

Argentina's Barter Network: New Currency for New Times?

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Long before the current acute phase of the economic crisis in Argentina, the Global Barter Network, an initiative which began in the Buenos Aires suburb of Quilmes, was providing a life line to sections of the marginal population – the so called ‘new poor’ as well as the long term (structural) unemployed and marginalised sections of the population. Since the economic collapse of 2001 journalists and economists have widely reported the expansion of this operation as the severe restriction on money liquidity together with the depreciation of the peso and the fall in real wages has exerted a strong downward pressure on living standards. The New York Times reported that in May 2001 that ‘an estimated 500,000 Argentines now barter regularly and up to one million – or almost 5 per cent of the economically active population do so occasionally. A May Day *trueque mega-feria* in the capital attracted 10,000 people in a single weekend’ (Krauss 2001). By mid 2002 some journalists were claiming that up to 20% of the population were involved in trading in barter clubs (BBC4 2002).

Reports that barter markets were opening in upper class barrios of Buenos Aires such as Barrio Norte (Goni 2002) have underlined the ways in which ‘barter’ has become a survival strategy for wide sections of the Argentine population. As the current economic crisis has bitten into the savings and assets of the middle classes as well as the ‘new’ and structural poor, with personal bank deposits frozen more and more people have found that trading in a manner which does not require cash in the sense of legal tender, offers an opportunity to supplement their ever restricted purchasing power in the peso markets.

However its origins predate the current crisis and lie in the activities of an urban ecological group founded in the mid 1990s. The emergence of alternatives to the national currency in times of heavy inflation also has historical precedents in Europe. After the Great Depression in the 1930s a range of community based money certificates were issued in the United States, Germany, Austria and Switzerland. The Swiss WIR (Wirtschaftsring) has survived and evolved into a large scale organisation with 60,000 accountholders in 1993, operating as an independent currency small and medium sized businesses. The accounts are denominated in Swiss francs although the unit of account has no physical scrip and provides low interest capital for business purposes (Douthwaite 1996; Lietaer 2001).

The Swiss example, however, is clearly business-focused and has survived and grown, according to some commentators, because most of the loans are issued against real estate or other collateral. A range of LETS (Local Exchange Trading System) currencies have been developed in Canada, the UK, and Australia and New Zealand after they were (re) invented in British Columbia. These operate on the basis of mutual credit and trust between participants and transactions are recorded and individual's credit or debit situations are noted. LETS have been heavily promoted by regional development and economic regeneration agencies, particularly as a tool to revive marginal and excluded communities, though their total scale and impact remains limited (Seyfang 2001) Lietaer 2001, Greco Jr 2001, Douthwaite 1996). One of the most successful present-day local community currencies is the Ithaca HOURS currency in New York State. Launched in November 1991 by the end of 1997 6,300 hours (equivalent to \$6,3000 US dollars) had been issued into circulation, thousands of individuals had used HOURS and more than 4000 businesses had been enrolled. (Greco 2001: 96; Boyle 1999).

There have also been social currency initiatives in Latin America in recent times. In Mexico City, the Tianguis Tlaloc Local Currency system, sponsored by The Other Stock Exchange – (La Otra Bolsa de Valores) was launched in 1996, utilising a coupon called TLALOC which facilitates multi-reciprocal barter (www.ccdev.lets 2002), DeMeuleneure et al. (1999). A similar scheme has been launched in barrios in Medellin, Colombia (Lopez Lopez 2002) although none have reached the scale reported in Argentina. In other parts of the world, community currencies have also mushroomed in response to the recent economic recession. In Japan, in recent years, some 130 local governments have introduced their own currencies which have been utilised to provide subsistence for unemployed and pensioners, revise local community trading, and to pay homeless people for carrying out casual labour (Watts 2002).

Community currencies in Argentina have a somewhat longer history. In 1985 the province of Salta was the first Argentine province to issue bonds in small denominations and to send them into circulation. By 1986 three neighbouring provinces, La Rioja, Jujuy and Tucuman had also issued bonds. According to Reissig (cited in Greco 2001: 82) regional currencies became an important part of the money supply in those regions – accounting for 60 per cent of circulation in Salta and 43 per cent in Tucuman by the end of March 1991.

These regional currencies were in fact denominated in the same units as the national currency. However although it has been a feature of modern states to insist on the monopoly of issuing money the Argentine central government were prepared to tolerate this relative regional autonomy, since the provincial bonds would depreciate at the same rate as the official currency (the Austral). In the context of the high inflation rates of the previous decades, the bonds would become valueless reaching their period of maturity within a brief period giving people no incentive to accumulate holdings of them. Other provinces were accused of issuing bonds because of their inability to pay costs of administration and local services, and of over-issue and contributing to hyperinflation (Greco 2001: 84 citing *Financial Times* 13/02/1996).

The contemporary *Red Global de Trueque* (Global Barter Network) originated in the province of Buenos Aires as discussed below. However it has since spread to other parts of the countries and by December 2001 there were reportedly 450 clubs in 20 of the country's 24 provinces (Krausse 2001). In some cases this was as the result of official support by provincial and local governments. For example, after the privatisation of the oil and gas industry in the Province of Neuquen there were widespread redundancies and little prospect of alternative employment. So in 1977 the Governor of Neuquen invited the leadership of the RGT to organise barter clubs in various cities in the province. This was later extended to Misiones in Posadas and two other cities in the province, and also to Santa Fé, Cordoba and different locations in Mendoza and Rio Negro. There are also barter clubs starting up in neighbouring countries, including Uruguay, Brazil, Paraguay and Chile (See www.ccdev/lets.net/latin)

Foundation and Development¹

The Argentinean community currency – the so called *Red Global de Trueque* (RGT) was initiated by a group of urban ecologists – Carlos de Sanzo, Horacio Cova and Ruben Ravera – employed with an environmental NGO the *Programa de Autosuficiencia Regional* (PAR) which was established in Quilmes in 1989. The focus of the programme moved from training people to utilise resources and knowledge according to principles of sustainability to promoting the exchange of goods and services without being restricted by access to money. They developed a series of family allotments using cutting edge technology such as drip irrigation, utilisation of walls etc to enable a family to become self sufficient in food within a restricted space of 50 to 60 square meters. This was later developed into a programme to build ecological homes, to recycle rainwater, garbage and surpluses. This was to be the basis of the barter network. On May 1 1995 the three founders together with a group of students, family members and neighbours launched the first barter club (*nodo*). That first club started in the garage of de Sanzo's house, with a group of about thirty people.

Initially the barter club was organised in a parallel way to LETS schemes with the founders keeping a record of transactions using a computer programme. However the transaction method of LETS proved un-wieldly and they began to experiment with a number of different printed currency payment methods, such as double-entry cards, which allowed the traders to keep their own accounts,

1 Information and quotations in this and subsequent sections are taken from transcripts of interviews carried out by the author in Buenos Aires in March 2001. These interviews were undertaken in my role as Academic Consultant for the BBC/Open University video 'Funny Money' made as part of the OU Course 'International Development: Challenges for a World in Transition' (U213). Further information about this course can be obtained from the Course Information and Advice centre, The Open University, Milton Keynes, MK7 6AA: ces-gen@open.ac.uk; website: www.open.ac.uk.

receipts, cheques, bonds and vouchers which revealed a wide variety of possibilities. Eventually the system which they settled on was a mutual credit system with a 'currency called "nodine"' (no dinero) which reflected the initial ideals that money as such was exploitative and uncreative (deMeulenaere 2000). De Sanzo admits to an initial resistance to using the *creditos* – the paper *arbol* (tree) coupon which has since become the basic unit of currency in the RST. However it was soon realised that a coupon – 'what we later called a social currency' was an effective and flexible tool which allowed the barter network to extend beyond a single location. In effect using the social currency enabled the scheme to move beyond the restrictions of direct barter – the so called 'double coincidence of needs' and facilitated multi-reciprocal barter using the currency as a medium of exchange.

By 1996 there were already some twenty clubs operating in the Buenos Aires area; by 1998 it was reported that there were more than 150 clubs operating in different provinces throughout the Republic, involving 80–100,000 people in 'barter' transactions of food, clothes, artisenia and crafts, health care, therapies, tourism, and formal and informal education and training in many different fields. By mid 2001 De Souza claimed that there were up to 400 thousand members (including family members) with an annual circulation of 4–600 million credits – equivalent at the party exchange rate prevailing in Argentina to US\$4–600 million. And as noted above the last year has seen a rapid expansion in the number of people and the volume of transactions carried out in barter markets (Krause 2001).

How the Barter market 'Operates'

The *Red Global de Clubes de Trueque* which are effectively multi-reciprocal exchange clubs, are variously referred to as the RGT, or the 'Global Barter Network' has well established rules of operation. Any individual wanting to join the network is required to contact a local club (*nodo*) and participate in a couple of 'first timers' meetings, where the rules of the network are explained and people's queries are answered. People are encouraged to think about what they could bring to the barter network. The concept of *prosumidores* (prosumers) originally used by futurist Alvin Toffle) which means people who produce as well as consume, is deployed to capture the mutuality of the relationship people engage in within the RGT, reflecting the fact that the mutli-reciprocal exchange is personified in a single individual.

The basic principles of operation are simple. Membership is primarily with a particular '*nodo*', each of which has relative autonomy to organise its membership trading and accounting roles. Most *nodos* issue new members with an initial amount of *creditos* (the RGT unit of currency), usually 50 *creditos*, technically as an interest free loan from the local group. This sum, in theory equivalent to \$50 US, is in principle owed to the members of the network in the form of goods and services which a new member commits to provide to the community (Powell 2001: 8).

Each local *nodo* holds a trading market – normally weekly – for a couple of hours at a regular time, though the bigger *nodos* such as Bernal have whole afternoons or days for trading. Markets take place in a range of different locations – in community and cultural centres, schools, trade union halls, churches and disused factories. Powell (2001: 7) reports that the membership of *nodos* ranges from less than a hundred to several thousands and that in Greater Buenos Aires some 300 markets operated daily in mid 2001.² Members belong to their local *nodo* but can shop in any of the markets which accept the *credito* currency. Although there are a number of local *nodos* which issue their own currencies these are mostly accepted in other *nodos*, though the RGT *arbol crédito* currency has become the main trueque money in circulation.³

At these markets much of the trade occurs in basic necessities such as fresh vegetables and fruit, clothing (both new and second hand), baked goods, toiletries and cleaning materials, schools stationary, garden supplies etc. However there is also a plethora of other articles including crafts and artesania – candles, oils, cooked food, household utensils, and in the larger venues services such as doctors, lawyers, opticians, massagers. In addition there are other services which can be purchased through the barter network – plumbing, decorating, carpentry, dentistry – car insurance and tourism., as well as a range of self improvement type training and other educational services. Some *nodos* operate systems of community health clinics, nursing homes and social activities for members. Many of these services are advertised at the markets and elsewhere on notice boards and in duplicated classified directories which are also sold for *creditos*. As well as local *nodo* markets, the periodic *megaferias* held in the Province of Buenos Aires and elsewhere provide a further market place for promotion. In recent years there has also been an expansion of *trueque* business carried out through internet marketing.

The multi reciprocal nature of the markets is embedded in their mode of operation. After the first initial ‘loan’ of 50 *creditos* with which ‘free’ purchases can be made, participants need themselves to offer (produce) something for sale in order to be able to continue participating in the market.

Within the barter markets trading is only permitted in the RGT’s *credito* currency and there are in fact notices at the market places indicating that the use of pesos (the official currency) is strictly prohibited, which reflects the fact that any trading in pesos would make traders liable to taxation. It is however permitted to purchase ingredients and raw materials in the formal market and then offer the finished product for sale in the barter market. One participant in the Bernal market, a mother of two, who relied on the barter system to meet the

2 By 2002 this number had increased dramatically with reports of *nodos* springing up even in middle and upper class barrios, in response to the banking restrictions following the financial crisis at the end of 2001.

3 Although the *arbol* note has become the main currency issued and circulated throughout the RGT markets there has been some dissent against a the centralisation that this implies, with an oppositional network, the Red Trueque de Solidario. See Powell 2001 for details of the different tendencies within the trueque networks.

major part of her household's food and other basic need requirements explained to me

[w]hen I run out of *creditos* I buy some ingredients – sugar, flour, dried fruit – from the store and I bake cakes and cookies which I can sell to earn more *créditos*.

For participants like this woman the return in terms of use value must be favourable, reflecting the fact that the exchange value of the *créditos* earned by selling goods – even if the ingredients or components are purchased in pesos – is higher than their original peso cost which means that the value added realised by the prosumer's labour in transforming the goods for sale in the barter market is greater than the equivalent exchange value of the initial goods purchased in the peso market.

Principles of Operation

Although each nodo is autonomous most agree to adhere to the founding rules and principles of the network which are reproduced below.

These principles reflect the ideology of mutuality, inclusiveness and sustainability claimed by the organisers of the Network. Carlos de Sanzo explained that

'the success of the global barter network in Argentina is the result of combining a currency with a market in which people can have face to face contact, where each and everyone both produces and consumes, a horizontal and democratic network on a human scale. If there had not been all these elements interacting it is unlikely that we would have had the success we have had because these four elements – currency, market, network and system of production with a human face – with flexibility and the opportunity for creativity and common purpose – without these it would have been a partial experience. The combination of these four elements really permit us to offer the world a system'. (interview 21/03/2001)

This ideology he claims was informed by professional experience as well as the political context of Argentina since the 1980s.

[s]ince I was a small child I was exercised by the fact that in such a rich world there are people how are poor and hungry. So the first thing I studied was agronomy – thinking that the task was to produce food to combat hunger in the world. Then I realised that there was enough food in total – so I studied psychology thinking that we needed to change mental models. I saw a lot of patients who had everything needed to make them happy – a nice house, a family etc who were unhappy or cracking up because of their mental models. I

- 1 Our fulfilment as human beings should not be conditioned by money.
- 2 Our aim is to mutual help in achieving a better experience of life through work, understanding and fair trade, not to promote goods or services.
- 3 We believe it is possible to replace sterile competition, profit and speculation by reciprocity between people.
- 4 We believe that our actions, products and service can respond to ethical and ecological norms rather than to the dictates of the market, consumerism and the search for short term profits.
- 5 The only condition for membership for the Global Barter Network (RGT) are : attendance and weekly meetings, self education and being producer and consumer of goods, services and knowledge according to the standards recommended by the Quality and Self Help circles.
- 6 We believe that each member is solely responsible for his(her) own actions, products and services.
- 7 Belonging to a group does not imply any relationship of dependence; an individual's participation is free and extended to every group in the Network.
- 8 Groups do not necessarily have to be formally organised or permanent since the network model implies constant change of roles and functions.
- 9 We believe that it is possible to combine the autonomy of the groups in terms of internal management with the adherence to the fundamental principles which give stability to the network.
- 10 We recommend that Network members do not support morally or financially an activity or cause which contradicts the fundamental objectives which unite the Network.
- 11 We hold that the best example is our own behaviour inside and outside the Network. We will maintain confidentiality about private matters and prudence in public conduct discussion of matters which might affect the growth of the Network.
- 12 We are deeply committed to the idea of progress as a consequence of the sustainable wellbeing of the greatest number of people in all societies.

Figure 1 Principles of the Red Global de Trueque

Source: TRUEQUE 1998 : 9 – Author's translation

saw these traits in the thinking of economists. I saw that they were prisoners of ideas which make millions of people suffer and which are leading us all into disaster. So I thought why not apply to the economy the criteria I apply in the consulting room – as I think that neurosis is not just in the heads of people but also in the models and their “common sense”. – If there is a shortage of money why don't we create alternative money? If there is a lack of market why don't we create another one?' (ibid)

Nor was he dismayed by the challenge of creating an alternative market in the context of a deeply divided capitalist society:

'When I was 25 years old I earned my living designing board games and when we think about this barter system we think of it as a board game – with tokens, with artificial/pretend money. Like monopoly money. With rules – clear rules and the possibility that all players are at an equal level. It does not matter that some get dealt a better hand because everyone gets the same number of cards – the same quantity of tokens. As the game develops some have more luck than others or more or less capacity but with clear rules and a system in which we don't have to stop the game every so often to discuss whether we are following the rules or not' (ibid).

The two other founders also claim that their professional experience and training contributed to the successful design and development of the barter network. Horacio Covas, a chemist by training described how he utilised a systems approach to the early development of the Barter market:

'My vision when I joined the regional Self Sufficiency Programme (PAR) was aimed at how to find alternatives for financing productive products. I had been involved in building a network related to telework, to telecommunications, and as I saw it the world of money was exhausting the possibilities of employment and work for the team that was in this so called professional network. Through our link with the people from the PAR we created a simulation model on a computer in 1994, to envision this project and then we started to operationalise it. We trained a team of 20 students in Bernal on the basis of this model ... and on May 1 1995 we launched.' (interview 22/3/02).

The third founder, Rueben Ravera also was motivated by his 'ecological convictions'. He says: 'I have always loved the countryside, and I figured that the main hurdles to enjoying the beauty of nature was related to money problems' – hence the enthusiasm for creating an alternative currency.

The development of the *trueque* ideology must also be contextualised within the political history of Argentina that these activists had witnessed. Now in their 40s they have lived through the 'dirty war' with all the terror, assassination and torture applied to their own and their elder siblings' generation. Hence the insistence on equality and inclusivity:

'In the GBN each person gets 50 credits – everyone has the opportunity to produce and to consume, we are permanently developing equality. The Global barter network is a system to achieve equality in all the daily actions of people. We are not talking of a formal equality which is discussed in a legal context. The network permits one to feel this equality permanently not only when they have to process a dispute about property in specific situation but

this equality is inserted into the market and into production. We are inserting equality into the circulation of money – This is the main contribution the network can make to the world'. (Interview with CS 23.3.3001).

Referring specifically to the political history of Argentina De Sanzo states

'if we are going to change the world we are all going to do it, without identifying good and bad guys. I have lived at a time when we really believed the theory of the good and the bad, a side that really had a chance of providing solutions and one that didn't. And we have realised that that is a mistake and we have to take into account the fact that there is only one planet, one atmosphere, that life is under threat and that having this integrated attitude is the best we can do for peace, for the development of social networks, for the development of democracy for the development of a more fair world' (ibid)

Participants Views

Of course being 'poor', that is without the monetary means of meeting one's basic needs, does not render people insensitive to the wider context of the radical approach offered by the barter networks

'Well, one comes to these places not only to buy but also to produce what one can do moderately well – from a button, to a thread, food clothes, shoes, different elements – even basic needs for the family basket. And if one goes back and reflects there were many points before when we would never have imagined we would have to go through what we are going now. And I would like this to serve as a point of reflection for outsiders – it is not only the lack of money which forces one to beg. If you don't have this piece of paper known as cash or that metal designated as money, you feel discriminated against, you feel yourself diminished, that you are of no use, you have no value, you are outside the society. This is a new society and we are all part of it.' (interview March 24 2001).

But although some of the participants, like the founders were clearly inspired by ideologies of solidarity and sustainability most of the growing multitudes of participants are motivated directly by economic need:

'we have come through necessity more than anything. Most of us are here because we have not good jobs – which is mainly the fault of the politicians. That is the single reason why we come ... You can see that the people here are mainly quite poor; mainly they come to get food for their children and for their families'. (female barter participant, interview 24/3/2001).

Who are the participants in the *Red Global de Trueque*?

Participants in the early barter markets were, as we have seen, mainly professionals and students. However the increasing impoverishment of people who had previously lived comfortably – the so called ‘new poor’, as extended the social groups from which the RGT recruits. These are people from the class strata who in previous and more prosperous years would have enjoyed employment throughout their working lives whether in public enterprises, the civil service or domestic firms. As the economic crisis deepened throughout the 1980s and 1990s, the welfare state system which had previously offered social protection and security to white and blue collar workers alike has withered. Large scale retrenchment has affected technical and skilled workers who have joined the unskilled and lumpen poor in an economy which is unable to provide even basic income support for the majority of its population. Although Argentina briefly achieved price stability in the 1990s, largely through the draconian measure of linking the peso to the US dollar – (the Convertibility Plan) this was at the cost of high unemployment, and increased income inequality. Even though money prices achieved a degree of stability there was downward pressure on wages and salaries to help the government maintain the parity exchange rate, a policy which was reinforced by rapidly rising unemployment. (Pastor and Wise 1999, Pearson 2002a). Local politicians argued that this has swelled the numbers seeking a living in the ‘informal’ or ‘black’ economy

‘In Argentina in the decade of the nineties we experienced very drastic opening of the economy . . . This led to an unemployment rate which was normally around 6 or 7% of the EAP in the eighties to around 14–15% in the nineties . . . but there are only unemployment benefits for those who have contributed to the formal sector of the economy – and just for a limited time period . . . which means that today of the total unemployed in the country about two million unemployed – only about 8 or 9% are covered by unemployment benefits . . . the percentage of black market workers in relation to the total number of waged workers historically was 20%. Today it is around 40% and none of these have any entitlement to any welfare benefits.’ (interview with Carlos Perez Grecia, President of the *Union Civica* Block in the province of Buenos Aires 25/3/2001).

People are also aware of the links between the collapse of Argentina's economy and globalisation of trade and production. Describing the people in her *nodo*, a local coordinator explained:

‘There are all sorts – we could call them the disappearing Argentinean middle class. Here in this *barrio* there were predominantly Italian families, very hard working each with their own little shop or business. But now people are having to close down their workshops because of competition from imports – everything is coming in from

Taiwan – so there is no work. Now they have started dealing through the barter network and they are working, they are undertaking small projects, they run workshops with people who buy the materials and then they manufacture a part for the formal market to get cash to be able to buy raw materials, and the other part goes directly into the barter markets’. Interview 28/03/2001).

Even before the crisis of December 2001 many people, left with little income and few job prospects, turned to *trueque* as a way of making ends meet, as these barter participants in the Bernal indicated (interviewed 24/3/2001).

‘for all of us it is the same thing – the overwhelming problem at this moment is to meet the necessities of the household. You can’t live these days with just one wage. I have a lot of needs and I can meet them here – if not all of them it lightens the load ... I am here through need – well we all are. There is not much work and this is a way of survival’ (middle aged woman).

‘I’m unemployed, my dad’s not working either – the only one working is my mum and ... this is a good idea to get by – to buy foodstuffs, household cleaning products, exchange them for things I don’t use or that I have from before because I used to sell clothes ... I’ve got some merchandise left from before and I sell it and it is very helpful for me’ (20 year old woman).

Whilst some people welcomed the opportunity for both barter and socialising that the markets offered, others were ashamed of their new impoverished situation:

‘... I am here ... [b]ecause I don’t have a job, neither does my husband. And I am ashamed. I am ashamed of doing this. Because what I want is to work with dignity, and to me this ... I feel bad, it is work what I am doing here but I feel degraded ... what I need is a job, to have money – this is – look at it from other side of the street and you’ll see how sad it is. But I have to do it because I have no other possibility’ (middle class woman in her 50s).

In common with community currency systems elsewhere, women predominate in the participants of the barter network. Research on the RGT indicated that women comprised up to two thirds of the membership (Bombal and Svampa cited in Powell 2002: 3). Carlos de Sanzo estimated that 70 per cent of traders and 90 per cent of co-ordinators are women ‘without women we would not have been able to develop this network’.

Women are credited with being more practical and flexible whereas men either stick to a single trade ‘a man is a plumber or a metal worker or a gas man or a professional but he is exclusively that,’ whereas women are able to explore the possibilities of alternative trading. Often, according to the organisers women are the first members of the family to participate in the network though other family members – including children tend to follow. Households tend to operate as a

unit with the man taking charge of selling the family's goods whilst the woman who has more knowledge about household needs and quality of goods on sale, will take responsibility for purchases.

However there are also many single mothers who have been deserted and left with responsibility for children. Given that few get any maintenance from their husbands – many of whom are now unemployed and without any income – they turn to the *trueque* as a means of supporting their families.

It is quite clear that participants in the Argentine barter markets, unlike in contemporary social currency schemes such as LETS in the global North (Williams *et al.* 2001), are primarily there out of economic need rather than ideological solidarity. However many of those who are integrated through economic need also come to share the motivation and solidarity politics of the founders and articulate desire to seek an alternative system of organising exchange so that there was a more efficacious meeting of demand and supply.

‘... when I started in the *trueque* I was in a very tight economic situation – terribly tight with a young child. So I was very worried about my situation and I found a way out via the *trueque*. It interested me a lot and then I wanted to show other people that there are possibilities for them by participating.’

People were particularly keen to articulate the ways in which they felt the RGT offered them not only a survival strategy but also a way of recouping their dignity:

‘we are gathered in this place in order to find a new way out, for survival ... because of the political crisis, we have to seek each other out, to mix with everybody to be able to overcome the situation which our families are facing : need. Necessity forces us to do things, to invent new situations. To be a participator in the Global Barter Network is a new modality so to speak, a new way of facing situations, facing life, necessity, circumstances and of being able to sort it out as best we can with honour, something which the poor usually possess’ (older man).

Indeed poverty and necessity not only drew people into the network, it also often gave them a clear idea of the potential of such alternatives:

‘well, one comes to these places not only to buy and sell and to achieve at least what is within one's reach – from a button to a thread, food, clothes, shoes, different elements and basic needs for the family basket. If one looks back one would never have imagined one would have had to go through what we are going through at this moment. This is what is going on and this is what people see from the outside. But also I hope this provokes onlookers to think and reflect that not having money, currency, does not just mean that you have to beg; if you don't have that bit of paper called money, or those pieces

of metal called coins, you feel discriminated against, you feel diminished, that you are no use, you have no value, you are outside society. This is a new society and we are all part of it' (unemployed man in late 20s).

Links with the State: Cooperation or Co-option

Unlike in other countries the RGT in Argentina has enjoyed considerable support from the media as well as the civil authorities, particularly local government. The empty ex-textile mill in Quilmes which used to house the large Bernal market was made available by the local city authorities. Eduardo Hekker, Secretary for Economic Development, Buenos Aires City Government indicated that the city of BA was keen to support what was clearly by 2001 a large scale reciprocal barter programme. He saw this as being a tool for social inclusion with the hope that it could lead to the initiation of successful small enterprises and thus of employment creation. He saw the network as a safety net which provides social containment for unemployed workers who find a means to obtain value through the social currency, and their knowledge, productive abilities and capacity to produce services and offer goods to society. He argued that the state should support it with technical assistance including credit and training which would allow it to become a large scale incubator of small enterprises seeking an insertion in the formal market, and transforming themselves into successful competitive businesses (interview 25/3/2001).

Similarly Omar Santa Cruz Director General of Employment and Training for the City of Buenos Aires government spoke of the role of his department to support activities which fall under what is known as the 'social economy' which included the barter markets. He had observed that there was already some experience of *prosumidores* from the RGT starting productive enterprises (ibid).

This positive support articulated by these local politicians was reflected in an agreement with the Secretary of Small and Medium Industries (PyME) of the Ministry of the Economy signed on 20/12/2000 to encourage barter clubs through the country. Assistance in the form of training, technical advice as well as some financial support for the organisation of the network was promised.

Such agreements reflect the notion that the RGT is a complementary currency, a tool which provides a mechanism for these wholly or partially excluded from the formal market to re-link themselves. De Sanzo explains:

'it does not seek to do away with formal money but rather to complement it. Although some of the RGT members live exclusively from the *trueque* system – especially those who are long term unemployed – others have temporary or part time jobs or as in the case of professionals they have jobs but need to supplement their income. What most people do is to cover their daily needs with goods and services from the network and the money they earn from the

formal sector they use to pay taxes, municipal rates, buy electrical appliances for the home, invest in tools or machinery to improve their enterprises’.

Some participants do indeed see the RGT as a means of increasing their productivity and ability to earn their own living:

‘It helped me in every way – before the tree blocked my view of the rest, but then I started to see more clearly and to see that I did have possibilities to do things. I realised that I was capable of many things I had not noticed before . . . For example I baked cakes for the trueque market and then I also sold some to friends and neighbours for cash – so I had money as well as credits for barter. I sold to friends, my friends told other friends and so I started to have my own mini business for cash, for money’ (middle aged woman).

However there are some who challenge the notion that the network should make agreements with the state and are uncomfortable with the view that it could or should serve as a mechanism of social containment in terms of the deepening crisis. In particular they argue that the centralisation of the system utilising a single coup – the *arbol credito* – rather than encouraging each local group to produce its own currency reflects anti democratic processes. They also oppose any dealings with the state arguing that the social currency is a tool not to support but to replace the formal currency, seeking to achieve self sufficiency outside the formal economy.⁴

The Global Barter Network in the 2001–2 Crisis

Since the acute financial and economic crisis in Argentina even broader sections of the population are turning to barter and alternative forms of money in order to meet the liquidity requirements of daily life. With bank deposits frozen and the peso devalued by up to 70 per cent an ever larger number of people are turning to barter club, including those in high income suburbs such as Barrio Norte (opposite the exclusive Alto Palermo shopping mall. (Goni 2002). Lack of cash has also catalysed the development of a number of other alternative or parallel currencies including bonds produced by provincial governments – in La Rioja the state employees were being paid most of their salaries in ‘Evitas’ – a bond carrying the image of Éva Perón (Heredia 2002). In Buenos Aires. A whole range of other quasi money coupons are also circulating – including a range of

4 See Note 3. The Red de Trueque Solidario (RTS) which is based mainly in the Capital region and Northern Zone of Buenos Aires argues that the RGT has lost sight of the original principles which committed the network to the construction of an economy of solidarity based in the primacy of intimate local social relations. One of its Coordinators Heloise Primavera has intervened quite extensively in this debate (See Primavera 2000, 2001).

government and provincial bonds – *patacones, lecops, portensos, locores, federales, petrones, huarpes* and *bocades* (Catan 2002). Some shopping malls and stores (Gallerias Pacifico and MacDonalds) are also reported to be using their own bond and businesses are accepting certificates of bank deposits in lieu of monetary transfers.)

The future of the *Red Global de Trueque* in the context of the continuing crisis

However success breeds its own dangers. The rapid expansion of the number and range of participation in the RGT in 2002, in the context of the acute and on going financial and political crisis was the catalysis for a serious of calamitous events in mid 2000, which appeared to threaten the ongoing viability of the network. Firstly the rapid expansion in numbers – from about 600,000 to over a million at a time when liquidity was severely constrained made the *credito* an attractive currency for those in a position to use it for their own political and/or criminal ends. Large scale forgery – of which the 2 million *creditos* recovered in a police operation in July was only a fraction of the amount of forged currency which began to circulate in the barter system in 2002 (www.ar.groups.yahoo.com/group/rgt/: downloaded 26/09/02). *Creditos* were reportedly utilised by different political parties, unable to access pesos to encourage their activists and supports. Although at the end of May the Congress looked ready to accept a law which would have legitimised the *credito* currency, making prosecution of forgers more straightforward, by the June political support had been withdrawn, forgeries and corruption of various kinds was rampant throughout the system and the organisers were subject to sustained persecution and harassment from various quarters.

Towards the end of 2002 there has been a stabilisation in the fortunes of the RGT – with more formal structures being set up and a separation between the organisation making policy and that responsible for the issuing and vigilance of currency emission. In November a convenio was signed between the PAR (Programa Autosuficiencia Regional – the original NGO which initiated the RGT and a Mendoza based company – Corramet SA to facilitate the payment of municipal taxes in *creditos* by residents of the district of Quilmes who are participants in the RGT. In recognition of the need to separate legal functions a privately registered company was needed as an intermediary between the PAR and the municipality of Quilmes, since the PAR as a social enterprise rather than a private company, has no legal capacity to undertake such an agreement. The convenio is initially established for a 36 month period, and the organisers hope that it represents the beginning of a more stable legal framework and offers the possibility of extending such agreements to other local areas.

Many people within Argentina and elsewhere have argued that one of the reasons that the barter network has grown exponentially only in Argentina is because of the range of different currencies and values that have circulated over

the years both the attempt to reinforce a single standardised currency as a protection against forgery, the emergence of other parallel currencies not based on a model of social solidarity could well undermine the RGT system or require it to undergo radical transformation. It remains to be seen whether the RGT has sufficiently established the conformity of the majority of the participants in the RGT in the face of political and economic tendencies which militate against solidarity and collective action.

The RGT + social currencies – The Basis of an Alternative Economic System?

A further question which is often raised by observers of the *trueque* trading in Argentina is whether this can form the basis of an alternative economics system – a solidarity economy which would offer an alternative economic space to those damaged by the vicissitudes of the capitalist system (Powell 2002). As I have demonstrated above, at the present time it is clear that, in spite of the organisers' aspirations that the values and relations of production and exchange should be radically different from those in the mainstream market, *trueque* is seen primarily as a vehicle for survival. It is true that *trueque* has increased its significance given the way in which the 2001–2 crisis has undermined the economic security of the middle classes as well as the 'new poor' created during the years of austerity, denationalisation and parity exchange policy. It is also true that the attacks on and near collapse of the RGT directly reflected the wider political and economic crises of the time. However it should be remembered that the social currency in Argentina (as in other countries) performs only some of the functions of money – that of a medium of exchange and a unit of account – but does not and cannot act as a store of value or a standard of deferred payment (which involves charging interest) (Pearson 2002b). This by definition restricts the extent to which the *credito* can replace the official currency for transactions beyond immediate exchange, given it can neither be used for interest bearing borrowing or lending, and thus cannot be the basis of either accumulation or deferred payments. However the way in which the *Red Global de Trueque* grew in the face of the current financial insecurity does point up the potential for rethinking money as a mechanism for stability and security as opposed to instability and speculation. Whether it manages to survive and to play a role within Argentina's national economy or indeed whether it holds any potential for rethinking local and regional trade and exchange remains to be seen.

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