



Written by [Bob Adelman](#) on September 8, 2011

Small Italian Town Bids to Become Sovereign, Prints Its Own Currency

Following the announcement by the Italian Cabinet of additional austerity measures to include plans to combine all 1,963 towns in Italy with populations of fewer than 1,000, some mayors protested by turning in their honorary keys to the city while others began developing marketing plans inviting immigrants to their towns in order to raise their town's population above the 1,000 minimum and remain independent.



Luca Sellari, mayor of Filettino, had different ideas: he decided to create an independent monarchy with himself as prince, and a new currency, the *fiorito* (which means small flower) with an exchange rate of two *fioritos* to the Euro (about 72 cents each).

The austerity plan would eliminate the jobs of 54,000 elected officials and save some money. Sellari wants to remain independent, however, and is moving to take Filettino (population 598) private. He's doing it, he says, "If that's what it takes to keep the town autonomous and protect its natural resources." The town already has a crest which is being imprinted on tee shirts (which are "selling like hotcakes," says Sellari) and a local winery has a new offering with the town's new crest on it.

Rather more seriously, Sellari hopes to emulate the experience of [San Marino](#), which is surrounded by Italy but is totally independent and boasts that it's the oldest surviving state and constitutional republic in the world. And it has no debt. The mayor could start slowly, emulating initially other towns that have successfully created their own currencies, including Ithaca, New York (with its Ithaca "[HOURS](#)") and the Berkshires region of Massachusetts (with its "[BerkShares](#)").

The Ithaca HOURS began in 1991 when Paul Glover developed a monetary system based on scrip used during the Great Depression. In his research, Glover discovered that British utopian [Robert Owen](#) had named his currency the HOUR, based upon the approximate value of one hour of a laboring man's time. When Glover approached Gary Fine, a local massage therapist with the idea, Fine agreed and became the first business owner willing to accept HOURS in lieu of Federal Reserve Notes for his services. Several million HOURS have been traded since then, with customers including the Cayuga Medical Center, the Alternatives Federal Credit Union, the public library, farmers, movie theaters, restaurants, plumbers, carpenters, electricians and even landlords. Those using HOURS must spend them locally, and the value of each transaction is determined by the parties involved, using HOURS as currency.

BerkShares was developed in 2006 on much the same principle as HOURS, with 370 local businesses accepting the currency for products and services. Initially each BerkShare was pegged to the dollar, but pegging it instead to a gallon of maple syrup may help insulate the local economy against volatility in



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the U.S. economy, according to [Nick Kacher](#) of the New Economics Institute which helped initiate the development of the currency:

If the currency were backed by a local commodity, such as maple syrup — so 10 BerkShares would buy a gallon of maple syrup — then whatever happens to the markets or the value of the dollar, 10 BerkShares would always buy a gallon of maple syrup.

Experiments such as the Ithaca HOURS and the BerkShares and the latest startup, the Italian *florita*, could lead to the development of a medium of exchange that more perfectly reflects mankind's experience with real money: gold and silver. As Rep. Ron Paul (R-Texas) [noted](#) in a speech to the House of Representatives, the perfect medium of exchange:

... should satisfy certain properties: it should be durable, that is to say, it does not wear out easily; it should be portable, that is, easily carried; it should be divisible into units usable for everyday transactions; it should be recognizable and uniform, so that one unit of money has the same properties as every other unit; it should be scarce, in the economic sense, so that the extant supply does not satisfy the wants of everyone demanding it; it should be stable, so that the value of its purchasing power does not fluctuate wildly; and it should be reproducible, so that enough units of money can be created to satisfy the needs of exchange.

As attempts to insulate local economies from the vagaries of manipulated central bank currencies continue, individuals are once again expressing their desire to protect their purchasing power and provide for their futures. Freedom from excessive government is ever trying to find a way to be free, and the mayor of Filettino and the residents of Ithaca and the Berkshires are to be applauded for their efforts to find the way.

Photo: A village in the Italian region of Lazio.



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