

An aerial photograph of a coastal city, likely Seattle, with a large island (Vashon Island) in the foreground. The city is densely packed with buildings and roads, and the water is a deep blue. The title 'THE EURO AND ITS RIVALS' is overlaid on the right side of the image in large, bold, white and grey letters.

THE EURO AND ITS RIVALS

*Currency and the
Construction of a
Transnational City*

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GUSTAV PEEBLES

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of a Transnational City*



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To my parents,

who have inspired me and
supported me every step
of the way.

PREFACE

This book is *not* about the yen and the dollar, the most obvious rivals to the euro. Instead, it is about the underreported ways in which daily monetary usage and public debates about monetary policy play a role in constructing the boundaries of community. It is an attempt to look at the euro through a specifically anthropological lens, since the lion's share of work on the euro has been within the fields of economics and political science.

There is a metaphysics of money that is swept aside by the fields that typically study it, and that sometimes turns too magical when studied by people outside those fields. I have tried to ground the power that money has outside the economic sphere by relying on standard ethnographic techniques—watching what people say and do about money on a daily basis—and not succumbing to a more Baudrillardian approach that sees it as all fictitious, diaphanous, and endlessly recursive. I take seriously the idea that money can create communal attachments, even when rational economic actors insist that it is a purely scientific instrument. This book bridges the typical gap that keeps these two distant wings of research around money from even speaking to one another. Each view can inform the other, but there must be more of a common language to bring the two together.

The time is ripe for such an approach to money. As this book goes to press, the world is awash in monetary chaos, and every day brings a sense of foreboding that the entire edifice of monetary stability will collapse in a sea of worthless paper. In early 2010, Greece was at the brink of such a collapse, which illuminated the precise sort of monetary community that I use as a conceptual apparatus in this book. Europeans of all stripes were challenged with the question of just how much solidarity they felt with their fellow EU citizens from Greece. Were they hopeless spendthrifts? Or had they fallen on hard times because of an unforeseeable business cycle?

Fascinatingly, the euro and its sociolegal underpinnings meant that these questions had been answered already. Because all of the euro-zone countries had their fate soldered to Greece's with the founding of the euro, they were largely compelled to act in solidarity with their Greek neighbors. Sweden and Denmark—both outside the euro zone—were under no such compunction. Because they are outside of the vast monetary community of the euro, they had no need to show compassion or solidarity to the Greeks. It was left to the members of the euro zone to part with their hard-earned money and use it to prop up Greece. To save the euro from collapse, they had to treat the Greeks as members of their community who were in need of aid, regardless of whether the problems were the result of an objectively vicious business cycle or subjectively dubious behavior.

This story is similar to the stories I trace here. How did Swedish bankrupts and vagrants come to be treated differently than non-Swedish bankrupts and vagrants as the country gradually built a sense of national solidarity over the nineteenth and twentieth centuries? What sociolegal instruments make it possible to see a similarity in the legal and moral treatment of vagrants and bankrupts? Seen through the lens of daily currency practices and infrastructure, these two groups have much in common.

Money is almost like language—a fact remarked upon since at least Marx—but I don't mean this in the typical sense. Instead, I am referring to the fact that both money and language somehow present frictionless surfaces to history and society. In their ubiquity, they are frequently viewed as neutral forces. This makes them hard to study, for people often do not see currency (or language) usage as a value-laden act.

The debate about joining the euro in both Sweden and Denmark changed all that. But so did two other variables that form the backbone of my story. The novel attempt to build the transnational Øresund Region opened up new possibilities for grasping the meanings of monetary usage in Sweden and Denmark. The region sought to destroy a border that had been in effect since 1658 by bringing together two big cities—Malmö and Copenhagen—by way of a giant bridge-tunnel complex. The bridge spawned vast dreams of an entirely new world, at least for Malmö, which had long suffered as Sweden's least-sophisticated city. The ease of reaching Copenhagen would usher in a new era of success in a variety of fields,

including industry and education. People would be happier with the bridge; life would be easier and more fun.

Additionally, the bridge was a physical instantiation of the “new Europe.” Just as the European Union had eliminated countless legal barriers to the movement of capital, goods, and labor, the bridge would facilitate a radical leap in space and time, suddenly allowing these same factors of production to flow more smoothly and more rapidly across dated, cumbersome boundaries. The bridge would make the complex aspects of European integration—determined in faraway Brussels and Luxembourg—a daily, lived experience.

The bridge is in many ways just like the euro. Both are far from mere symbols; they are mundane tools in the shaping of a new reality. As everyday tools, they are meant to disappear in their ubiquity, just like language. But instead, the euro and the bridge (they emerged on almost identical time lines) were both contested. Some people were in favor of the new region and the new currency, both of which would provide opportunities for the transgression of ancient boundaries of cultures, economies, and states. Some people were opposed and sought either to preserve the status quo or even to introduce slower times. But either way, the seemingly separate debates about the bridge and about money were compellingly isomorphic—that is, proponents of the bridge were invariably proponents of the euro, while opponents of the bridge were invariably opponents of the euro. Simmel long ago showed an interest in both bridges and money, and here was living confirmation of his suspicion that there might be metaphysical harmonies shared by these two sociological devices for creating connections.

Mostly, the opponents of the euro were in favor of the respective national currencies on each side of the Øresund. Meanwhile, a number of smaller fringe groups were laying the groundwork for a local iteration of the world’s ongoing battle over globalization. These people were in favor of so-called local currencies, which aim to circumscribe the movement of money to an almost self-defeatingly small dimension. Like their far more successful counterpart, the slow food movement, these people represent what is typically glossed as the antiglobalization movement. But like their slow food counterparts, they are, ironically, part of a global movement. This suggests that popular terminology is sorely misrepresentative of the facts on the ground. Proponents of local currencies are not necessarily

opposed to a globalized world that is interlinked in complex ways. They do, however, hope that the connective tissues are not derived from the tendrils of capitalism. Instead, new global connectivities should be woven from more humanistic fibers, and local-currency advocates are often motivated by a concept of global solidarity with all humans.

Whereas most advocates for globalization and space-time compression see the monetary policies of such fringe groups as deeply muddled thinking, I take them seriously. In putting up a mirror to dominant monetary policy, they help us think about money more generally. In particular, their practices and policies help to illuminate the ways in which money can succeed—or fail—at circumscribing the movement of labor, goods, and capital, just like the Øresund Bridge. This bounded movement, whether facilitated by the euro, the kronor and kroner of Sweden and Denmark, or the local currencies, then plays a role in the social construction of community. Just as the creation of a public sphere can produce a feedback mechanism for consolidating itself as a deeper and more lively public sphere, a currency can produce a self-fulfilling snowball effect if more and more people subscribe to its usefulness. Money and language—they both give us a common frame of reference in which to get things done, everyday.

Given the world today, anthropologists are forced to understand the intricacies of central banks and monetary policy. We need to develop a critical approach to these vital social institutions by turning to the tools and theories in our methodological toolkit rather than those of other disciplines. Jane Guyer, Keith Hart, Douglas Holmes, Bill Maurer, and Janet Roitman, among others, have been leading the charge on this. Building on their insights, I have used qualitative research methods to focus intimately on the power of currency to create boundaries and to constitute groups, delineating native and foreigner from one another.

We need to probe the ways in which currency—as an economic tool rather than as a non-economic symbol—binds individuals and groups together. When a wealthy Argentine can store her economic value in a currency that differs from the currency that her compatriots must use for economic storage, does this have consequences for one's sense of national belonging? When the Icelandic government attempts to bail out Icelandic depositors, but not foreign depositors, in Icelandic private banks, does this have any consequences for the consolidation of group cohesion? When a

state treasury accommodates debtors instead of creditors, does it carry consequences for social hierarchy?

Such questions can be best addressed by embracing a renewed détente between the insights of economics and of anthropology, rather than by refusing to let one or the other into the same public sphere. By telling the story of the Øresund Region and its battling currencies, I hope this book contributes to bridging such divides.

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I must also thank the diligent and insightful people at Indiana University Press, especially my editor, Rebecca Jane Tolen, who had the wisdom, honesty, and experience to say when something needed to be entirely rewritten. Her collaboration and effort on this book and her vision for its potential audience provided a steady foundation throughout the process. Several anonymous reviewers offered their time and careful criticism. Merryl Sloane provided copyediting the likes of which I'd never seen before.

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scholarship to me for the first time and sent me down this path. Finally, Emily Sogn and Rhea Rahman both proved essential in bringing the book to completion.

My many informants were spread across both sides of Øresund Sound. The insights they gladly provided form the backbone of all the analysis in this work, and my anthropological approach to studying the euro would have been much harder without their cooperation. I thank them for allowing me access to their daily lives, opening their doors despite their hesitations regarding being an object of anthropological inquiry.

I owe much to my friends and family. My long-time friends from New York, Chicago, and Washington have always been supportive and willing sounding boards. I'm thinking especially of Jake Waletzky, who was the glue that bound many of us together, and we all dearly miss him. Even though he cantankerously disagreed with me much of the time, his impact was so great on my life that I can conjure his voice without any problem.

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THE EURO AND ITS RIVALS



Map by Ben Ostrower

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Introduction

Straddling a watery border in northernmost Europe lies a transnational space called the Øresund Region. As one newspaper headline confirmed, “The Øresund Region Is a Utopia” (Magnusson 1997) and, for many reasons, it could have readily fallen within the parameters of Thomas More’s witty double entendre, simultaneously denoting both “good place” and “no place.” But, unlike more openly fictional utopias, the Øresund Region was envisioned as a transnational marketplace coming into being; in the process, it confronted the older utopian visions of Sweden and Denmark, two well-regulated, Social Democratic nation-states held dear by their citizens, who were now being asked to usher in the new project.

Promising to meld the cities of Copenhagen, Denmark, and Malmö, Sweden (as well as each town’s surrounding hinterlands), the Øresund Region was meant to be a concrete incarnation of the European Union’s (EU) more abstract boundary-destroying mission, a place where transnationalism would become so normalized that it would no longer be noted. A swirling market of mobile goods, services, capital, and people would slip away from national constraints and transform the body of water that separates the two countries into a transcendent link.

Not surprisingly, these visions, which were proclaimed during the years leading up to the completion of the Øresund Bridge—marking the informal commencement of the Øresund Region in 1999–2000—also had many detractors. As such, the border separating Sweden and Denmark has served as the

fulcrum of a debate about divergent models of the future. Some of these models have been transnational, some national, and some post-national.

Despite a project to build a giant bridge-tunnel complex that would connect the two cities and despite the creation of a binational bureaucracy dedicated to building the transnational Øresund Region, at the turn of the millennium it could not be said to yet fully exist. Unlike the Swedish or Danish nation-states themselves, or even the EU, the region was still embryonic during the fifteen months I spent there in 1999–2000 when I began my research. It was supported by some vital infrastructural scaffolding, to be sure, but it remained mostly a vision of the future for broad segments of Swedes and Danes. To complicate matters, some people, such as the proponents of local currencies, who will be discussed at length below, were opposed to the region altogether. They preferred instead a more localized vision of the future, wherein people would not seek to transcend borders on a daily basis merely for the sake of transcending them. Rather, they wanted to construct new borders, circumscribing ever smaller, subnational spaces. In the face of the EU's drive to expand people's horizons of mobility, these groups were seeking instead to shrink them.

The Øresund Region, therefore, offers the tantalizing possibility that we can ethnographically document dueling attempts to build new socio-political spaces (one transnational, one subnational) after the supposed weakening of the typical nation-state form. These imagined new spaces relied on new organizing principles and underlying philosophies. At the same time, they were being attempted in two of the most steady and stalwart members of the nation-state club, Sweden and Denmark. Consequently, the success of these new projects was far from assured, and some visions of the future in the Øresund Region have not come to full fruition. But following Herzfeld and his notion of "social poetics" (Herzfeld 1997), such failures might nonetheless be necessary. In other words, the argument over the future is essential to producing it, and the task of the ethnographer is to document the debate as it unfolds. In the case of southern Sweden and eastern Denmark, some groups were honing their portrayal of the future from an idealized picture of the Social Democratic past, while others were developing theirs by turning to an idealized vision of the Smithian free market.

These different visions of the future proved easy to trace ethnographically because they mapped onto debates about monetary policy that were occurring at the same time in the region. As Swedes and Danes were