rapid economic development on the island, the majority of people in Bali still live the self-sufficient agricultural way of life today. A way of life that is in many ways little different than it was 60 years ago, when the Canadian composer Colin McPhee, who resided in the town of Ubud in the 1930s, wrote in his memoirs of life in Bali:

“Each night I gave the *koki* a guilder, at that time about forty cents, which she converted into Chinese coins when she went to the market at dawn. She bought a pair of chickens or a beautiful fish, vegetables, fruit, eggs, rice,

beancurd, a handful of dried fish for herself and the boy, and had something left over to treat herself to cigarettes and betel.”

Although Uang Kepeng originated in China, it was adopted fully by the Balinese people to become their money, a representation of the ties that bind their culture, religion, society, government and economy together, and gives the Balinese people a sense of deep connection with their history.

### **Uang Kepeng and Traditional Governance**

The Banjar is the name given to the traditional local government of Bali and continues to this day to be the primary means of organizing daily life in Bali, the organization to which all married men must belong. The ancient history books also date the origins of the Banjar to around 900AD. The ability of the Banjar to maintain its strength and flexibility through the ages is the product of a tightly-knit, inclusive and democratic institution which overlaps, interconnects and thus is closely connected to three other local institutions, these being:

1. The *Subak*, to which every rice farmer in the Banjar must belong, but is extended to include rice farmers who work land within the Banjar's area but who reside outside of and belong to a different Banjar.
2. The *Pemaksan*, to which every Hindu in each Banjar belongs for organizing the collective work for the lavish festivals (*Odalan*) and incidental ceremonies.
3. The *Sekhe*, which organize collective action in artistic activities including gamelan orchestras, dance and theatre groups, kite-making and flying teams, painting and sculpture guilds, and so on.

For more than 1,100 years, Uang Kepeng was the monetary system of the Banjar government and through participatory democratic methods contributed to the flourishing of Balinese culture.

Colin McPhee describes how Uang Kepeng was central to the traditional government of the Balinese:

“Long before the feast the elders met to determine the number of offerings, the scale of expenditures. They sat in a circle at the crossroads, answering in turn as their name was read out by the Klian Banjar [elected head of the local government]. *Tiang!*!! This word had a second and not unrelated meaning, for it also meant pillar of a building, an upright post that supported the roof. When a silence fell after a name the Klian scratched a marginal note with his knife in his palm-leaf book: fined ten kepengs for absence.”

Fines and taxes were paid in Kepengs, which went towards collectively determined and budgeted projects, both in Time and Uang Kepeng, and the contributions of both were either carried out by agreement, or recorded to ensure that each person paid their agreed-upon share. When Uang Kepeng fell from use in the early 1970s, community projects were collectively budgeted in the two currencies of time and national currency, as it is done to this day.

However, lacking a local medium of exchange which they control, Banjar governments today are very limited in what they are able to carry out. Their scope is now limited almost solely to cultural and religious activities, to small-scale local development projects where funds are contributed by Banjar members, to raising funds through “night bazaars” and to assisting the local level of the Indonesian government in implementing its programs.

Re-issuing Uang Kepeng would strengthen local self-sufficiency and in this way improve the local governments ability to implement local development programs. This would lead to improved quality of life, and the revitalization of Balinese culture.

### **Uang Kepeng and Balinese Culture and Religion**

Uang Kepeng contributed to the internal development of the arts in Bali. With their own currency, and their collective ability in the Banjar to determine how it should be used, communities could generate a surplus of Uang Kepeng and choose to direct it towards the arts, without being dependent on external donors. This led to a diverse and vibrant culture, with marked cultural distinctions and specialization between communities.

Uang Kepeng plays a very important role in Balinese cosmology and sense of cosmic harmony as a way of mediating the balance between opposing forces in religion and society. For this reason, Uang Kepeng is highly valued in religious ceremonies and art works. The Balinese produce beautiful handmade offerings to the Gods, and special offerings will include a few Uang Kepeng in them. Ceremonies to mark the completion of a building, or for purification of a place, require contributions of Uang Kepeng which are offered, buried or burned.

Uang Kepeng is also used in the creation of holy statues. One kind of statue, called the Rambut Sedana which symbolizes the generosity of God, is made of up to 15,000 Chinese coins. An ukur, on the other hand, is a small effigy made of at least 108 coins, which is burned together with the body of the deceased in the *Ngaben* cremation ceremony.

In December 2003, the Bali Heritage Trust, a foundation dedicated to the preservation and strengthening of Balinese culture, held a conference on "Preserving Uang Kepeng As A Medium of Religious Ceremony in Bali". Although the main concern of the conference was dealing with the shortage of Uang Kepeng as a medium of ceremony, numerous references were made to the use of Uang Kepeng as a medium of exchange. Dr. Ida Bagus Sidemen, author of a book on the historical value of Uang Kepeng, pointed to the need to study the twofold use of Uang Kepeng as a medium of exchange and medium of ceremony, as this relates to the valuation of Uang Kepeng.

The concern is that by producing new Uang Kepeng for ceremonies, the deeper valuation of Uang Kepeng, as something that has real value and importance in people's lives may be lost. Most people agree that new Uang Kepeng is not nearly as valuable as old Uang Kepeng. Old Uang Kepeng carries the historical value, but how can new Uang Kepeng be re-valued?

Revaluing Uang Kepeng requires giving it economic meaning to people again, by re-issuing it as a medium of local exchange. Producing Uang Kepeng for local use increases its value, and as a medium of exchange the supply will be much larger than if it was only purchased to make an art object or satisfy cultural use. In addition to this, it ensures that the production of Uang Kepeng remains local, and not dependent upon external sources.

Thus the re-issuance of Uang Kepeng would strengthen cultural diversity and vitality in Bali, thereby contributing to a sustainable culture. As each community could differentiate itself in its cultural development, the overall culture of Bali will be more diversified and vibrant.

### **Uang Kepeng and Balinese Society**

Re-issuing Uang Kepeng as a medium of local exchange would not be without precedent in the world today. Local mediums of exchange are quite common throughout the world, and

today some 5,000 communities in more 30 countries have their own locally-circulating currencies.

One of the main reasons given for issuing a local medium of exchange is the rebuilding of community, and the protection of culture from foreign influences. Cultures become degraded when their members switch to the foreign economy to earn their income, without having their feet firmly planted in both economies. Colonizers, both military and economic, have used this fact to break down culture and allow their economies to penetrate and overrun the colonized.

Or the process happens more slowly, so that the change in culture is not noticed until it is too late. One of the first steps is to promote jealousy between people, and Balinese people are certainly not immune to this. In fact, there are many stories of Balinese people, who through talent, intelligence and hard work have become very wealthy even by international standards. The unfortunate result is that others become jealous of them, and slowly they either walk away from, or feel ostracized by the community. Once the link between the rich and the poor has been severed, culture begins to display itself in terms of ostentatious wealth, in competition between people and communities to display their finest, and the real culture, which is in the connections between people and the practice of their daily lives, becomes associated with being poor.

By giving strength to the poorest members of the community, re-issuing Uang Kepeng builds community cohesion, and works to preventing the jealousy and competition that is directed towards those who have moved to the foreign-currency economy. In this way, the use of Uang Kepeng is a signal that a person is local, a pillar of the community. Both rich and poor can be active in both economies.

### **Uang Kepeng and the Balinese Economy**

The Balinese counting system is directly connected to Uang Kepeng. The word for fifty, *seket*, comes from *æ* (one) and *ikat* (to tie something together). This is derived from the word for twenty-five, *selae*, thus a *seket* is two bundles of *selae* that have been tied together. The word for seventy-five, *telung*, means three bundles of *selae* that have been tied together. Uang Kepeng is therefore closely connected to the Balinese concept of economy.

Historically, the economy of Bali was controlled and managed completely by women. As Miguel Covarrubias writes in his book "The Island of Bali", "the women are the financiers that control the market; one seldom sees men in it, except in certain trades or to help carry such a load as a fat pig. Even the money changers are women, who sit behind little tables filled with rolls of small change, kepeng, Chinese brass coins with a hole in the middle."

Continuing, he writes "accustomed to dealing in hundreds and thousands, they have acquired a surprising knowledge of mathematics, and the women can add, subtract, multiply and divide with the speed of an adding machine. To test this ability we used to ask the women of our household for multiplications of numbers of several ciphers; with mysterious operations of a few kepengs spread on their laps, they always found a quick and accurate result."

Bali is a remarkably egalitarian society. Women work the ricefields together with the men, and also did not wear shirts when working. In the 1930s, it was still very common for women to walk around topless. Even today it is very common to find elderly women who go about their daily business on the village streets without anything to cover their breasts. While men are given tasks that involve using their arms, such as pulling, pushing or grabbing, such as struggling with pigs and cows, the women take tasks that use their heads, such as carrying

and transporting loads of up to 50kg of rice, or 30 litres of water on their heads. While men would struggle to carry such loads on their backs or to carry them in their arms, it is easy for a woman to stroll at a good speed with such a load on her head, or even ride on the back of a motorcycle. Such activities are what many believe to be one of the beauty secrets of Balinese women, giving them such fine poise, posture and balance.

The existence of a complementary currency, and the egalitarian gender situation led author Bernard Lietaer to the concept of a Yin-Yang economic system. "A more philosophically inclined Banjar leader, although obviously a Hindu, used a Taoist vocabulary of complementarity to describe the dual currency system as being in "Yin-Yang relationship". One of these currencies - the normal Indonesian national currency - is in this view of a Yang nature, because it cannot be created within the community but has to be earned by competing in the outside world. The other - Time that everybody in principle has as the same birthright - is Yin because it is generated within the community, on an egalitarian basis, and generates cooperation. It is also something that you can't accumulate and store like conventional money: use it or lose it." In short, Yang currencies are competitive and male-oriented, and Yin currencies are cooperative and female-oriented.

Lietaer writes, "Western languages do not have words describing the Yin-Yang concept, so we will have to use the Oriental word for it. Taoism conceived all forces in complementary pairs like earth-heaven, water-fire, inhaling-exhaling, pulling-pushing, feminine-masculine, etc. Although obviously distinct forces, they are really seen as parts of a single ultimate unity, and therefore necessary to each other. A bit like a magnet necessarily must have a positive and a negative pole - either one separately can't exist. In the specific money and societal context of this paper, the Yin-Yang notion refers to the polarities of cooperation-competition, egalitarian-hierarchical, mutual trust - central authority, feminine-masculine, etc."

Lietaer noted that the existence of a Yin currency encouraged Yin behaviours towards others. "If, for example, someone has a sick child that interferes with providing time, nobody will object to him or her not contributing an equal share in time commitments [to the Banjar]. What matters is the goodwill underlying one's actions. One can see why such a dual currency system within a democratic structure like the Banjar provides a lot more flexibility than when one has to operate within only one currency system as is the case in most other parts of the world, including the "developed" ones. People who have a lot of conventional money tend to have little time, and people with little money tend to have more time. So the dual currency mechanism enables some automatic leveling among the social classes."

Uang Kepeng encouraged the exchange of locally-produced goods and services for local consumption by providing a locally available means of exchange, and therefore was the currency of the yin-balanced agricultural economy, supporting both the agricultural economy and the women who managed it. Primarily earned through provision of agricultural products to marketplace, Uang Kepeng gave women an important role to play in society. In addition to a marketplace which provides a place to purchase agricultural products using Uang Kepeng, the local economy was supported and protected the agricultural economy from damages due to market and currency fluctuations.

In the same way, Uang Kepeng protected Balinese society from penetration by foreign money, either through trade or tourism. Foreign money did not affect the local economy or behaviour of the people, and people could choose to participate in both economies, they did not have to decide between them.

## **Rebuilding Cultural Vitality in a Globalizing World**

The degradation of cultures through the process of Yang economic globalization is well known, both in Western society as well as in non-Western societies. Complementary currency systems are seen as one way of rebuilding culture at the local level. In so-called “peripheral”, “global south” or “third world” countries where the traditional systems of exchange have been degraded or eliminated, new Yin cooperative exchange systems are being founded. In many other societies, the traditional economic system remains strong but needs recognition and support to prevent degradation by foreign economic systems.

There is an opportunity now to identify, research and support these traditional economic systems before they, and the cultures they support are destroyed, but it appears that the tide is rising against them. Anthropologists today apparently study only those traditional economic systems that have died, as there is very little available research available on the internet about traditional economic systems that still survive, and in many cases are still strong<sup>1</sup>. This suggests that there is little support available to those who wish to rebuild or strengthen the vitality of their culture through complementary exchange systems.

The Yin complementary currency systems in use in the Western world today have their roots in ancient and traditional economic systems. The concepts of open money supply, interest-free loans, reciprocal exchange or barter, and negative interest, labelled by economists as ‘demurrage’, are all elements to be found in nearly all democratic traditional economic systems. However, it appears that many western economists consider these traditional economic systems to be either historically unconnected or irrelevant.

A third way, between the introduction of modern cooperative economic systems, and propping up traditional economic systems with potentially negative cultural issues attached to them, is to learn from these traditional economic systems and incorporate appropriate elements into the design of modernized variants of traditional systems. Rather than imposing a foreign economic system with its accompanying social and cultural baggage on traditional communities, would it not be better to focus on strengthening the traditional economic system that is closely connected to the society and culture in which people live?

Rather than talking about the need to implement systems of local self-reliance drawn from foreign models to assist people affected by the economic downturn that resulted from the recent series of calamities that have struck Asia in general and Bali in particular, we return to our original question: would it not be better to talk about systems of self-reliance that the Balinese are already very familiar with but have only quite recently fallen from use?

### **Revaluing Uang Kepeng by Issuing it as a Medium of Local Exchange**

As Uang Kepeng has fallen from use as a medium of exchange, and demand for art objects made from the coins, often for export, increases, the supply of Uang Kepeng is being exhausted, coupled with the physical degradation of these ancient coins. The Bali Heritage Trust held the conference to discuss the production of new Uang Kepeng, along traditional lines. Up to this point in time, religious leaders have been dissatisfied with the quality of materials used and the method of production which does not factor in religious elements. Individual consumers, on the other hand, consider new Uang Kepeng to be false and therefore worthless, that new Uang Kepeng is nowhere near as valuable as old Uang Kepeng.

The concern is that by producing new Uang Kepeng for ceremonies, the deeper valuation of Uang Kepeng as something that has real value and importance in people’s lives may be lost.

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<sup>1</sup> All available research in electronic form on traditional economic systems can be found at <http://www.appropriate-economics.org>. Incidentally, this website has been one of the top websites at google.com for the keyword search “traditional economy”.

Old Uang Kepeng holds historical value, similar to the valuing of antiques. How can new Uang Kepeng be re-valued so that it holds the same value as old Uang Kepeng?

Revaluing Uang Kepeng as a medium of culture requires giving it economic meaning to people again, by issuing it as a medium of local exchange. Further, Re-issuing Uang Kepeng as a medium of exchange is central to its cultural valuation, it is valued more deeply because it has economic value, and people know they had to provide something to someone else in order to earn it. It is a sign of a strong society and culture. Re-issuing Uang Kepeng gives people the responsibility for upholding the value of Uang Kepeng for economic as well as cultural use, and responsibility comes value. If people are responsible for Uang Kepeng, they will value it. New Uang Kepeng will therefore be more highly valued.

Uang Kepeng needs to be minted again, both because it is in short supply, and because recently minted coins are of an inferior quality and not produced according to traditional processes with the approval of cultural and religious leaders. Uang Kepeng as a medium of exchange must be of good quality in order to ensure its use for a long period of time, and must also satisfy the cultural/religious requirements of being of a certain weight, size, design and composition of metals.

From here, three main issues will undoubtedly arise. The first issue is, will this local medium of exchange have a negative effect on the local economy, such as by causing inflation? The second issue is, would this be illegal under Indonesian law? The third issue is, what about the production of counterfeit money?

In response to the first issue about the possible effects on the local economy, local currency fills a niche in the agricultural economy where national currency is in insufficient supply to facilitate exchange. Therefore as long as the supply of Uang Kepeng is used to facilitate exchange that would not otherwise take place given the lack of national currency, then it will not cause inflation. As mentioned before, some 5,000 communities worldwide issue their own medium of local exchange that does not have a negative effect on the economy. In fact, research shows that the effects are all beneficial, as a healthy local economy contributes to a healthy regional and national economy.

Regarding the second issue of legality under Indonesian law, research on monetary and banking laws shows that other currencies may exist alongside, in complement to, the national currency as long as they do not contravene counterfeiting laws by attempting to look like national currency, and do not actively seek to replace or undermine the functions of the national currency. In fact, a voucher is a form of money, and so is a credit card, a coupon, a token, or a promissory note.

Regarding the third issue about the possible counterfeiting of Uang Kepeng, it is unlikely that the benefits to be gained from counterfeiting will outweigh the cost of producing the coins. Uang Kepeng will serve a very localized marketplace, perhaps be stamped with the name of the Banjar in which it is issued, and be redeemable for only locally-produced goods and services.

If these answers are satisfactory, we move on to present three models for the issuance of new Uang Kepeng as a medium of exchange: issuance as a personal currency, issuance as a Banjar currency, and issuance through the Village Credit Unit (Lembaga Perkreditan Desa).

### **Issuance as a Personal Currency**

A community group decides to issue Uang Kepeng through its members. The national currency (Rupiah) funds are collected from the members for the purchase of the Uang



Kepeng. They decide on the composition of metals used, the design of the coin as it must be differentiated from other types of Uang Kepeng, the volume to be produced, and the corresponding valuation in the national currency.

The organization creates a body for the management of the Uang Kepeng, allowing each member to open an account. Each member is allowed to withdraw Uang Kepeng from the management body, similar to a regular credit / debit account. The members spend Uang Kepeng between each other for local purchases, reducing the outflow of their Uang Kepeng, as much as possible, to non-members or outside of the community.

This system of issuing a local medium of exchange is quite common throughout the world, today some 4,000 communities in over 30 countries issue local currency in this way. Western economists call this a "Mutual Credit" system for issuing a means of payment by the participants themselves who withdraw the money from their account. As it is considered to be personal money within a collective money system, only administration fees and not interest is charged.

### **Issuance as a Banjar Currency**

The Banjar decides to issue Uang Kepeng in order to facilitate local activities and exchange in the community. The Banjar membership collects the necessary funds to order the Uang Kepeng, and decides on the metallic composition of the coin, the design of the coin, the volume to be produced, and the valuation. At Banjar meetings, projects are decided upon by the membership, along with the budget in national currency, time and Uang Kepeng as was done historically. Uang Kepeng is paid to those who agree to receive it, perhaps as a balance for making a greater contribution to a project than was agreed upon when the project was budgeted.

Those who receive Uang Kepeng can then spend it within the Banjar area, and the Banjar can receive Uang Kepeng back by being willing to receive payments in this currency. As long as the revenues in Uang Kepeng match the expenditures, this system can continue on indefinitely, and in effect it becomes a microcosm of a national economy.

As with the method for issuing Uang Kepeng as a personal currency, the bookkeeping of Uang Kepeng is relatively simple and straightforward, the accountant only needs to record revenues and expenditures in Uang Kepeng, and there is a long historical precedence of the ability of Banjar accountants to manage this. In western monetary terminology, the currency is issued as a "tax anticipation warrant".

### **Issuance through the Village Credit Unit**

Village Credit Units (Lembaga Perkreditan Desa or LPD) are found in all villages in Bali. With the support of the Banjar, the Village Credit Unit provides the accounting service for the management of Uang Kepeng, issuing the currency through loans to LPD members. The Banjar decides on the composition, design, volume to be produced, and valuation of the currency.

A standard loan in Uang Kepeng is made to each member of the LPD, as an equal amount to each member. The loan is required to be repaid within a specific period of time. However, based on observing the circulation and impact of the Uang Kepeng on the local economy, either a part of the loan is repaid, or further credit is granted to the members. This mechanism allows the LPD to control the money supply of Uang Kepeng in order to prevent the inflation of prices in Uang Kepeng, and therefore to prevent its devaluation in the community.

This method of issuance is similar to regular banking systems, except that the complexity of interest rates has been removed.

Alternatively, Uang Kepeng can be issued as a voucher where anybody can purchase it with national currency. This conversion can be extended, so that Uang Kepeng can be converted through local money changers, much as it was done during its 50 year period as a complementary currency.

## **Conclusion**

In this article, we present the history of Uang Kepeng, its central role in the Banjar and traditional governance, in promoting the vibrancy of Balinese art and culture, in fulfilling religious obligations, as a way of ensuring social cohesion and means for Balinese people to meet their needs and in the empowerment of women.

We argue for the need to mint new Uang Kepeng that is valued both in cultural and economic terms, as a tool for rebuilding local economies in the wake of recent disasters, while strengthening its valuation for cultural and religious purposes. We demonstrate the possibility of issuing Uang Kepeng safely and legally, and present three different methods of issuance.

Uang Kepeng is deeply rooted in Balinese history, culture, society, language, governance and economy. However a traditional currency, to be truly valued, must be valued personally as a means of exchange. This lays the foundations for revaluing Uang Kepeng as a medium of Balinese culture, a tool for ensuring Bali's cultural vitality in a globalizing world.

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