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GLOCAL CURRENCIES: A SPECIAL FOCUS ON ITALIAN COMMUNITIES AND EXPERIMENTS

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Abstract:

Glocalization is a term introduced into the sociological literature by Roland Robertson and Zygmunt Bauman to indicate “the simultaneity - the co-presence - of both universalizing and particularizing tendencies”. Indeed, nowadays in a context of financial and economical crisis glocalization appears to be more and more urgent since new kinds of “glocal currencies” (glocal, in the sense of being local but inspired by a global sense of justice and welfare) and “glocal business” could be the key to overcome the hurdles encountered in the common everyday life. In fact new micro-credit based experiments and business, like MyBnk launched by the Italian Lily Lapenna in London or the Italian KivaMap, are becoming more common and widespread. In this contribution we study and analyze examples in Italian communities like new currencies like Sardex, Dropis or Sceec and micro-credit bases business. We believe that this is a way to make what John Hicks claimed come true : “money is defined by its functions. . . money is what money does”.

Key words: globalization; glocalization; currencies; economics; sociology.

1. Introduction

Glocalization appeared for the very first time in the nineties in a sociological review carried out by Japanese scholars and later it was brought to the attention of the sociological communities by Roland Robertson and Zygmunt Bauman, who defined it as “the simultaneity - the co-presence - of both universalizing and particularizing tendencies” and “the tampering effects of local conditions on global pressures”. [1-2]

Glocalization is an hybrid blended and creolized approach that considers globalization [3-5] as an irreversible process [6], due to a combination of historical and cultural processes that have gradually “compressed” and “squeezed” the world but at the same time claims that a mere exclusive application of the globalization governance can be dangerous.

Globalization has increased the socio-economic inequalities (favoring the macroeconomic volatility, the spread of capital flows), destroyed some vital forms of differences. Summarizing globalization is having negative effects especially for developing countries. [7-8]

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business” could be the key to overcome the hurdles encountered in the common everyday life.

The very first local currencies were *scrip* circulating in the USA in the 19th century (but they were not of legal tender) [9] and WIR Economic Circle Cooperative or *Wirtschaftsring* born in October 1934 as attempt to overcome the severe Great Depression and financial crisis of 1929 [10-11].

A local currency is usually being traded into a small area, especially during national currency major financial crisis, in order to raise the local economy [12-14].

In this contribution we study and analyze examples in Italian communities like new currencies such as Sardex, Dropis or Scec and micro-credit based business.

2. Micro-credit and glocal currencies

Micro-loans and micro-credit, integrated packages of credit are new words introduced by the Nobelist Muhammad Yunus as solutions to offer credit and possibilities also the poorest portion of population that has never been reached by the conventional credit delivery [15]. While financial trade and capital flows blur the national boundaries of a globalized world, micro-loans and micro-finance are deeply rooted in the local contests and realities. They are thought to foster the development of new micro-enterprises and micro-joint ventures. So micro-credit and glocalization are strongly linked and interwoven [16-19].

Complementary to the concept of micro-credit is the idea of local currency, born observing that countries and nations or communities of states are not an optimum currency area, because of the differences and the inequalities.

3. MyBnk

MyBnk is a new micro-credit based experiments and business, launched by the Italian Lily Lapenna in London and inspired by the bank developed by Mohammad Yunus (the Grameen Bank) [20].

Born in the eighties in London from Italian parents, Lily has worked for an ONG in Zimbabwe and for Brac development organization in Bangladesh where she became acquainted with the revolutionary idea of micro-cred.

"MyBnk is about financial freedom for future generations", she says about her project. Specifically thought for young people aspiring to enter the difficult world of nowadays market and business, MyBnk promotes a novel ethics and ideology.

4. KivaMap

KivaMap is an Italian start-up based application created to monitor the local currencies flows. In fact, the big novelty of the local currencies of the XXI century is their strong link with the new medias (such as Facebook) and the Internet in general, in such a way that the local context and reality can expand thanks to the virtual world and come in contact with other realities [21-23]. By the way Facebook itself has created and launched its own local currency (that is to say, Facebook credits, a virtual payment system used by the Facebooker communities)

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5. Simec

Created in 2000 by Domenico Auriti, living in Guardiagrele in Abruzzo and inspired by the economist Giacinto Auriti, Simec stays for Simbolo econometrico di valore indotto (literally, Econometric symbol of induced value). Simec is the first Italian local currency but it is also the history of a failure: due to legal issues, this experiment abruptly ended few months later.

6. Sardex

Created in the summer of 2006 by Carlo Mancosu, Piero Sanna, Giuseppe and Gabriele Littera, inspired by Wir and by the economist Silvio Gesell, Domenico de Simone (who coined the term FAZ, financially autonomous zone) and Giovanni Acquati (the founder of Ethical Bank), it is a successful local currency characterized by no interest rates. “You cant do money with money, money is only a mean of exchange”, they explain

7.Dropis

Dropis (literally “Drops” in Icelandic language) is a currency realized in 2011 by Sebastiano Scrofina (28 years) and Leonardo Dario Perna (28 years), two computer scientists and software developers that have the ambitious and foolish aim of replacing Euro with Dropis.

Dropis has been thought as the “Skype of the currencies, the peer-to-peer money”, currently available also as an application on Facebook.

8. Scec

Developed by Pierluigi Paoletti inspired by Rob Hopkins (founder of the organization Transition Towns) and recently introduced in Parma by the mayor Federico Pizzarotti, it stays for “Solidarietà ChE Cammina” (Walking solidarity) and it is chiefly based on a discount mechanism.

9. EcoAspromonte

Developed by Antonio Perna, it is the sole Italian local currency institutionally endorsed and supported by the world of the bankers (namely, Ethical Bank of Padua).

10.Other local currencies

Other examples of Italian glocal currencies are: Nauno (Val di Non and Val di Sole, Trentino), Toc (Pordenone), Marrucinum (Chieti), Thyrus (Terni), Tau (Tuscany), Napo (Naples), Kro (Calabria), EcoRoma (Rome) and even Susino (traded only in Val di Susa). Some of these currencies are used in all Italy, others in some regions, others only in some towns.

11.Conclusion.

The world of complementary currencies is extremely complex and heterogeneous like the glocal world itself. Our empirical survey suggest that there are different kinds of glocal currencies and different monetary strategies (exchange, discount, gift, loan and so on) A local currency implies a precise need and a reality. Currencies have fully adapted and integrated into their operating context.

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The keywords for a better understanding of local currencies are monetary networks and monetary actions instead of capital flows. Glocal currency is strictly linked to medium and small enterprise (and in Italy most of companies are in fact of medium and small size, the so-called PMI, *Piccole e Medie Imprese*).

This has completely challenged the traditional monetary theories: from Marx and Quesnay to Pigou and Irving Fischer to Patinkin and Wicksell (the theory of interest rate) to Keynes, Schumpeter and Leon Walras (the theory of banks). A new more pragmatical theory has emerged. We believe that local currencies accomplish to make what John Hicks claimed: "money is defined by its functions. . . money is what money does". This is what we call monetary pragmatism.

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