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ANALYSIS OF THE LEVEL OF KNOWLEDGE AND ACCEPTANCE OF THE LOCAL CURRENCY BY REPRESENTATIVES OF GENERATION Y

The article analyzes the results of a survey that assesses the knowledge and attitude of Generation Y Polish representatives toward the functioning of the local currency. The empirical material consists of the results of surveys conducted among a group of 619 Polish residents belonging to Generation Y. The analysis of the survey results confirmed the research hypothesis, which assumes that despite the low level of knowledge of Generation Y representatives about the functioning of local currencies, their attitude towards such a means of payment allows us to conclude that the carrying out of a large-scale educational campaign may significantly impact the development of complementary currencies in Poland. The work is mainly directed at local government officials and local initiative groups that want to influence the development of local entrepreneurialism and increase the wealth of residents by introducing local currency into circulation.

Keywords: local currency, knowledge, acceptance, generation Y.

1. INTRODUCTION

Local currencies have been known and used to complete commercial transactions for hundreds of years. Over the centuries, local rulers issued them to show their independence, wealth, and to enrich themselves at the expense of their subjects. The rulers who issued it also noticed its positive impact on the economic development of the lands they ruled. The purchasing power of this currency was guaranteed not only by the value of the metal contained in it, but also by the authority of the issuer, who, in the opinion of his subjects, often owed his position to God's grace.

Today's known local currencies begin their history in the 1930s, when during the Great Depression, in order to stimulate the local economy, such a means of payment was introduced in the Austrian town of Wörgl[3]. Although the Wörgl shilling was in circulation

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[3] The experiment conducted in the Austrian city of Wörgl was based on the theory of the Natural Economic Order developed by Silvio Gesell. Within it, he presented the concept of free money (German: Freigeld). According to this theory, money loses value over time. The experiment

for only less than 15 months (July 1932 – September 1933), the economic results of this experiment (local economic growth and reduced unemployment) were noticed not only in Austria, but also abroad[4].

In 1934, the local currency WIR franc (CHW) was introduced into circulation in Switzerland and has been in operation on the market for ninety years. Initially, it was used by 16 members of the cooperative[5], and at the end of 2021, Bank WIR serviced 26,000 accounts of corporate clients and 7,500 accounts of private clients in WIR franc (Bircher--Suits, Felix Ertle 2021)[6].

In the last decades of the 20th century and at the beginning of the 21st century, there was great interest around the world among local communities in introducing this type of currency. Currently, there are more than 6,000 local currencies in economic circulation around the world.

In Europe, local currencies can be found in many countries, including: in Belgium[7], the Czech Republic[8], France[9], Greece[10], Germany[11], Russia[12], Slovakia[13], Switzerland[14], Hungary[15] and Great Britain[16]. Local currencies were also introduced in Poland. Examples of such local currencies are Dobry, Piast, and Zielony. It should also be remembered that

carried out in 1815 on the island of Guernsey can also be considered as the prototype of such activities.

It should also be noted that in 1929, mining engineer Max Hebecker introduced the WÄRA currency into circulation in Schwanenkirchen, Bavaria. In his lignite mine, he paid employees salaries in the following proportion: 2/3 of the salary in WÄRA and 1/3 in German marks. Conducting this experiment stimulated the local economy and reduced unemployment. Unfortunately, the use of such means of payment was administratively banned in 1931. https://www.hengersberg.de/de/markt-hengersberg/geschichte/waera.html (25.02.2024).

The secured means of payment (exchange bill) WÄRA was issued by the so-called Wära Exchange Society founded in October 1929 by Helmut Rödiger and Hans Timm in Erfurt. https://de.wikipedia.org/wiki/W%C3%A4ra (25.02.2024).

4 Not only were economists, entrepreneurs, and local government officials interested in the course and results of the experiment, but also world-famous politicians, such as French Prime Minister Édouard Daladier or the future prime minister of the United Kingdom Winston Churchill.

5 Its issuer is WIR Bank (originally Swiss Economic Circle), founded by Werner Zimmermann and Paul Enz. The inspiration to create this bank was the Danish Andelsselskabet Jord Arbejde Kapital.

6 It should be noted that the number of economic entities using the WIR currency has decreased – 20 years ago there were approximately 60,000 of them.

7 Examples of Belgian local currencies – Blés, Carol'Or, Eko-Iris, Res, Ropi, Talent, Torekes, Zinne.

8 Sample Czech local currency – Křižánecká koruna.

9 Examples of French local currencies – L'Abeille, Cairn, Commune, Doume, Eusko, Gonette, Occitan, Pêche, Roue.

10 Sample Greek local currency – lios.

11 Examples of German local currencies – Bethel-Euro, Chiemgauer, Coinstatt, Donautaler, Hallertauer, Pauer, Ronald.

12 Sample Russian local currency – Kolion.

13 Examples of Slovak local currencies – Zvolenský živec, Košický dukát.

14 Examples of Swiss local currencies – Bonobo, EulachTaler, Farinet, NetzBon.

15 Examples of Hungarian local currencies – Balatoni Korona, Bocskai Korona, Soproni Kékfrank, Tokaji Dukat.

16 Examples of British local currencies – Bristol Pound, Brixton Pound, Eko, Exeter Pound, Lewes Pound, Stroud Pound, Totnes Pound.

in the years 1960-1989 in Poland there was a currency in circulation complementing Pekao vouchers, which are considered a type of local currency.

In North America, both Canada and the United States have local currencies issued by many communities. Examples of such currencies operating on local markets in these countries include: BerkShares, Calagary Dollars, Detroit Community Scrip, Toronto Dollar. In South America, local currencies were issued, among others: in Argentina, Brazil, Peru, and Uruguay. An example of a local currency issued in South America is Argentine currencies: Argentino, Crédito, LECOP, Patacón, or Brazilian currencies: Banco Palmas, Curitiba Bonus, Saber, Yscambau. In Asia, local currencies are issued, among others: in China, Indonesia, Japan, Korea, Malaysia, and Thailand. In turn, in Africa, local currencies are issued, among others: in Kenya (Eco-Pesa), Senegal, and South Africa (Ora). Local currencies are also issued on the Australian continent. Local currencies can be found in Australia (Baroon Dollar, The Fremantle Share), New Zealand and Papua New Guinea.

It should be emphasized, however, that although many communities around the world representing both small villages (e.g. Křižánky[17]) and large cities (e.g. Paris, the capital of France) are interested in introducing local currencies into circulation, their lifespan usually does not last longer than a few years. Only a few currencies manage to achieve long-term success and appear on the local or even national market in the long term (e.g. WIR franc).

2. LOCAL CURRENCY

Local currency, i.e., the so-called human money, is the third type of money next to bank money and government money (Douthwaite, 1999). It can be defined as an alternative payment tool accepted by local communities, issued by local institutions that do not have the right to issue money in a given country, and therefore it is not legal tender. It is usually used to settle liabilities in a small area (city, district, or region). It functions as a complementary currency in relation to the national currency, instead of replacing it (Sołtysiak, 2021; Sołtysiak, 2020).

Since the successful issuance of local currency in the Austrian city of Wörgl, currencies issued by subsequent local communities[18] are not only intended to create an alternative form of payment for products and services produced by representatives of the local community, but above all to be a factor influencing the improvement of the results of the local economy[19] and a tool allowing for reducing the level of risk associated with capital flight from the local market (Sołtysiak, 2021). „It is important to emphasise that local currencies can play an important role in the development of a stable and diverse region. They encourage direct transactions between neighbours. They are not only an economic tool., but also a cultural tool" (Swann, Witt, 1995). Local currencies can be a helpful tool in building a civil society that, through joint activities, can influence the development of local entrepreneurship and increase the wealth of residents (Ranalli, 2013; Sołtysiak, 2021). They can function in economic transactions only if there is cooperation between business entities and local partners and the willingness to accept it among business partners

[17] A village in the Czech Republic with 390 inhabitants.

[18] The issuer of local currency, taking into account the legal provisions applicable in this respect in individual countries, may be public authorities, foundations, enterprises, cooperatives, associations, and even natural persons or groups of persons.

[19] A local currency also encourages individuals and businesses to support each other and can help meet the credit needs of small businesses, thereby stimulating the local economy and diversifying its economic base (Pacione, 2011).

and consumers (Collom, 2011). This is due to the fact that the issuance of local currency is a bottom-up activity initiated by local communities. And the success of this activity is only possible with the full involvement and participation of members of the local community.

When planning the issuance of a local currency, care should be taken to ensure that it emphasizes the functions of a medium of exchange and a unit of account and minimizes the saving function. Its mobility, i.e. its geographical scope of validity, must be limited to a reasonable extent and its value as a means of storage must be limited to being "merely" stable (Kennedy, Lietaera, Rogers, 2012).

The literature on the subject contains opinions that a well-designed local currency may allow the achievement of such goals as[20] (Kennedy, Lietaera, Rogers, 2012):

- Selective stimulation of the regional economy.
- Development of a sustainable financial system that provides better protection against the effects of financial speculation.
- Provide new sources of liquidity, especially for small and medium-sized enterprises, leading to the expansion of their products and services in regional markets.
- Create jobs.
- Increasing the potential to create added value and surplus in the region.
- Closer contacts between producers and consumers: shorter transport distances and lower energy consumption.
- Outsourcing and co-production of public services for social economy organisations – cooperatives, charities, social enterprises.
- Strengthening regional identity and self-help attitudes, which can bring many other beneficial changes.

It should be emphasized, however, that although the local currency is treated by many people as a tool to alleviate the local economic crisis, its introduction alone does not guarantee success. The introduction of such a currency should be preceded by comprehensive information and educational activities. The basic goal of these activities, in addition to providing information about the functioning of the local currency, should be to build confidence in the society in using such a means of payment. But even such actions do not guarantee the achievement of the intended economic effects. Enthusiasts of introducing a local currency into circulation must also be aware that the success of such an issue may also be determined, in addition to economic and social factors, by legal conditions resulting from the central authorities' fear of losing control over the money supply.

When taking actions aimed at introducing a local currency into circulation, one should bear in mind that the main motives for creating and participating in local currency systems include: community building (reviving and improving local social networks), promoting alternative values through economic exchange, creating alternative sources of income, less dependent on formal employment, and ecolocation, i.e., the ecologically motivated location of production and consumption networks (Dittmer 2013).

The currencies issued by local communities are not defined in a uniform way because they do not constitute a homogeneous group. Among the community currencies, there are

[20] M. Kennedy, B. Lietaera, J. Rogers point out three main goals of introducing a local currency into circulation: creating local jobs, stopping the outflow of purchasing power from the region, opening new roads enabling local governments to fulfill their assigned tasks (Kennedy, Lietaera, Rogers, 2012).

several basic groups, including: LETS (Local Exchange Trading Systems or Schemes), Time banks, HOUR currencies, or CLCs (Convertible local currencies). J. Blanc points out that these currencies have two common characteristics: they are nonnational (i.e., they are designed and implemented by civil society, not by governments) and they are not profit-orientated currencies (Blanc, 2011).

It should also be noted that the basic features of the local currency include:

- openness – every interested member of a given community, regardless of whether it is a business entity or a natural person, can use this currency;
- democratic nature – all members of the system have access to information and exercise control;
- closed circulation – the currency is accepted in a limited area, only by entities that have consented to it;
- forced circulation – the local currency usually has a specific validity period, the extension of which is associated with incurring additional costs (negative interest rate);
- higher circulation speed;
- Interest-free – it does not generate debt, only costs related to maintaining the transaction system;
- complementarity – local currencies constitute a complementary means of payment to the national currency;
- linking the value of the local currency usually to the national currency in a 1:1 ratio or to the value of an hour of work.

It should also be noted that this type of Community means of payment, in addition to numerous advantages, also have a number of disadvantages, which are presented in Table 1.

Table 1. Advantages and disadvantages of introducing a local currency

Advantages	Disadvantages
• Local currency can influence the development of local communities and enables SMEs, farmers, local craftsmen, and traders to actively participate in local initiatives. • The local currency circulates faster than the national currency - this allows you to achieve higher income in a given period of time. • Complementary currencies facilitate more economical production and also meet unique local and regional needs. • The local currency promotes cooperation between economic entities without previous trade relations and strengthens existing cooperation. Thus, it creates a more favourable environment for innovation and development.	• The need to create a non-profit organisation for the sustainable functioning of the local currency system. This organisation must establish a demand and supply register - which will need to be constantly updated - on businesses and non-profit organizations dealing in the local currency system. • At the initial stage, the difficulty of convincing local entrepreneurs to cooperate within the local currency system. The next stage involves difficulties related to motivating stakeholders and managing communication between them. • Access to local currency is easy, but frugal spending requires thoughtful past decisions.

Table 1 (cont.). Advantages and disadvantages of introducing a local currency

Advantages	Disadvantages
• The local currency system allows partial bypassing development funds from outside the region and favours endogenous development. • The local currency improves the payment morale of participants because holders of the instrument do not gain any benefit by retaining the local currency and do not derive any profit from its accumulation. • By supporting health care, education, and environmental protection, a local currency system can facilitate better use of the region's potential and better use of skills and experience.	• The local currency system gives the impression that SME entities are able to compete with stronger national, multinational, or transnational corporations. • The success of a monetary system depends largely on stakeholder behaviour and liquidity. • When using a local currency system, consumption takes priority over savings. However, the increase in consumption is accompanied by short-term economic growth, which does not significantly improve the quality of life.

Source: own study based on (Kennedy, Lietaer, 2004; Lietaer, 1999; Sołtysiak 2021; Tóth, 2011).

3. RESEARCH AIM, EMPIRICAL MATERIAL, AND RESEARCH METHODS

An empirical analysis of the level of knowledge of issues related to the functioning of the local currency among representatives of Generation Y and an examination of their attitude toward the introduction of such a currency into circulation was carried out in a group of 619 respondents. The study was carried out using a survey questionnaire in 2023. It is the next stage of the research conducted in 2020. The research group included 348 women (56.22%) and 271 men (43.78%). The respondents who participated in the study were divided into five segments according to place of residence, four segments according to income per family member, and three segments according to level of education. The structure of the research group is presented in Figure 1.

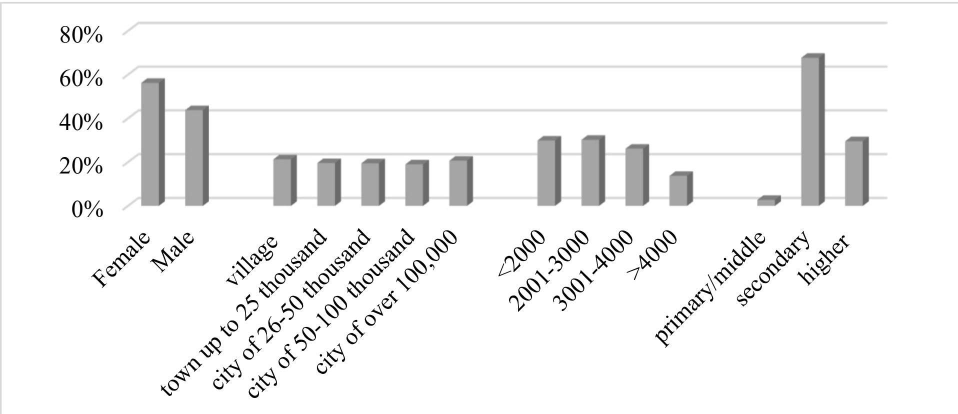

Figure 1. Structure of the research group (%)

Source: Study based on own research.

The main aim of the research was to determine the level of knowledge of issues related to the functioning of local currencies among Polish representatives of Generation Y and to examine their attitude towards the introduction of such a currency into circulation.

The literature research conducted has shown that the research results presented in the article can significantly contribute to reducing the research gap in this area. It should be emphasised that there are no studies with which the results obtained could be compared, and the research results presented in the literature concern representatives of other generations (Sołtysiak, 2021).

4. RESULTS

The analysis of the results of the survey allowed us to conclude that the issue of the functioning of local currencies is relatively little known among Polish representatives of Generation Y (Figure 2). Only every sixth survey participant declared that they were familiar with the concept of local currency. This declaration was made more often by men (16.24%) than by women (15.23%). The highest percentage of respondents with knowledge about the concept of local currency was among: respondents living in cities with more than 100,000 inhabitants (20.88%), declaring income in the range from 2,001 PLN to 3,000 PLN (24.06%), having higher education (20.77%).

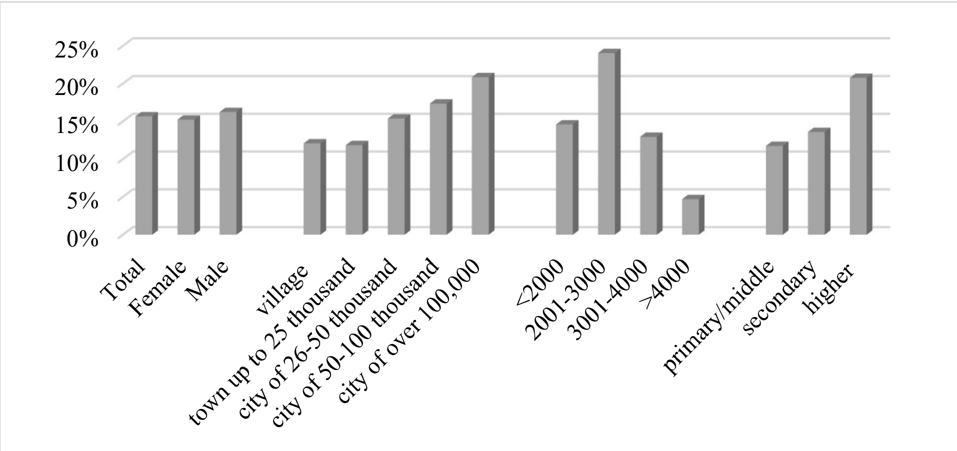

Figure 2. Level of knowledge of the concept of local currency

Source: Study based on own research.

Interestingly, the percentage of respondents with knowledge on this subject increased with the size of the town they lived in and with their level of education. However, the increase in income per family member had no impact on the increase in the percentage of respondents knowing the concept of local currency. This allows us to confirm the hypothesis that an increase in the level of education and an increase in the number of inhabitants of the town in question influence the increase in knowledge on this subject. Additionally, disprove the hypothesis that an increase in income translates into an increase in the percentage of respondents who know this issue.

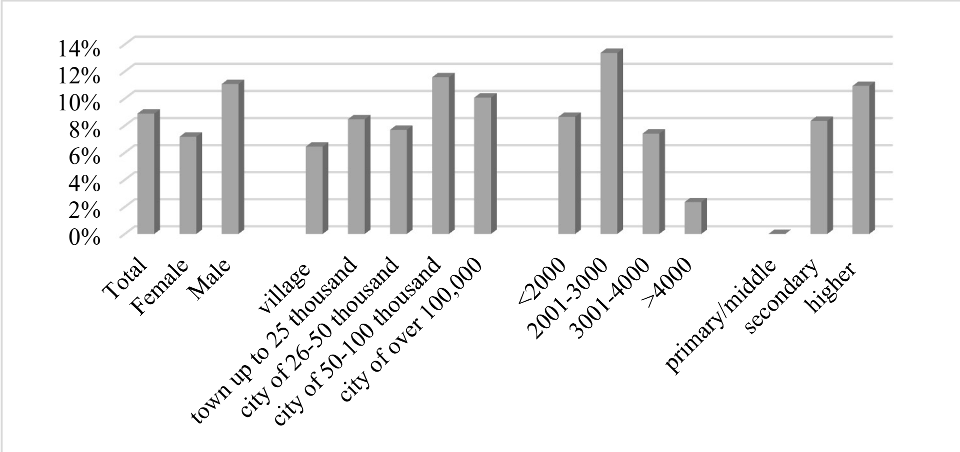

Figure 3. Level of knowledge of the local currency in circulation

Source: Study based on own research.

Taking into account the fact that local currencies are very rarely found in payment circulation, it is not surprising that only 8.89% of respondents (7.18% of women and 11.07% of men) declared knowledge of any local currency in circulation (Figure 3). This knowledge was most often declared by respondents who were residents of cities with a population of 50,000 to 100,000 inhabitants (11.57%), who declared an income ranging from 2,001 to 3,000 PLN (13.37%) and having higher education (10.93%). It should also be noted that the analysed research group included 1.45% of the respondents (0.86% of women and 2% of men) who declared that they made payments in local currency.

Respondents' opinion on the introduction of local currency into circulation

Most representatives of Generation Y participating in the research were not interested in introducing a second parallel currency into circulation in the form of a local currency (Figure 4). 46.69% of the respondents (46.27% of women and 47.23% of men) answered definitely not and probably not. The highest percentage of opponents of introducing the local currency into circulation was among rural residents (51.61%), respondents with an income per family member of more than 4,000 PLN (49.41%), respondents with primary education (58.82%). This group should also include respondents who answered I have no opinion (26.17% – 25.86% of women and 26.57% of men).

Only 27.14% of the respondents believed that such a currency should be introduced into circulation. There was a greater interest in using the local currency among women (27.87%) than among men (26.2%). Taking into account the place of residence of the respondents, it was found that the largest percentage of those interested in introducing a local currency into circulation lived in medium-sized cities (in cities with 26–50 thousand inhabitants, 32.48% and in cities with 50–100 thousand inhabitants – 31.41%), and the smallest in villages (13.71%). In turn, taking into account income, it was found that the largest group of supporters of the introduction of the local currency was among respondents whose income per family member was less than 2000 PLN (29.19%) and the smallest group was among respondents with income above 4000 PLN (25.88%). However, taking into account the level of education of the respondents, the highest percentage of respondents interested in introducing the local currency was among respondents with secondary education (29.83%) and the smallest among respondents with higher education (21.31%).

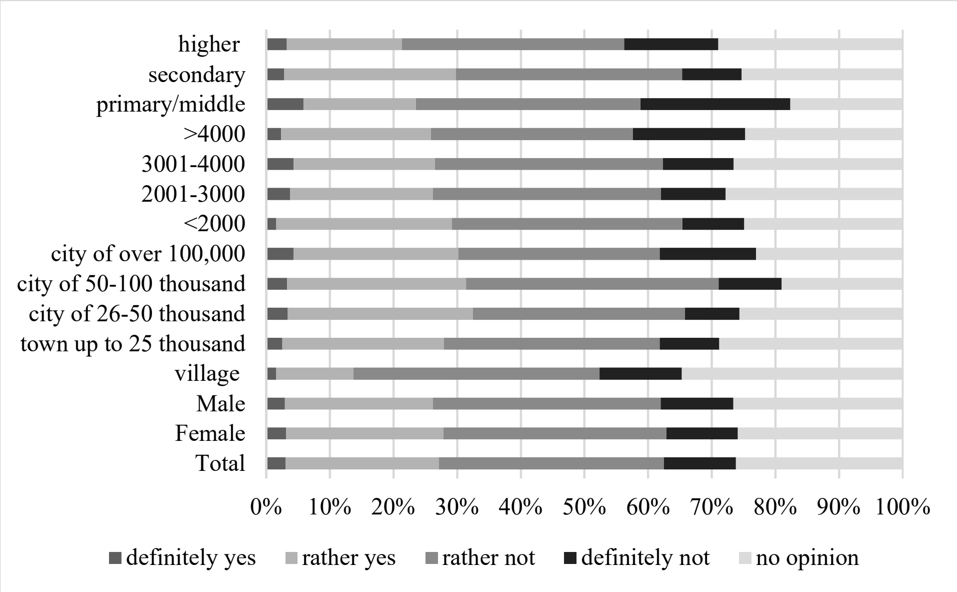

Figure 4. Opinion of respondents on the introduction of local currency into circulation

Source: Study based on own research.

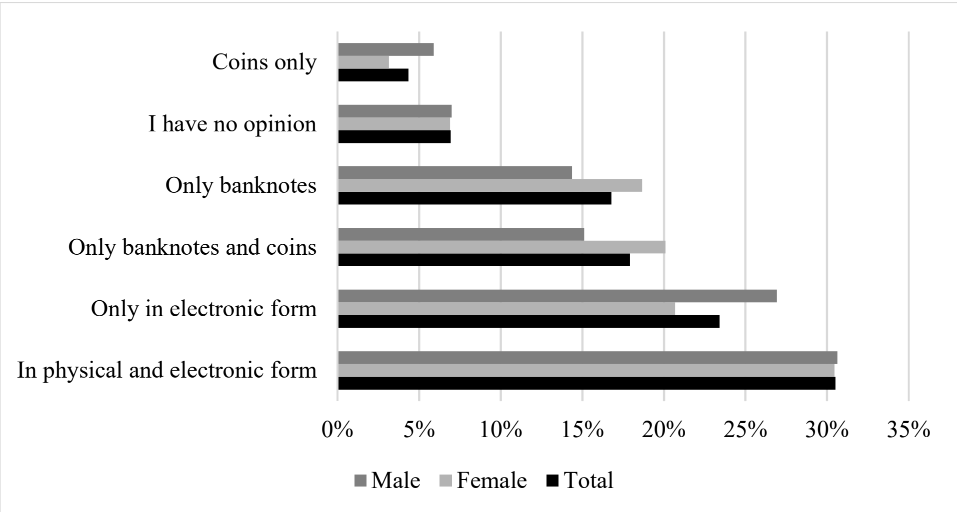

Figure 5. The form of introducing the local currency into circulation preferred by the respondents

Source: Study based on own research.

The survey participants also expressed their preferences on the form in which they would like to use the local currency if it were introduced into economic circulation (Figure 5). About 30% of the respondents said that the local currency should be issued in physical and electronic form. Each fourth respondent declared their willingness to use such a currency only in electronic form. It should be noted that 30.46% of women and 30.63% of men wanted to use local currency in electronic or physical form. However, the possibility of using it only in electronic form was supported by 20.69% of women and 26.94% of men.

Almost 18% of the respondents believed that the local currency should be issued in the form of banknotes and coins, and almost 17% of the respondents believed that it should be issued only in the form of banknotes. Women indicated such answers more often than men. The answer to banknotes and coins was given by 20.11% of women and 15.13% of men, and the answer to only banknotes was given by 18.68% of women and 14.39% of men.

It should be emphasised that only 4.36% of respondents (3.16% of women and 5.9% of men) believed that the local currency should be issued only in the form of coins.

The fact that more than half of the survey participants were of the opinion that this type of means of payment should be issued in electronic form may indicate a large share of respondents in the research group who prefer this method of payment on a daily basis and perhaps that the respondents want to avoid additional costs that would be generated by issuing banknotes and coins.

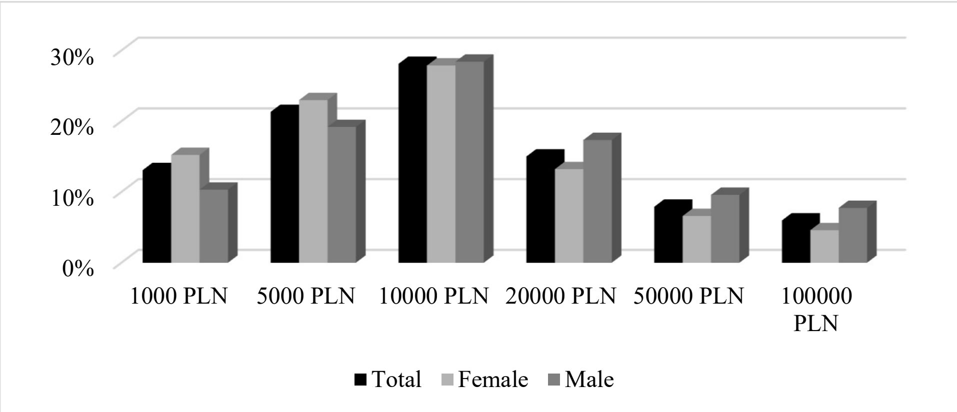

Figure 6. The maximum limit for payments regulated in local currency suggested by respondents

Source: Study based on own research.

Over 91% of survey participants (90.52% of women and 92.62% of men) believed that the amount of payments regulated in local currency should be limited from above. This opinion was most often expressed by residents of cities with 25–50 thousand inhabitants (93.16%), respondents with income below 2,000 PLN (94.05%), and respondents with higher education (92.35%).

More than 13% of respondents believed that the limit for payments using the local currency should be set at 1,000 PLN, 21.32% of respondents indicated the amount of 5,000 PLN and 28.11% of respondents believed that this amount could be a maximum 10,000 PLN (Figure 6). The highest local currency payment limits were indicated by

15.02% of the respondents in the amount of the 20,000 PLN, 7.92% of respondents in the amount of the 50,000 PLN, and 5.98% of respondents in the amount of 100,000 PLN. It should be emphasised that payment limits from 10,000 PLN and above were indicated more often by men (63.09%) than women (52.3%). Payment limits of 10,000 PLN and above were most often accepted by respondents living in cities with more than 100,000 inhabitants (65.46%), with income per family member greater than 4,000 PLN (82.35%), and with higher education (71.04%).

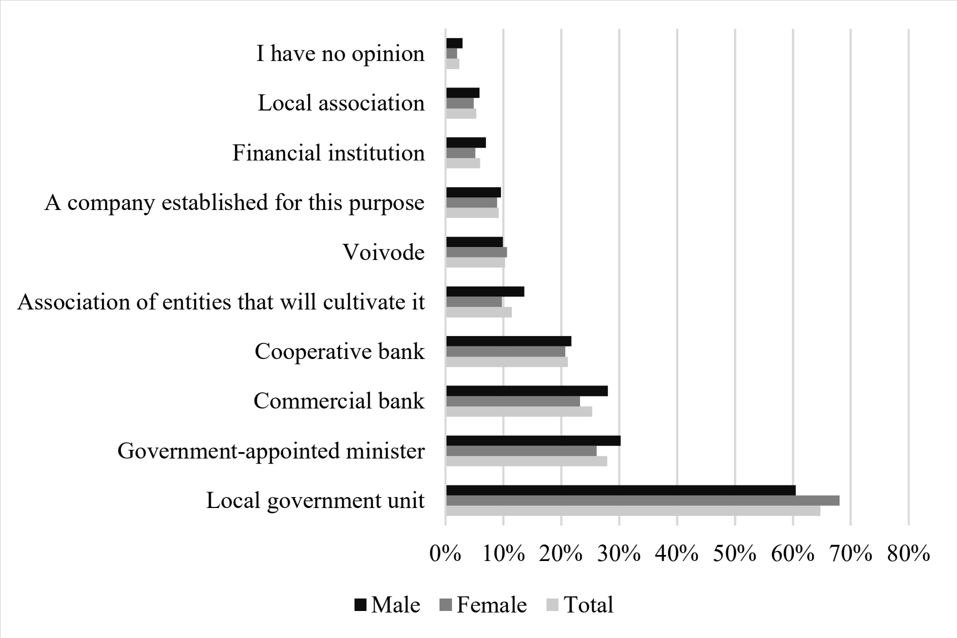

Figure 7. Entities that, according to respondents, may be issuers of local currency

Source: Study based on own research.

Later in the study, respondents were asked to indicate entities that, in their opinion, may be issuers of the local currency (Figure 7).

The study participants believed that the issuers of local currency can be entities with a high level of social trust that can guarantee maintaining the purchasing power of the local currency, i.e., local government units (64.78%), a minister appointed by the government (27.95%) or a voivode (10.34%). Every fourth respondent pointed to a commercial bank and every fifth to a cooperative bank. More than 11% of the respondents believed that the issuer of the local currency should be an association of entities that will honour payments made with it in the future. 9.21% of the respondents expressed the opinion that a special company should be established for such a problem.

It should be emphasised that the study participants, if they could indicate only one entity that, in their opinion, could be the issuer of the local currency, most often indicated: a local government unit (25.36%), a minister appointed by the government, e.g., the Minister of Finance (18.42%), commercial bank (15.02%) and the association of entities that will accept such currency (11.47%).

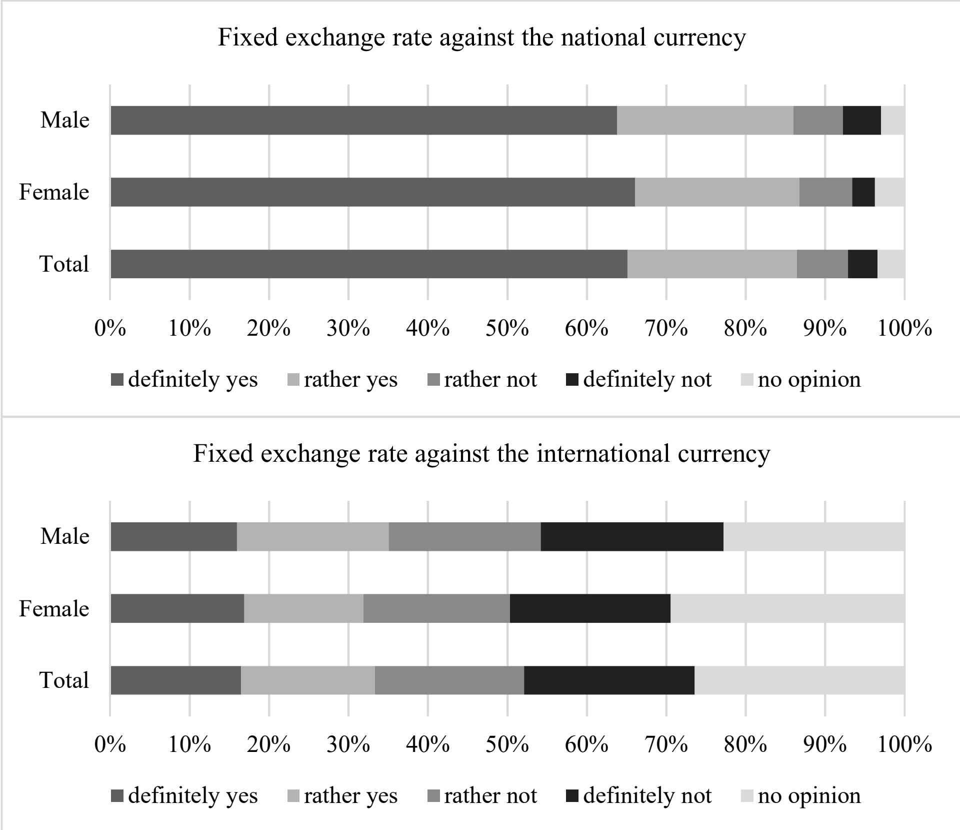

Figure 8. Linking the local currency exchange rate to the national currency and the international currency

Source: Study based on own research.

Local currencies are usually not backed by precious metals. They are a form of "fiat money", i.e. a means of payment based on trust. To strengthen the level of trust in this currency among people who can make payments using it, its exchange rate should be rigidly linked to the currency of a country or an international currency.

The vast majority of study participants (86.43% – 86.78% of women and 85.98% of men) believed that the local currency exchange rate should be rigidly linked to the national currency (Figure 8). This opinion was most often expressed by respondents living in cities with 26–50 thousand inhabitants (88.03%), respondents with income per family member above 4,000 PLN (89.41%) and respondents with secondary education (88.07%).

However, only 33.93% of the respondents (34.2% of women and 33.58% of men) indicated the need to link the local currency exchange rate with the international currency exchange rate. This opinion was most often expressed by residents of cities with over 100,000 inhabitants (41%), respondents with an income per family member above 4,000 PLN (37.64%) and respondents with secondary education (34.61%). It should be noted here that 39.58% of the respondents (38.79% of women and 40.59% of men) stated that there was no such need. Most often, respondents living in rural areas (48.39%), respondents with income per family member below 2,000 PLN (41.62%), and respondents with secondary education (41.77%) indicated the lack of need to link the local currency exchange rate with the international currency exchange rate.

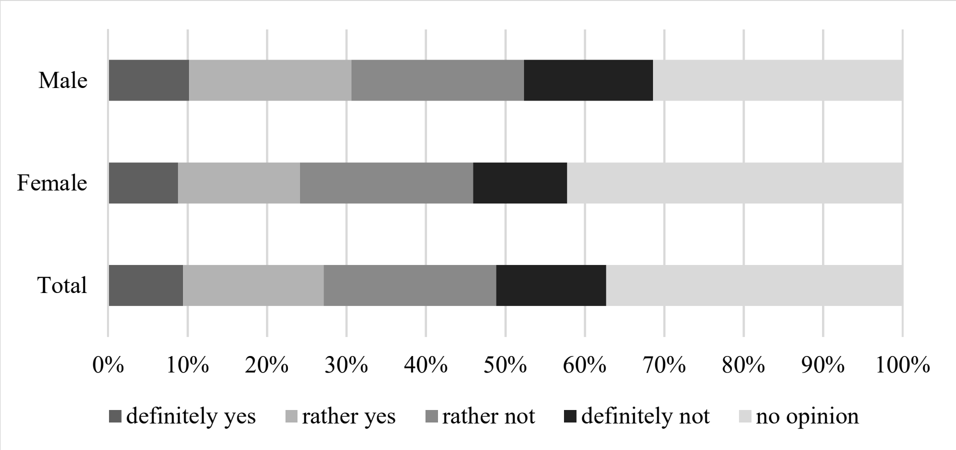

Figure 9. Willingness to pay using local currency.

Source: Study based on own research

The success of introducing a local currency into circulation is directly influenced by how large a group of potential users trusts this form of payment and expresses their willingness to systematically use it to make payments. The analysis of the obtained research results (Figure 9) allowed us to conclude that only 27.94% of the respondents (26.15% of women and 30.26% of men) declared their willingness to use the local currency (if possible) to make payments. Most respondents who declared their readiness to use the local currency lived in cities with over 100,000 inhabitants (32.38%), had income per family member ranging from 2,001 PLN to 3,000 PLN (35.3%) and had secondary education. price (29.59%). It should be noted here that among the study participants, more respondents declared their reluctance to use such a means of payment (37.96% – 35.92% of women and 40.59% of men). The largest groups of people reluctant to use such a means of payment were among the inhabitants of cities with 26-50 thousand inhabitants (44.44%), respondents with an income per family member in the range of 3,001-4,000 PLN (45.06%), respondents with higher education (40.44%).

The success of issuing a local currency will also depend on how many business entities are willing to accept payment using such means of payment. During the study, respondents will answer the question in which places it should be possible to make payments using local currency (Figure 10). Almost 80% of the respondents (78.16% of women and 80.81% of men) believed that the possibility of making such payments should be provided in bars and restaurants. Over 67% of respondents believed that such payments should be made possible by hotels and almost 65% of respondents indicated museums (64.94%). More than half of the survey participants believed that payments using local currency should be possible in stores (59.61% – 56.9% of women and 58.1% of men) and in service entities (52.99% – 48,56% of women, and 58.67% of men). It should be noted that only 17.93%

(15.23% of the women and 21.4% of men) of research participants allowed the possibility of paying official fees using such currency.

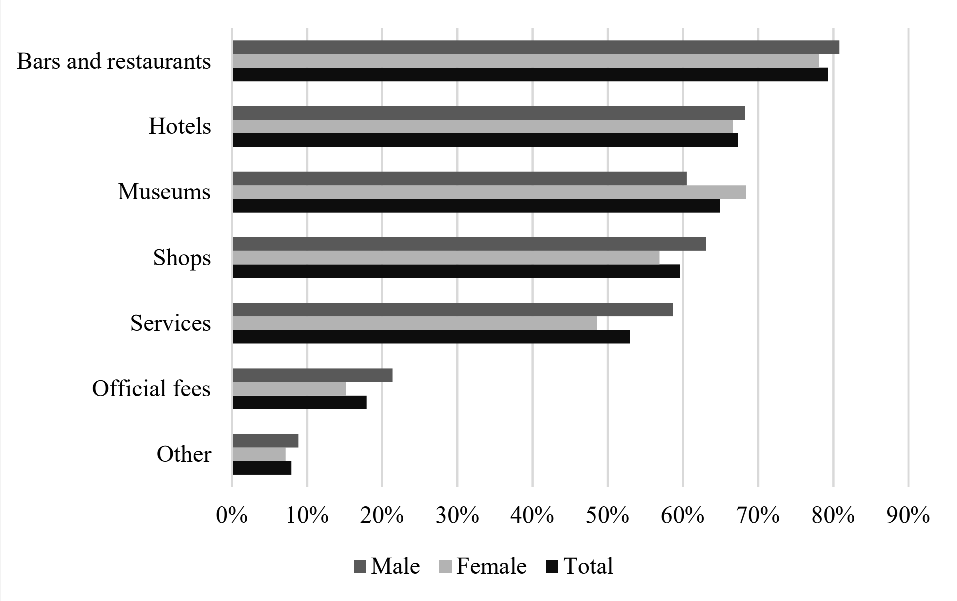

Figure 10. Places where it should be possible to make payments using local currency

Source: Study based on own research.

5. CONCLUSIONS

Local currencies have been issued for centuries by various local rulers. The turning point for modern local currencies was the issuance of the local currency Wörgler Schilling in 1932–1933 by the Austrian town of Wörgl. Issued then in the form of banknotes, the so-called Labour vouchers were to be one of the tools to overcome the economic crisis on the local market. The success of this economic experiment has for years been an encouragement for local communities around the world, which, by issuing local currency, are looking for a way to stimulate local entrepreneurship, increase the use of local production opportunities, and reduce the level of unemployment (Sołtysiak, 2021).

It should be noted that although new issues of local currencies are carried out every year in various regions of the world, only a small percentage of them have a chance of success, i.e., remaining in economic circulation for several years. The success of these activities depends on the level of knowledge about the functioning of such a currency among representatives of local communities and the willingness to use the complementary currency to make payments both by local entrepreneurs and their customers. Therefore, it is extremely important to conduct research on this topic before taking actions related to the issuance of local currency. Such research will not only answer questions about the state of public awareness of the functioning of the local currency but will also indicate areas in which educational activities should focus at the preparatory stage for the issuance.

The research conducted allowed us to conclude that issues related to the functioning of the local currency are minimally known among Polish representatives of Generation Y.

Only every sixth respondent stated that they knew the concept of local currency, and every eleventh respondent declared that they knew some local currency in economic circulation. It is also worth highlighting that only 1.45% of respondents stated that they made payments in local currency.

More than 46% of the respondents expressed the opinion that there is no need to introduce an additional complementary currency in their place of residence, and only 3.07% of the respondents believed that it should definitely be introduced.

Representatives of Generation Y participating in the research approached the functioning of the local currency with great caution. They attach great importance to what institution could issue such a currency. Almost 65% of the respondents indicated that the issuer of the local currency should be a local government unit, and approximately 28% of the respondents believed that the issuer should be a minister appointed by the government. This allows us to conclude that the study participants expected the issuer to be a public trust institution.

Another very important issue for the respondents was the form in which it would be possible to make payments in local currency. More than 39% of the respondents believed that the local currency should be issued only in cash, 30.53% allowed the possibility of making payments in cash and electronic form, and 23.42% believed that payments should be made only in electronic form. More than 91% of the respondents were of the opinion that the maximum amount of payments using local currency should be established; 62.52% of respondents believed that this amount should not be higher than 10,000 PLN.

It should be noted that among Polish representatives of Generation Y, despite a very low level of knowledge about the functioning of local currencies, there are almost 28% of respondents who declared their willingness to make payments in such a currency. Furthermore, taking into account the fact that more than 34% of the respondents do not have an opinion on the use of the local currency, this creates the possibility that the implementation of a large-scale information and educational campaign may have a significant impact on the development of complementary currencies in Poland.

In summary, it should be noted that the research results presented in the article provide important and current knowledge that may be useful primarily for local initiative groups and local government officials looking for alternative tools to stimulate the local economy. This also justifies the need to continue similar research and analyses.

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