Local currencies: economic anthropology, regional performativism and modernization of identity

Abstract. Introduction. The author analyses theoretical problems of economic regionalisation in the context of local currencies. Economic anthropology and intersected fields of contemporary economic theory develop as a set of interdisciplinarity post-modern and post-institutionalist methods and approaches which are widely and actively used for the analysis of economic processes in traditional and transitional societies. The purpose of this article is to analyse the characteristics, trends and systemic features of local currencies. Results. The author analyzed the main directions of economic and political use of local currencies. It is presumed that various forms and local versions of currencies historically arise in the post-nationalising and globalising world as a reaction of regions which try to save their identities. Anthropological roots and backgrounds of local emissions actualise hidden symbolic senses of paper money as visualised forms of identity. The analysis of localised and regionalised economic realities has advanced the role of formal and informal institutions and communities in course of regionalisation. The interpretation of the results is presented in the article. Analysis of different theoretical approaches in local currencies studies can significantly broaden the range of interpretations of localised economic processes. The synthesis of approaches proposed in economic anthropology, nationalism studies, identity economics and other post-modern theories, including the performativist turn, will help to conduct more productive theoretical studies of contemporary localised economies in context of formal and informal institutions. Conclusions. Economic anthropology, identity economics and other relevant interdisciplinary approaches are promising directions in modern economic thought. It provides scholars with a wide range of tools, practices and strategies that can be effective in the analysis of economic fragmentation and regionalisation processes. These interdisciplinary methods actualise the potential of economic anthropology in studies of local currencies in the context of monetisation of regionalised forms of national identity.

Keywords: Economic Theory; Economic Anthropology; Identities Economics; Local Currencies; Regionalisation; Economic Performativism

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1. Introduction

The nation-state represented by central banks and other institutions with the dominant participation of the State are among the only legitimate institutions that have authority and legalised rights to issue banknotes in the contemporary world. The political and economic dynamics of the 20th and the early 21st centuries helped to advance the role of institutions that openly and decisively questioned the monopoly of the State related to money creation. Despite the rise in regionalism, the State continues to be the only legitimate actor in the contemporary world which has a right to print banknotes as a dominant form of national currency. The State consistently ensures the preservation of its monopoly and firmly rejects and suppresses any attempts of non-state bodies or regional communities to initiate their own regional and sometimes local emissions. The contemporary state is still very active in the economic and the political spheres. Nevertheless, some regions and local communities in the 20th and at the beginning of the 21st centuries attempted to issue their own currencies without the central authorities’ involvement.

2. Brief Literature Review

Issues related to regional emissions with regard to economic and political prospects and dimensions are among problems which have not been studied in Russian and foreign economic and political academic traditions. Most of the available publications are presented by few articles and reviews of a descriptive character. Generally, these texts are focused on eventual aspects and moments in the history, as well as on the actual state of local and regional currencies. The works by G. Seyfang (2000; 2001) [46; 47], L. Schuster (2012a; 2012b) [41; 42], D. Sanchez (2016) [38], B. Lietaer and G. Hallsmith (2005) [26], W. D. Lasrapes and G. Selgin (2014) [24], M. Naqv and J. Southgate (2013) [23] are the first attempts to understand this phenomenon. Their works also have much in common in the attempts to popularise the experience of local currencies. The works by other authors, including J. Rogers (2013) [36; 37], M. Kennedy (2012) [22], B. Lietaer (2005) [26], P. North (2010) [30]
and L. Binnewald (2013) [7] form a corpus of texts which contain theoretical and methodological studies of regional and local currencies as the main trends in the modern interdisciplinary economic theory. The article has the following objectives: to analyse the genesis and preconditions of regional currencies; to study the relevant experience in Europe, America, Russia and other regions; to analyse a relationship between regional and local currencies with the development of nationalism and regionalism in the context of eventual actualisation and monetisation of regional and local forms of identity.

Methodology. This article is methodologically and theoretically based on the achievements of economic anthropology and identity economics [2]. Economic anthropology and identity economics belong to the interdisciplinary approach that actualises achievements of anthropology and political sciences in the context of studies of economic institutions, processes and relationships. Economic anthropology is actively applied for studies of traditional economies and economic transformations. The identity economics has a wider scope of application in economic studies. Economic anthropology and identity economics belong to the modernist approach which are close to inventionism as the particular case of modernism. The inventionist paradigm was proposed in the first half of the 1980s by B. Anderson (1982) [3].

E. Hobbsamw and T. Ranger (1983) [50]. Inventionists perceived political and economic institutions as imagined or invented. They also proposed that the intellectuals fill and empower political and economic relations in process of imagination and invention with special pseudo-sacred and symbolic meanings and senses. A. Greif (1993; 1994; 2006) [16-18] believes that various forms of economic activity form various strategies of social behaviour and encourage the emergence and institutionalisation of different cultural and political identities. American economist Mancur Olson (1952-1998) [51-33] believed that identity promotes collective actions, innovations, and cooperation in a way which is not only limited to inventionism as the particular case of modernism. The inventionist paradigm was proposed in the first half of the 1980s by B. Anderson (1982) [3].

The attempts to develop a local currency have actualised the tradition of regionalisation and glocalisation of different political and economic landscapes. The local communities in modern Russia were victimised by unification and centralisation policies based on suppression of regional and local identities as a result of the processes of atomisation of political landscapes. The local neo-feudalisation with the destruction of historically formed local currencies are among those aspects of modern economy which have not been studied actively by Russian economists and political scientists. The problems of interconnections of regional, monetary and social systems are practically unstudied in academic literature. The problems of the history and current state of regional currencies are among those aspects of modern economy which have not been studied actively by Russian economists and political scientists. The problems of the history and current state of regional currencies are among those aspects of modern economy which have not been studied actively by Russian economists and political scientists.

The modern economy transforms into a symbolic economy of political and social identities and invented traditions. The attempts of local and regional groups and communities to use their own currencies actualise new levels and dimensions of modern economy which are actively ignored by supporters of the orthodox economic theory, which serves the political interests of economic and political elites. The local and regional currencies, on the one hand, can be understood as a starting point in the long way of monetisation and economisation of regional and national identities in the globalised world. On the other hand, the local currencies transform the identity into the identity of goods. Everything from drugs and weapons to porn and means of female hygiene is successfully sold in today’s global economy. Consequently, why can we not try to sell the identity which can become attractive for representatives of other groups?

The new dimensions of the economy of imagined communities and the tragedy of the commons have become more relevant in the 21st century when local groups and communities have not been able to compete with any nation-state, nor the projects of economic and political globalization. Regional and local communities and their identities have become victims of the policy of regionalisation and glocalisation of different political and economic landscapes. The local communities in modern Russia were victimised by unification and centralisation policies based on suppression and destruction of regional and national projects that could become an alternative to a monoculture economy which is extremely popular among representatives of the Russian political class. The attempts to develop a local currency have actualised the tragedy of commons in Russia’s historical, political and economic contexts. Local currencies in Russia did not become a form of separation; they only actualised desires, aspirations and efforts of local groups to withstand the crisis, because they were brought as a symbolic and ritual sacrifice victims on the altar of global economy and attempts by the government in the economy. These ideas bring them close to classical liberal theory of neo-feudalisation as well as to neo-liberalism and the hypothesis that neo-feudalisation is too conditional, and it is not characterised by systemic nature.
ECONOMIC THEORY AND HISTORY OF ECONOMIC THOUGHT

Economic initiatives of those who support local emissions were inspired by the political progress of regionalism, the rise of self-identification as a context, a localisation of the formalised forms of the national currency. The central or national banks from the part of such supporters and theoreticians is of ideological and political nature and is dressed by them in formal clothes of liberalism. American economist George Selgin (2015a; 2015b; 2016) [43; 44; 45] is among those intellectuals who are famous by a very critical attitude to the role and importance of institutions such as central banks and centralised actors in national economy. George Selgin presumes that central banks do not play a role of stabilising actors. Central banks are viewed by him as extremely harmful institutions which assist to destabilisation because they prefer to centralise and ignore liberal values. The central bank in any national economy is compared by George Selgin with a lion in the house: of course you can train the lion and formally it can follow the dog's behaviour, but the lion will never turn into a dog. On the one hand, George Selgin believes that the central bank is an excessive economic institute which minimises and suppresses various activities of other economic actors. On the other hand, he insists that the economy where the central bank is absent or weak is more stable than the economies with strong central banks.

Regional emissions, the active use of local paper money or the development of e-commerce based on regional currencies significantly expands and transforms the classical schemes of traditional political economy that incorporates three elements «product - money - product». Money lost its sacred character because it is political. The active use of local currencies in the context of economic anthropology extends this scheme and transforms it into the following form: «product/service - national currency/local or regional currency as a commodity - identity». Analysing the advantages and benefits of regional emission and arguing with supporters of active state involvement, theorists of free local banking insist that economic functions and features of modern currencies are radically different from the similar functions and features of the currencies of the 19th and 20th centuries, when currencies were backed by gold. Modern national currencies are not tied to gold and have a qualitatively different bases, backgrounds and foundations. The stability of currencies in the modern globalised world is based on collective representations, views and beliefs in power and importance of the state, they belong to. The identity of the nation-state and its symbolic resources is also determined by a number of factors that enable and ensure stability of national currencies. German economist Heiko Schrader (1999) presumes that «there are certain cultural practices and rates of consumption. The customs and norms of our society seem apparent to us just because we are familiar with them». Similar conclusions are reached by regional and local elites of nation as an imagined community exert their confidence or distrusts to the nation they formally belong to. Therefore, regional and local currencies can be compared with regular economic plebiscite and expressions of confidence to the region as an imagined community and a collectively invented tradition with a high degree of evidence for potential consumers. Regional and local forms of identity in this context are almost no different from national political projects.

Therefore, it is logical to assume that a developed and politically institutionalised regional or even local identity can empower the local currency with necessary legitimacy. The collective beliefs or disbeliefs in regional and local currencies in this context have a lot in common with membership in a social group, or belonging to a nation. A feeling of belonging or politically institutionalised regional or even local identity can transform the modern national currency among such social and economic institutions. The local and regional currencies also belong to these institutions, differing only by their low degree of evidence for potential consumers. Regional and local forms of identity in this context are almost no different from national political projects.

From identities to performativist turn. An analysis of local emissions and regional currencies as economic phenomena is not possible and it will be incomplete if we try to stay within the boundaries of pure and orthodox economics. The claims and arguments of modern economic and political theorists and members of nation as an imagined community exert their confidence or distrusts to the nation they formally belong to. Therefore, regional and local currencies can be compared with regular economic plebiscite and expressions of confidence to the region as an imagined community and a collectively invented tradition with a high degree of evidence for potential consumers. Electronic payment systems are actively used by some English towns where local currencies are in use. These economic activities also contribute to the crisis of traditional collective representations about money, their roles in the exchange system. It is widely known that the political elites tend to position the national currency as a sacred and symbolic form of payment. The process of virtualisation of domestic consumption. In this situation, it may evolve into a symbolic or cultural capital of the region.

The cultural capital includes all material, symbolic and cultural goals and institutionalised resources which are used as a means of symbolic power. Analysing local currencies, the author presumes that it is possible to use cultural theories of goods for their analysis. Regional emissions greatly reduce territorial scope of the regional paper money, limiting it by administrative borders of the particular community. Regional boundaries and limitations of the use of local currencies contribute to the actualisation of their cultural components. Local currencies also actualise the context of imagined or imaginary regional identity. The practice of consumption or non-consumption can stimulate a sense of belongingness to a particular group, and it simultaneously will exclude the localised group as a community from other groups which are also the same but represent other imagined communities. The local currencies actualise collective sentiments of this particular plan.

Therefore, local and regional currencies are widely used for the construction of social and political realities. These imagined realities endowed representatives of communities with various cultural and symbolic meanings that promote monetisation of identity, its transformation into a collective product. The nation-state has monopolised the use of these symbolic instruments and mechanisms: it generates, develops and promotes its own positive image. Regional emissions in the case of the dominance of the nation-state do not become an alternative to develop the regional cultural capital. This cultural capital actualises the desire of regions to use their own local currencies, develops regional forms of identity in them and finally monetises the local identity. Regional emissions and local currencies as their unexpected and inevitable results undermine the monopoly of the nation-state in the development of money as a form of political and economic identity with its sacred and symbolic dimensions. The supporters and theoreticians of regional emissions actually facilitate the disintegration of the sacred dimension of national currencies because they try to attribute sacred qualities and functions to their regional currencies.

The nightmare of deeply centralised modern nation-states would not be so terrible if regional communities limited themselves in using of regional paper money and local business elites developed their own electronic payment systems based on regional currencies. This virtualisation of regional money will be scaring, sacred and symbolic manslaughter of money as national currency, because virtualisation of money will be another step towards its virtualisation. The further virtualisation of monetised identities will contribute to the further erosion of their national qualities and features especially in contemporary Europe which has had enough time to refuse from national currencies. The local and regional currencies may be perceived by society as a panacea and the last recourse in a world where national identities becomes a social stigma, stigma and forms of collective misunderstandings in the context of multiculturalism, tolerance and universal values.
and postmodern world in the second half of the 20th century provides scholars who are able to break with the traditions of orthodox normal science with a wide range of interdisciplinary approaches, including achievements of performativist turn. The idea of Russian critic Nail Farhatdinov that «emphasis on the performative nature of sociality in the social sciences becomes common place» [13] would become an unpleasant discovery for a great part of representatives of the Russian economic academia who preferred not to notice the progress and achievements of interdisciplinarity, including performativist approaches. This neglect will also be particularly unpleasant and regrettable in the context of the numerous attempts of Western economists (Melinda Cooper and Martijn Konings, 2016 [11]) who describe money as a cultural product with regard to different dimensions of performativity. It is noteworthy that this methodology in the Western economic theory proved that the use of performativist approach become universal and contemporary performativist perceptions of economic realities range from classical Marxism to new institutionalism. Also, local currencies can be analysed in the context of performativist turn as new forms, dimensions and representation of local communities in the global political contexts and also as new attempts to actualise or revitalise regional identities.

Commenting on the current regional transformations, Russian regionalist Vadim Shtepa (2013) presumes that «the new era of geographical discoveries will be different from the previous similar era of the 15th and the 16th centuries... it will not be the extensive exhaustion of known spaces but the intensive deepening of their meanings» [48]. The local currencies inspired a rise in regional identities and actualised alternative identities. They, in turn, gave way to politically and economically inspired and motivated protests of the silent majorities in megacities of internal and external edges, margins and peripheral spaces which they were hitherto unknown. Regional currencies have an eventual character. Also, they have a lot in common with a festival [21]: there exists a vast variety of festive rituals and strategies of symbolic behaviour. Regional currencies were invented and actualised as forms of political performativism because they represented various moments in history and presented different regional and local forms of identity. Regional banknotes actualise local festivals as regional invented traditions and commemorative figures of local history which have symbolical and even sacred meanings for local communities, however they are practically unknown in the context of the nation-state as the main form of contemporary political organisation and imagination of geographical landscapes. Therefore, performativist turn actualises a wide range of formal and informal meanings of social and cultural forms of identity. Regional identities are a result of visualisation and imaginalisation of different regional identities. They provided them with privileges of using their own currency. These emissions contribute to the actualisation of new performative functions [10; 23; 39; 49] and dimensions of regional identities. They, in turn, gave way to politically and economically inspired and motivated protests of the silent majorities. Doris Bachmann-Medick (2013) [5] believes that humans living in the media-oriented space in a society with a great number of visual stimuli, symbols and images, are obliged and doomed to invent new analytical optics and provide economic mechanisms and relations with new senses and meanings.

This new collective optics allow us to revise and evaluate the role of images as a result of political, economic, cultural, and social representations and perceptions. The globalised symbols of contemporary world including nation-states, transnational corporations, localised and consumerised brands, such as undying nationalism, regionalism, and separatism provide scholars with evidences which are necessary in order to understand the role of images and money. They, in turn, should be taken into account in the analysis of cross-cultural interactions which radically transformed economy from a system based on traditional stereotypes about universality and inevitability of market rationality to an economy of monetary determined cultural and symbolic rituals and interactions.

5. Conclusions

5.1 Preliminary political conclusions. Regional and local currencies in Europe and Russia present alternative forms of national
The use of local currency, on the one hand, formalized it as an developed and transformed as a collective tradition. Thus, local it forms a message of a national and political identity. Local cur- rency is one of the recent inventions. Old and archaic forms of money were only primitive forms of simple exchange and money re- became virtually inevitable in the 2000s when European regions began the process of monetisation of national identities. Local and regional identities are not products for mass production or for mass consumption. These two qualities are among the main characteristics of national identities’ system of modern nation-states. Regional emissions, as well as and attempts to use local currency along with the national currency, contributed to the actualisation of regional identity, actualisation self-sufficiency and the ability to compete with the dominant national and ethnic identities. The monetisation of identity turns it into one of the products and choices: a system function of the identity smoothly migrates to the service sector and a symbolic sphere of generation, imagina- tion and invention of meanings and senses. Local printed alter- native paper money actualises symbolically and ritually impor- tant images of regional communities and in this context they as- sist to the actualisation and monetisation of identity. Local curren- cies actualise symbolic levels of national and regional identities and provide them with new economically motivated meanings. On the one hand, images on paper money, which are visible to the user, gradually lose their sacred meanings and senses be- cause they are associated with different economic activities. On the other hand, local and regional currencies transform regional identity from museum preserved forms and versions into active trading forms and dimensions of identity. Therefore, regional and local currencies can be analysed in the context of inventionist pa- radigm as an integral element of imagi- nation. It is an illusion that regional and local currencies transform regional identity from museum preserved forms and versions into active trading forms and dimensions of identity. Therefore, regional and local currencies can be analysed in the context of inventionist pa- radigm as an integral element of imagi- nation. It is an illusion that regional and local currencies transform regional identity from museum preserved forms and versions into active trading forms and dimensions of identity. Therefore, regional and local currencies can be analysed in the context of inventionist pa- radigm as an integral element of imagi- nation. It is an illusion that regional and local currencies transform regional identity from museum preserved forms and versions into active trading forms and dimensions of identity. 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Theoretically, any regional community where residents use the local currency can store their savings in the regional currency. This decision is based on the context of the general uncertainty regarding the status of regional currencies. National currencies are subject to inflation, but if the inflation rates can be unpredictable and uncontrollable, the creators of regional currencies can plan a regular reduction of values of local currencies by 2% or 4% per month. The local currency in this context means that all forms of exchange in general or regional exchange in particular are localized in a particular region. National currencies have a reputation of currencies with a stable and strong reputation. It is logical to assume that the local currency will be weaker than the national one, but it is a wrong logical assumption, because in the context of competition between the two, the regional currency is geographically localized within a limited area where it can actualize its competitive advantages. The regional currency can be more successful with the maintenance of the national currency and when the central government will allow the regions to exchange the regional currency freely for the national one. The reputation of the national currency can be very controversial, ranging from scepticism to humilitating forms of mistrust from the part of the users. The local currency as a currency opposed to the national one is not burdened with the negative legacy of national forms of currency. The local currency can theoretically generate the loyalty of its future consumers. If currencies are temporary, then the regional ones depend on specific chronological periods of their development being limited by the borders of the region or local community. Therefore, local and national currencies are known as currencies with a fixed exped date. In this context, the local currency is the currency which is regionalised, localised, and considered to be non-permanent and unstable at the same time.

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