Reinventing Money: 
Monetary Experiments and Trust Creation in the Argentinean Barter Club 
(1980-2009)
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Abstract

This is a study of the Argentinean Complementary Currency System *el Club de Trueque* (CT), which during its peak in the year of 2002 provided for its 2.5 million members. Focus is put on its initial years of 1995-1996 and the monetary experiments that would lead to a means of payment that partly would substitute the Argentinean peso during the convertibility crisis. This essay explains how the CT managed to create trust in their currency. Although the CT is a well researched phenomenon, this thesis offers some new information. First of all, the monetary development within the CT was not only driven by a practical need to lower transaction costs due to fast expansion—as previously assumed—rather, a confidence crisis was from the very start crucial for its development. Another important discovery is that although the club was created during a period of strong recession and high rates of unemployment, personal economic problems did not, in fact, seem to be the motivation behind its invention; rather the motives were based on a criticism against the functions of the contemporary economic system.

Keywords: Complementary Currency System, Alternative Money, Trust, Confidence, Substitution, Club de Trueque, Red Global de Trueque.

Resumen en castellano

Esta tesis trata sobre el Club de Trueque (CT), un sistema monetario complementario, el cual creó posibilidades de mantenimiento para sus 2,5 millones de miembros durante la crisis económica de Argentina en el año 2002. El foco de este estudio es la fundación del club durante los años 1995-1996. En este período se hicieron experimentos monetarios que iban a generar un medio de pago que parcialmente reemplazó al peso argentino durante la crisis de convertibilidad. Esta tesis explica como el CT logró crear confianza en su moneda. Aunque el CT ha sido objeto de muchas investigaciones, ésta tesis ofrece información nueva. Ante todo, el desarrollo monetario en el CT no sólo tuvo su origen en la necesidad práctica de bajar los costos a causa de la rápida expansión del movimiento, sino que también, una crisis de confianza fue decisiva para el desarrollo desde el principio. Otro descubrimiento importante es que la razón por la cual el club se formó no fue exclusivamente debido a problemas económicos personales, a pesar de que se fundó durante una recesión fuerte con tasas altas de desempleo. Los motivos tenían más que ver con un criticismo ideológico al sistema económico contemporáneo.

Claves: moneda social, dinero alternativo, confianza personal y interpersonal, substitución, Club de Trueque, Red Global de Trueque.
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1 Purpose and Question at Issue

Prior to 1880 the Argentinean monetary system could be labelled as anarchistic. The different provinces had their own currencies and the use of foreign currencies occurred frequently as well. In 1875 the national currency *peso fuerte* was invented by president Avellaneda. Yet economic volatility, with reoccurring debt crises followed by quick recovery, was typical for the Argentinean economy throughout the twentieth century. No less than five times between 1881 and 1992 the country changed currency in order to control inflation.

In this economic context the Complementary Currency System *el Club de Trueque* (the Barter Club, from now on referred to as the CT) was created and has since been the source of much interest in the media and the academic world internationally. This great interest is not surprising considering that the CT is a unique social, economic and monetary phenomenon. Unique because despite arising in a world of national monetary systems, it was initiated, regulated and run entirely by the population itself, from a grassroots’ level. It is also unique because, during the period of economic depression, the CT was a very important source of maintenance for its 2.5 million members (which represent 20 percent of Argentina’s economically active population) and their families. This can most closely be compared to the alternative systems of payment that aroused in the USA during the Great Depression of the 1930s.

The purpose of this study is to analyse trust in a monetary system. What is it that makes a monetary system work and reach acceptance? How is trust in money created and how can it be destroyed? As this study will show, there are good theoretical tools for analysing how trust in money is created. The importance of trust, when it comes to trade, finance and monetary systems, is recognised by many researchers. However, there is a gap between the theoretical framework and

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1 Rapoport (2000), pp 80
2 Banco Central de la República Argentina, homepage.
3 Data require a note of caution. It is difficult to estimate the amount of participators in the Network since one member could represent an entire family. One person could also be a member of many different clubs at the same time. But one often cited investigation (Ovalles, 2002) claims that the Network had 2.5 million members during 2002.
4 Gomez (2009) p. 3. The source does not define the term *economically active*.
5 Newspaper La Nación (5/8-02) estimated that 6 millions of Argentines were profiting from the CT. Source: Hintze (2003) s. 20
7 Monetary trust will be defined as the conviction that you will get the same value back when accepting a currency as a means of payment.
empirical evidence. This essay attempts to help filling this gap by using the CT as an empirical case study of trust creation in a monetary system.

Whether money needs confidence, trust, in order to work has been a source of debate within the academic world. For example, Friedman argues that “[...] what matters is the quantity of money – the numbers of dollars, or number of pounds in the form of money – and not interest rates, money market conditions, credit conditions and the like.”. However, others have argued that lack of trust in money can have decisive consequences. When a currency is not trusted, other trusted means of payment might substitute the official currency. If substitution does not occur, the economy simply might stagnate—as in the Keynesian theory of liquidity traps—exemplified empirically in the US in the 1930s and in Japan in the 1990s. In a decentralised, unregulated economy as the one within the CT, it becomes obvious that confidence and trust are essential. According to co-founder Ruben Ravera, the CT can even be defined as: "a movement of trust construction". Therefore, the aspect of ‘creation of trust’ will provide the analytical base of this examination of the monetary experiments within the CT. Thus, this study relates to the literature on the importance of trust for monetary institutions to function properly.

This essay examines how money can be designed, and especially, what leads the monetary design to develop. Is the engine in the development of money’s properties the lack of money, or is it the lack of trust in an existing currency? The CT was a sort of economic experiment, very close to the theoretical idea of a small, closed economy. To some extent this makes reality of the neo-classical notion of simplified assumptions and ceteris paribus (all other things held constant), which makes the CT an excellent case for empirical research. However, as always within social science one should be careful when generalising.

Most previous research about the CT has focused on its heydays, using a very limited source to describe the origin of the club. This study puts its historical focus on the period of time when the CT was first formed in Argentina. So an additional, underlying purpose of this essay is to fill an informational gap about the prelude to the success of the movement. During that initial period the club made several monetary experiments where they tried to organise trade and design money in different innovative ways. These experiments were crucial in creating the club currency that would

8 Friedman (1973), p.4.
11 Interview Ravera, Ruben, founder, Buenos Aires, 2009-11-16. Translated by author. All Spanish quotes are available in original language in Appendix 1.
12 An example of such an assumption and theory can be found in Fregert and Jonung (2005) p.239
become a very important complement to the national currency during the CT’s peak years in 2000-2002, which coincide with the severe Argentinean Convertibility Crisis. This essay researches how this alternative currency was invented and how its creators managed to generate trust in their invention.

Focus for this study is the prelude to what was to become la Red Global de Trueque (the Global Barter Network, from now on RGT), and more specifically, the monetary experiments within the CT that took place before 1997. However, since the remaining history of the monetary development in the CT is well researched, there is no reason for this study to exclude a summary of the monetary development that took place after 1996. This study will, however, be delimited to only discuss the experiences within the best known club, which started in Bernal in 1995, and its development as part of a large network.  

Most research about the CT makes clear that the founders of this specific club played a dominant role throughout the history of the Argentinean CT movement. This links to Schumpeter’s ideas about the importance of entrepreneurs for markets to develop. Important characteristics of an entrepreneur are: that they want to be influential, affect their surroundings and wish to be in the centre. But most of all entrepreneurs are action oriented. The founders of the CT were somewhat the entrepreneurs of the CT, which makes it interesting to study them in that role.

Previous researchers such as Gómez (2009) and Hintze (ed., 2003) have argued that the CT was an initiative from the impoverished middleclass and that the monetary design came out of a wish to make it easier to include more members. Even though this description might be true for the later development of the network, this essay argues that their assumption do not hold when discussing the very start. Instead, this study will show that the original initiators of the movement did not have personal economic problems; rather, their motivation was scepticism against the contemporary economic system. It was also found that the monetary design was a result of a series of confidence crises.

This essay will be lead by the three following questions:

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14 It should be mentioned that the phenomenon of barter trade in Argentina was from day one divided in several isolated or connected clubs with similar or diverse systems. See an example in Pagina 12 (12/11-95) pp 18-19 Later on the network split up in three, but this study focusses on Red Global de Trueque.

15 See for example Hagedoorn (1996).

16 Bruzelius and Skärvad (2004), p. 293
1. How did the Argentinean Barter Club’s means of payment function and develop?
2. Why was the Argentinean Barter Club’s means of payment created, according to its initial users?
3. How was trust and confidence in this means of payment created?

The first question will be answered by describing the properties of the different types of money in the CT throughout the history of the club. To better understand the functions of the money, the organisation of the market systems will also be presented. This will be done in chapters 5, 7.1.1, 7.2 and 7.3. The second question will be answered in chapter 7.1.1 and 7.1.2 by examining the main factors of why the founders came up with the idea and the motives mentioned by the pioneer members. The third question will be answered by analysing the rituals of trust creation (theorised by Aglietta, 2002) within the CT, as well as the members’ general feeling of confidence towards the CT movement, as opposed to their confidence in the conventional monetary system. This will be done in chapters 7.2-7.3. The chapter dealing with the theory and practise of substitution and complementation relates to all three questions.

Previous researches have mentioned social class and economic status as a motivation for the CT to engender. During the field study, contradicting facts regarding the characteristics of the social group that initiated the CT came up. This is important to know in order to better understand the CT’s origin. This information will be described in Appendix 3 since it challenges previous assumptions. However, the information is not considered directly related to the questions at issue.

2 Method

2.1 Interviews

The base of this essay is a field study conducted from November 2009 until January 2010. During the field study visits were made to el Museo de Trueque, which is the Argentinean Barter Clubs own archive in the Bernalez factory in the city of Bernal. Furthermore, 9 semi-structured thorough interviews with 10 informants were conducted.17 About 20 open questions and 5 questionnaire questions were asked. These interviews were followed up by two shorter, complementing interviews.

The selection of informants was done in the following way: the CT was contacted through its

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17 The married couple Mirta and Alberto Ruffinelly were interviewed at the same occasion.
official email address announced on their official website. That email was replied to by co-founder Ruben Ravera and a meeting was appointed. At this meeting the founder was asked to provide contact information of active members as well as sporadically participating members during 1995-1996. Ravera mentioned 13 members whose contact information he retrieved from his mobile phone. Eight of these 13 replied and agreed to be interviewed.

An underlying criterion of this selection is that they are all friends of Ruben Ravera, a skewed selection in other words. It is also skewed in gender representation since seven of the eight informants were men, despite that the CT had a majority of female members. Because of this, two other informants (who were not founders) were asked to hand over contact information in the same way as earlier but with the additional criterion that the member should be a female. This resulted in two more interviews. These, in total 11 conducted interviews, constitute the base of the part of this paper that focuses on the development within the CT in the years of 1995-1996, as well as its interlude.

2.2 Criticism of Sources

These sources deserve some criticism. Looking at the basic criterions of Swedish Source Criticism (*källkritik*)\(^{18}\) we can start by observing that these interviews were conducted 13-15 years after the episode which they are meant to describe. This error has somewhat been avoided by studying archive material (such as member magazines and newspaper articles) in order to verify. It can be confirmed that the informants have forgotten many details. On the other hand it should be added that the informants seem to find it easier to speak openly about the private business of the club now that some time has passed.

The most challenging issue of this study, just like in all other studies of the CT, is tendency of the sources. The description is relying on the testimony of a group of people’s account of their own activity. It is obvious that the sources suffer a biased selection; they tend to describe themselves in a positive manner. This could not be avoided by studying the archive texts since they most of the time have the same authors. The archive is also run by Asociación Amigos del Programa de Autosuficiencia Regional (Friend Association of the Regional Self-sufficiency Program), a support organisation of the founders’ NGO. Within the club the history written by the founders is the accepted one. This creates interdependence between the information given by the different informants.
Another general problem in using interviews as a method is the risk of influence by the researcher. Naturally, the researcher tries to avoid this by following the custom prescribed, such as well prepared open questions.

This essay admits to being looking back at a past time. The memories of the informants are affected by what has happened afterwards and carry certain nostalgia. For some (especially the founders) the participation in the club is connected with experiences of threat, illness and police investigation against themselves. This affects how they today describe the history of the club. These attitudes might have affected the interpretations made by the author of this study, even if avoided.

Being aware of these tendency problems as well as the possibly skewed selection, it is time to focus on the advantages of this study. While it seems like all available research on the CT has taken the official history written by Carlos De Sanzo in 1998 as the true one, this investigation goes further. Nine more members from the initiating years have been interviewed and archive material has been investigated. The result is that many interesting and decisive facts, which have not previously been published, have arisen.

3 Previous Research

3.1 Previous Research about the Argentinean Barter Club

A PhD dissertation by Georgina Gómez from 2009 has been used as a major source for the parts of this study that deals with the development in the CT after 1996. Her dissertation is the broadest and most systematic study written about the CT movement. It deals with almost the entire development of the movement, but lacks some information about the initiating period, and was made within Development Studies.

The theoretical background of Gómez’s research is Institutional Economics and Gómez argues that the CT was an expression of an institutional gap in the Argentinean society. Institutional gaps appear when institutions are taken away but not replaced by other substituting institutions. Accordingly the CT was created and developed as a response to the fact that important social and
economic institutions (such as social security programs) were abolished by the Argentinean government. The CT was the institution that filled this gap. Her analysis explains why the CT movement did not disappear when the country recovered from the Convertibility Crisis 2000-2002, as would be predicted by a pure anti-cyclical analysis of the movement.\textsuperscript{21} This essay complements Gómez’s dissertation by explaining why and how the CT started. It also complements by putting a clearer focus on the issue of monetary trust which Gómez discusses briefly.

The investigation by Gómez will be complemented by other academic work, mainly essays and thesis, but also newspaper articles and interesting comments from the mentioned interviews. Among the essays and papers about the CT that connect to this essay we find Barreiro & Vergilio Leite (2003). They saw the CT as a result of a general loss of confidence in the Argentinean economy and examined how trust and confidence influence the organisational structure in an Exchange Network. This was done through a case study of a specific node (local club) in the Barter Network. They found that the communication between the coordinators and other members played an important role in the creation of trust. Lack of communication or contradicting communication decreased the members’ willingness to participate.\textsuperscript{22} Even if the study of Barreiro and Vergilio Leite complements this essay, their essay does not discuss monetary design or development.

Blackburn & Colacelli (2006) analysed the CT’s currency as a transaction cost determined complement to the national currency in a situation of low supply of the national currency. They surveyed hundreds of people through questionnaires and found that there were clear profits involved in participating in the CT during the Convertibility Crisis and that high transaction costs within different CT nodes increased the probability of members leaving the CT after the crisis.\textsuperscript{23} They provided a quantitative explanation to why the CT became so popular.

Placencia (2008) was concerned with the economic exclusion in Argentina and searched for a more including monetary system. Her master level thesis investigates the implementation of Silvio Gesells monetary oxidation theory (see more about this in the next chapter) in a specific node in the Barter Network. She found that Complementary Currency Systems offer a way of economic inclusion, and that oxidation creates a disincentive for saving and in extension help to increase the circulation of the currency between its users.\textsuperscript{24}

\textsuperscript{21} Gómez (2009)
\textsuperscript{22} Barreiro & Vergilio Leite (2003).
\textsuperscript{23} Blackburn & Colacelli (2006).
\textsuperscript{24} Placencia (2008)
The work of González Bombal is not directly related to the question of issue of this essay. However, her sociologist study showing that the movement in its peak years was dominated by impoverished middleclass women have been decisive for underlying interpretations done in most of the later studies.25

None of these previous studies explain how and why the CT started. There is an underlying assumption that there is a correspondence between why the CT became so popular (because of increasing poverty, lack of money and lack of good institutions) and why the CT was initiated. This essay challenges that assumption. History is full of examples of non-linear development and sudden ruptures. Most previous studies were done during the Convertibility Crisis and represent snapshots of what the CT was. This study on the other hand tries to explain the motives for the monetary development that took place within the movement over time. For this purpose, theories about trust will be used.

Another well used source is Trueque y Economía Solidaria26. This book is a compilation of a conference about the Barter Club. It contains debates and speeches from the conference as well as essays and reviews of other essays. In other words, it contains first, second and third hand sources. To set the context, the thorough work of Mario Rapoport27 has been used to describe Argentina’s economic history.

3.2 Previous Research about other Complementary Currency Systems

Some of the confusion regarding what kind of economy the CT represents can be solved by looking at the theories about Complementary Currency Systems (CCS, also known as Community, Parallel or Alternative Currency Systems or Social Money). A broadly accepted definition of this phenomenon is: “a self-regulating economic network in which members issue and manage their own money in relation to the needs of a bounded community”.28 Common for this widespread phenomenon is that it works free of interest and has the aim to encourage local trade. The currency is complementary because it could barely work in isolation, due to the fact that the small scale production rarely includes important inputs like equipment, infrastructure and raw materials.29

26 Hintze , editor (2003)
27 Rapoport (2000) and (2009)
One estimate claims that in July 2002 almost 5200 communities in 58 countries were using a CCS. Of these, approximately 3000 were Argentinean. 1500 groups in 39 countries were using a CCS called LETS.\(^{30}\) LETS is short for Local Exchange and Trade System and was invented in Canada in 1984 by Michael Linton. In this system no material currency is used, but members offer their goods and services and get debits and credits in an accountancy system when trading.\(^{31}\)

Other important historical experiences of CCS can be found in Wära Exchange Society invented by Silvio Gesell in Erfurt, Germany in 1929.\(^{32}\) The currency was backed by a reserve of national currency and incorporated an “oxidation” (every week a 2 cent stamp had to be put on every note). This increased the monetary circulation and trade, because people who hoarded the notes had to pay for the stamps (which Irving Fisher referred to as a tax on hoarding).\(^{33}\) This CCS became very popular and relieved the towns using it from recession, but in 1931 the system was prohibited by the Central Bank.\(^{34}\) For a comparison between the CT and the Wära Exchange Society, see Placencia (2008).

A follower of Gesell brought the experience of stamp scrip to USA during the Great Depression. Some investigation estimated that about 1 per cent of the US population was depending on barter groups to maintain between 1930 and 1936.\(^{35}\) Blackburn & Colacelli (2006) use the American case in their study of the CT as a point of comparison regarding the contra cyclical nature of CCSs. They argue that the phenomenon of CCS is more likely to occur in diversified market economies, writing that:

> “Monetary theory predicts that diversification increases the benefits from using currency to trade because the coincidence-of-wants problem becomes extremely difficult for very diverse economies. In a diversified economy, like Argentina in 2002 and the United States in 1933, the trade-facilitating role of a currency takes on added importance in the face of money shocks and is thus an environment in which a secondary currency would be likely to arise.”\(^{36}\)

## 4 Theories

### 4.1 Theories about the History of Money

In recent literature on monetary history there is a common description of the development of money: first there was barter, then came the intermediates – things with an intrinsic value like gold

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29 Gómez (2009) p. 21
30 Gómez (2009) p.22
31 Gómez (2009) p. 27
32 Gómez (2009) p. 22
33 Fisher (1934), pp 152-161
34 Gómez (2009), p. 23
or stones were used as means of payment. Then paper receipts on the treasuring of these valuable things started to circulate as means of payment. And finally fiduciary paper money or credit cards solely backed by a promise to get credit is used to trade goods and services in the society.\textsuperscript{37}

Practical aspects have often been the focus of the analyses; it was inconvenient with barter because there might not be a simultaneous wish to trade things of equal value (“a coincidence of double demand”);\textsuperscript{38} to treasure gold was a waste of a highly usable prime material;\textsuperscript{39} and so on.

The neo-classical assumption that money is neutral has its origin in the history writings claiming that money is nothing but representatives for things with an intrinsic value. In consequence a money economy is in fact just indirect barter with money as a tool. However, there are other theories challenging the assumption of neutrality and instead filling money with emotions such as trust and expectations. While influential theorist Menger\textsuperscript{40} saw the inequality of values when bartering as the source of money, less known economist Macleod\textsuperscript{41} saw the acceptance of lack of immediate equal values as the source of credit and money. Equally, Macleod did not perceive gold coins as accepted fore and most because of its intrinsic value but as a formalisation of credit, based on the willingness and ability of members of the society to perform the services promised in exchange for units of the currency.\textsuperscript{42} The question of credit will be more thoroughly dealt with in the next chapter.

Sargent and Valde explain the development of monetary institutions as a result of empirical discoveries caused by practical need, especially due to lack of money in circulation. They argue that money with an intrinsic commodity value (often metal) historically caused problems because at some occasions the coins had a higher value as metal than as currency. This created incentives to melt the coins, hence creating money shortages. The cure was to invent money with a higher monetary value than commodity value. But for this invention to take place new technologies had to be created and institutions had to be trusted to guarantee convertibility for people to accept fiat money. To even come up with the idea that it was possible to use fiat money instead of full bodied coins several trial and errors were necessary.\textsuperscript{43} For example during a Spanish War in 1483 the state ran out of gold, so they gave the soldiers denominated pieces of paper and promised to later change it for gold. The promise was kept and gave evidence to the surprising news that ”worthless”

\textsuperscript{36} Blackburn & Colacelli (2006), p. 17.
\textsuperscript{37} Such as Sargent&Veilde (2002), Chown (1994) and Davies (1994).
\textsuperscript{38} Davies (1994), p. 15.
\textsuperscript{39} Sargent and Velde. (2002) p. 93
\textsuperscript{40} Referred to by Skaggs (1998)
\textsuperscript{41} Referred to by Skaggs (1998)
\textsuperscript{42} Skaggs (1998)
\textsuperscript{43} Sargent and Velde. (2002), pp. 3-14.
materials could be used as a means of payment as long as the emitters were trustworthy.44

The founders of the CT started the movement with a wish to “reinvent the market”. But to create their own new money they had to go through a period of experimentation where trials and errors lead the development of monetary institutional design. The theories presented in this chapter will be used as a point of comparison in the analysis of the monetary development in the CT.

4.2 Theories about Confidence/Trust/Credit

To better understand the role that trust and confidence play in the development of monetary design, this chapter will define important concepts. The theories presented in here will be used as analytical tools when explaining monetary trust in the CT.

As recognised by researchers such as economists Aglietta (2002) and Skaggs (1998) as well as sociologists Dodd (1994), Luhmann (2000) and Ingham (1996) the importance of confidence or trust in money is accepted, but poorly analysed, in economics.

Within Economic History the question of economic trust is well researched in the field of informal credit markets, represented by researchers such as Hellgren (2003), Guiso et al. (2004) and Olney (1998). These studies have pointed to the importance of having a high human capital (or high social status) or availability to formal credit for people to be included in the economic system. This analysis makes clear that a functioning economic system is not only about sellers accepting money, but also about consumers being given credit in order to become included in the economy. It also highlights the human habit to create credits even when there are no formal credit institutions.45

According Guiso et al (2004) “[f]inancing is nothing but an exchange of a sum of money today for a promise to return more money in the future. Whether such an exchange can take place depends not only on legal enforceability of contracts, but also on the extent to which the financier trusts the financee.”46 They continue arguing that financial trust emerges from social capital which in turn is derived from social ties that people get from membership in a certain community. By contrast, trust across groups can only appear in organised markets and the development of finance.47 This perspective will be used when looking at financial practises within the CT.

German sociologist Niklas Luhmann makes a distinction between the meanings of the words confidence and trust. He argues that the word confidence should be understood on a systematic level as a strategy of coping with reality (for example accepting a current economic system). The word trust on the other hand should be interpreted as a decision taken related to risk (for example the choice to accept a trade agreement if the individual calculates the risk to be lower than the chance to profit). Luhmann does emphasize that there is a strong relation between the creation of confidence and the creation of trust. Barreiro and Vergilio Leite (2003) are using Luhmann’s theory in their case study of a specific barter club. They translate ”confidence” to ”confianza sistematica” and ”trust” into ”confianza interpersonal”, a translation that brings further clarity to the distinction. This essay will use the terms systematic confidence and personal trust.

French economist Michael Aglietta also describes different levels of trust, similar to Luhmann’s. He distinguishes between personal trust (typical for market transactions in traditional societies) and impersonal trust (enabled by State [government] authority). For both forms of trust the users of a means of payment have to have a sense of unity; that they are acting within the same system of payment, as a base for the belief that others will accept the same means of payment. In the case of personal trust, which the CT explicitly tried to create between its members, it is according to Aglietta created by common symbols, rituals and a”club mentality”. In the case of impersonal trust (confidence in Luhmann’s terminology) it is created by the legitimacy of a national government as the emitter of money. In other words, the maintenance of trust in the organisers is vital to trust the currency itself. Personal as well as impersonal trust can only be maintained by”keeping one’s word”; by sticking to agreements. In this essay we are going to research the different levels of trust expressed in the CT.

Aglietta argues that globalisation has increased the need of impersonal trust, and has therefore moved monetary institutions towards the State [government]. He recognises that there is a risk involved due to arbitrariness in politics and points to the fact that there are examples of societies rejecting the units of account imposed by the government. To gain trust, a government needs to act in an ethical way to legitimate its authority. This relates to how the immoral behaviour of the Argentinean government (dealt with in chapter 5) contributed in causing an escape from the national currency.
Money that is not trusted might lead to substitution, which means that people start to use another currency instead. This is exemplified by the Argentinean experience of dollarization, and the CT could as well be interpreted as a case of “créditization” of the Argentinean money market. The literature on money substitution usually analyse the matter by comparing the transaction costs (such as exchange rates and inflation) involved in using different currencies. It is assumed that people generally prefer to use low cost currencies, thus, getting as much value as possible out of their money.53

So how can we define trust in money? What does a user of a currency trust (or what is he or she confident about)? Cambridge sociologist Geoffrey Ingham offers a clue. He argues that credit-money is a “promise to pay” and continues saying that “the conventional textbook distinction between ‘money’ and ‘credit’ is not merely anachronistic, but is based on a conceptual confusion”. Skaggs, quoting 19th century economist Henry Dunning Macleod, equally argues that a currency “is nothing more than the evidence of services having been rendered for which an equivalent has not been received, but can at any time be demanded.”55

To take this argumentation one step further; banks create and lend money if they are confident that the borrower will pay it back. When money circulates in the market it is accepted because the seller is confident that he/she, with money received for his or her work, will be able to buy at least something of the same value as what he/she just sold. Following this logic, money is trusted if its users believe that the promise to later get the same value back will be fulfilled. Money will not be trusted nor used if this promise seems false. Trust and confidence will be harmed if the promise is broken (for example by high inflation- rates undermining the value of the currency). These assumptions will be tested empirically on the CT in this essay.

5 Definition of Money

Currency refers to money used in a specific geographical area or historical epoch. Money has the functions of being a unit of account, a medium of exchange and a store of value.56

52 Aglietta (2002)
54 Ingham (1996) p. 4
56 Mankiw & Taylor (2008) p.94-95
According to the founders (and some of the other members) of the CT, what they used to facilitate trade (called créditos, vales, bonos or arbolitos) was not money. Why not? First of all the club-founders obviously have a different conception of what money is than classical economists. While economist Samuelsson claims that "trade between individuals and nations largely boils down to barter"57 the CT members claim that there are important differences between a barter economy and an economy managed with a legal means of payment. The most important aspect is the third function of money as a store of value. The club founders claim that accumulation and speculation have become one of the most dominant characteristics of modern economy, but is avoided in a barter economy.58

For co-founder Ravera the fact that money can, often encouraged by interest, be treasured is what causes injustice and poverty. He explains: "If I am in an economic society and withdraw the money, there is no law that obligates me to give it back. In Argentina this happened, they took away all the money and no one said "this gentleman is a kidnapper". If you kidnap a person, a dog, what does the kidnapper ask for? A ransom. When the financial system kidnaps the money, what do they ask for? A rate of interest."

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It is worth to mention that the CT did in fact not practise barter. They used the term "multireciprocal barter" and a value (an intermediate) was used to avoid needing coincidence of double demand. Even though direct barter was not necessary within the CT they used the term to change associations, to show that this was a system ruled by different ethics than the formal market.

There are however some important differences between legal money and a community currency. Money that is not legally sanctioned is more dependent on the creation and recreation of trust between its users because the legal system will not intervene if contracts are broken. Another difference is that the club currency was not made for international trade (it could only be exchanged indirectly by re-selling products within the peso market, which was against the club rules), it did not create interest and could not be used to cancel bank depths nor pay taxes (at least not until it became widely used in some municipalities).60

But there was another, less mentioned, important aspect. The means of payment used in the CT could not be money simply because emitting money is and was illegal for any other institution than

59 Ravera, Ruben, founder, Buenos Aires, 2009-11-16.
the Argentinean government. Despite this many members did find it difficult to separate the concepts of the crédito and the peso.61

Let us test if the functions that describe money can be used to describe the functions of the club crédito. It is obvious that the crédito was used as a unit of account and a medium of exchange within the CT. So the remaining question is whether or not the crédito had the function of being a store of value. This is the critical point. Founders and coordinators of the club advised members (in the CT members where referred to as ”prosumers”62 to emphasize the double role of producer and consumer in one) not to accumulate créditos but it has since been proved that this advice was frequently not taken.63 The function of store of value does however not need to be taken as far as accumulation. To make a simple example: a member producing bread gives their bread away and receives créditos in the club market. One week after, the same bread had probably gone bad, while the créditos was still valid for exchange. The créditos stored the value of the production of the bread-making member.

The conclusion is: As far as this study is concerned the means of payment used within the CT can accurately be referred to as money and a currency. Investigator Georgina Gómez used the term voucher, following the practice since 2003 within the Global Barter Network (RGT).

6 Setting the Context: the Economic History of Argentina

The first Argentinean bank, named Banco de Buenos Aires, was founded in 1822. In 1875 it became Banco Nacional.64 Prior to 1880 the Argentinean monetary system could be labelled as anarchistic. The different provinces had their own currencies and the use of foreign currencies occurred frequently as well. In 1875 the national currency peso fuerte was invented by president Avellaneda.65 Yet, economic volatility with reoccurring debt crisis followed by a quick recovery was typical for the Argentinean economy throughout the twentieth century. No less than five times between 1881 and 1992 the country changed currency in order to control inflation.66

60 Ravera, Ruben, founder, Buenos Aires, 2009-11-16.
62 Concept invented by futurist Alvin Toffler in his book The third wave.
63 Gómez (2009) p. 118
64 Gómez (2009), pp 82-83
65 Rapoport (2000), pp 80
66 Banco Central de la República Argentina, homepage.
Prior to 1912 the political system in Argentina could be labelled conservative and an oligarchy. The law named Sáenz Peña changed this when it introduced the democratic vote and the citizenship. However, oscillation between dictatorship and democracy reoccurred throughout the century. Two governments during the 20th century came to play decisive roles in the economic history of Argentina: the democratic government of Peron and the military dictatorship of Videla.

Peron and his Partido Unico de la Revolución Nacional (later known as Partido Peronista or Justicialista) won the 1946 elections. The following nine years the country was ruled by the Peronist governments whose politics can be described as stateism, redistribution of incomes and nationalistic autarky, expressed through Import Substitution. The Banco Central as well as private depositions were nationalised. As a result the government could control the emission of money, the interest and who was given loans. The Peronist government had crucial conflicts with the church as well as the oil companies, which marks the interlude to the military coup in 1955.

Military junta lead by Jorge R Videla who ruled the country from 1976 to 1981 set up the goal to "reorganise the nation" and started by prohibiting a large number of the peoples movements (for example parts of the strong union movement) and persecute its members. The economic plan of the new dictatorship marks a completely new direction. The Import Substitution as well as the redistribution of incomes was ended, which contributed to a redistribution of power in the Argentinean society. The financial market was also privatised and opened up towards the global market.

In December 1983 a democratic election was held and the winner was Raul Alfosin from Partido Radical. The military dictators had left the country with a catastrophic economy with inflation rates reaching 400 per cent and a foreign dept of 70 per cent of GDP. In June 1985 Alfosin declared "economic war", meaning strict fiscal and monetary politics. A new monetary unit called austral replaced the peso (1 austral=1000 pesos). "Plan austral" did have positive effects on the export and currency reserve and the inflation started to decrease. However, since the plan did not include any proposals on structural change Argentina once again found itself with "stagflation" when it became

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67 Rapoport (2000), pp. 115-116
68 Import Substitution is an economic development strategy aimed to protect domestic firms from international competition by erecting trade barriers that make imported goods less attractive, hoping that eventually domestic production will become more efficient and competitive. Perkins, et al. (2006), New York, p. 716.
69 Rapoport (2000), chapter 4
71 Rapoport (2000), p. 788
72 Rapoport (2000), p. 791
time for presidential elections in 1989.74

In the 1989 elections Carlos S Menem and Partido Justicialista gained the power. The new government quickly became notorious. They were involved in scandals regarding money wash from drug trafficking as well as the murder of a young girl.75 To stop the recession and the hyperinflation Menem searched for help from the national and international economic elite. Heads of large companies were appointed ministers.

This government led Argentina to a complete turn towards a neo-liberal economic plan where the government withdrew from several of its assignments and left them to the market. Public companies were privatised and government subsidies were taken away. The plan succeeded in ending inflation but the economy was still depressed.76

In this situation minister Domingo Cavallo came up with the Convertibility Plan (Plan de convertibilidad) with even more radical proposals. It was a long term plan to make the economy more efficient through more structural reforms, privatisation, decentralisation of government responsibilities, a more flexible labour market, deregulation and last but not least a fixed exchange rate (convertibility) between the Argentinean peso and the US dollar.77

The purpose of the plan was to remove power from the government because it was regarded they were to blame for the instability in the economy. Through putting on a straitjacket with a padlock and throwing away the key confidence was supposed to be established. However, a loophole was created that somewhat damaged the confidence; regional quasi-currencies was emitted in order to finance public expenditures.78

At first it seemed like the plan was achieving its goal. The growth reached high levels and the inflation turned into deflation. Nonetheless, in 1995 Argentina was hit by the Mexican Tequila Crisis. The social consequences of the political plan became clear when unemployment rates reached 18.4 per cent79 (and 11.3 percent80 were underemployed) in combination with the reduced

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73 Rapoport (2000), pp. 904-906
74 Rapoport (2000), pp. 910-923
75 Rapoport (2000), pp. 931-933
general social security scheme.\textsuperscript{81}

Argentina was as always sensitive to the international business cycle and was consequently badly affected by the Asia crisis in 1997. The Brazilian crisis in 1999 further pushed the Argentinean economy into an open depression with a negative GDP growth of -3.4 per cent, which strengthened the deflation. In this economic climate president Menem lost the 1999 election in favour of Radical candidate Fernando de la Rúa.\textsuperscript{82} The new president did however not mind the current economic politics. His main electuary campaign issue was to fight corruption. Yet, only a year later the de la Rúa government had their own corruption scandals.\textsuperscript{83}

In the year of 2001 unemployment rates once again hit 18.3 per cent, this time with a even higher underemployment of 16.3 per cent of the workforce.\textsuperscript{84} More and more of the Argentinean currency were exchanged to dollars. As a result minister Cavallo (who was re-invited by the new president) saw himself obligated to freeze the bank depositions of one and a half million small depositors. Since important parts of these savings were never to be paid back it was in fact a special sort of expropriation.\textsuperscript{85} This event is known as \textit{el corralito} (the small enclosure) and marks the end of the convertibility with the dollar.\textsuperscript{86} The situation created major, violent protests under the slogan \textit{Que se vayan todos} (Everyone [all the members of the parliament] must leave [their commissions]).\textsuperscript{87} During three months from December 2001 until February 2002 Argentina had three different presidents.\textsuperscript{88}

The crisis that was going on from the end of 2000 until the beginning of 2003 was marked by the phenomenon ”new poverty”, previous middle class turning into lower class. In October 2002, 54.3 percent of the Argentinean population was living below the poverty line, which can be compared with a level of 26.7 percent in October 1999.\textsuperscript{89}

This social climate was the breed ground for several popular movements. \textit{Los piqueteros} was a movement of unemployed workers, protesting against the destruction of job opportunities that had
followed the economic politics. \(^{90}\) *Caserolazos* was a middle class protest movement whose target was the enclosure of their savings, *el corralito*. *Las asambleas barriales* worked to "create spaces for solidarity and confidence (...) which had been destroyed by a decade of neo-liberalism". These neighbourhood meetings were a decentralized, self-organized citizen’s initiative that worked to solve problems in areas such as health, education, housing and unemployment. \(^{91}\)

In this situation of low confidence in the political system and general monetary disorder a further important movement got increased importance. It was *el club de trueque* (CT), which is the subject of this essay.

After the depression in 2002 the Argentinean GDP growth recovered and had a positive development the following years. \(^{92}\) Since 2003 the country is governed once again by Partido Justicialista and the presidents Mr and Mrs Kirchner.

### 7 Monetary experiments and trust creation in the Argentinean Barter Club

#### 7.1 How and why the Argentinean Barter club started

#### 7.1.1 The entrepreneurs start experimenting

Carlos Alberto De Sanzo was born and raised on a self-sufficient farm in Argentina, by parents who had emigrated from Italy. He was a teenager when he first heard on the news that hunger existed in Argentina and was very surprised. To try to find a solution to the problem he decided to study agronomy. Starting at the university in the 1970s he soon realised that the hunger was in fact not a consequence of lack of food but of a lack of redistribution. So he left his agronomy studies and started a degree in psychology instead. During this period De Sanzo was a member of Partido Obrero TERS, a party with a Trotskyist ideology. De Sanzo had a very low systematic confidence in the functioning of contemporary monetary institutions and analysed the phenomenon of hunger as a result of an addictive, mentally ill human relationship to money. \(^{93}\)

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\(^{90}\) Bonnet, pp. 82.


\(^{92}\) Instituto Nacional de Estadística y Censos, homepage.

\(^{93}\) Interview De Sanzo, Carlos Alberto, founder, Quilmes, 2009-12-01.
Ruben Ravera was a younger friend of De Sanzo with a more anarchist political view. He had studied to become an engineer but after his graduation became director of the William Henry Hudson museum dedicated to ecology and environmental education. Ravera had a low confidence in the monetary system and thought that money was guilty of injustice and environmental destruction.94 Both De Sanzo and Ravera were provoked by the fact that there was hunger in Argentina even though the country produced more food than its own population needed.95

As a hobby De Sanzo started studying economic theory and history. In the 1980s he came up with the idea of ”creating a form of money that did not leave people’s hands”. With the additional purpose of stimulating exchange without creating inflation. The first experiment was a form of dual money: one for buying and one for selling called bonos de venta y bonos de compra (sell bonus and buy bonus). When selling the seller would receive buy-money and at the same moment give away sell-money. After a while the seller would run out of sell-money and be forced to buy things to be able to continue selling.

Thanks to De Sanzos action oriented personality the idea resulted in an experimental game with 100 persons participating during one hour. De Sanzo recalls that people got a bit nervous and started running around buying and selling. After the game finished De Sanzo counted that the notes had changed hands (its velocity of circulation was) 50 times in one hour, which he compares with the official currency which moves 20 times per year. The economic activity was in other words much higher in the experimental market than in the formal market. The experiment was repeated, with more sell-money the second time in order to calm people.96

In 1989 De Sanz and Ravera founded the ecologist publishing company and civil association *El Programa de Autosuficiencia Regional* (the Regional Self-sufficiency Program, from now on PAR). Its first project was the course *el Tecnohuerta* (the Techno garden) in which they taught their students how to produce organic food on a small space with modern technology. In 1991 they started the course *La Casa Ecologica* (the Ecologic House) engaged to environmentally friendly techniques for energy, water re-use and compost of organic waste.97 They also worked to distribute compost worms to people interested in recycling.98 Ravera recalls that he and De Sanzo used

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94 Interview Ruben, founder, Buenos Aires, 2009-11-16.
95 Interviews De Sanzo, Carlos Alberto, founder, Quilmes, 2009-12-01 and Ravera, Ruben, founder, Buenos Aires, 2009-11-16.
96 Interview De Sanzo, Carlos Alberto, founder, Quilmes, 2009-12-01.
97 Programa de Autosuficiencia Regional, homepage
vouchers as means of payment during Ecology Fairs (street markets) organized by PAR in 1991.99

In the beginning of 1992 De Sanzo and Ravera started another project, this time related to unemployment called Emprendedores Anónimos (Anonymous Enterprisers). It was presented to the public as a self-help group where participants would be able to share doubts and vulnerabilities related to labour-market decisions.100 For De Sanzo this was a way to do something about what he saw as a mentally ill and addictive relation to money, often expressed by his patients. Since he knew from his work as a psychologist that Anonymous Alcoholics had been successful in their work his idea was to implement a version of the Twelve Step Program for people to create a more relaxed and positive way of using money.101 The project gathered a lot of people, but little practical action came out of it.102 According to Ravera they got stuck in self pity. 103

A friend of De Sanzo named Horacio Covas was also working on a project to reduce unemployment when he joined one of PAR’s courses. Covas had studied Chemistry but was forced to leave the university when it came under administration of the military dictatorship. The reason was that Covas was active in a Trotskyist party.104 His project was called Red Professional (Professional Network). The participants were companies, professionals and technicians who, when encountering a job opening, were supposed to communicate this back to the network. The network showed solidarity in the sense that unemployed participants had priority.105 By 1992 many of the involved enterprises were badly affected by the opening up of the economy and several participators started accepting in-kind payment rather than not being paid at all.106

De Sanzo, Ravera and Covas were to become the founders of the CT. They all had in common that they did not think that the monetary design in Argentina succeeded in giving all people equal value back for the labour efforts people made. This criticism of how money functioned in Argentina drew them to experiment with alternatives. The emphasis made on the founders’ political background should not be confused as an attempt to do an interest group analysis. Such an analysis would not be appropriate since CCSs normally, and also in this specific case, are equally advocated by holders of opposing ideologies. The fact that the founders had far from centre political opinions is here

99 Interview Ravera, Ruben, founder, Buenos Aires, 2009-11-16.
100 Clarin 21/3-92.
101 Interview De Sanzo, Carlos Alberto, founder, Quilmes, 2009-12-01.
103 Interview Ravera, Ruben, founder, Buenos Aires, 2009-11-16.
104 Interview Covas Horacio, founder, Luján, 2009-12-20.
interpreted as an expression of lack of systematic confidence in the national economic system, which relates to the analytical framework of trust. This lack of confidence in combination with the entrepreneurial spirits\textsuperscript{107} of the founders is seen as their motivation to start experimenting with an alternative economic system.

7.1.2 Reasons to start and join the first CT

The reason why the CT started is quite clear on a macro level. In 1995 Argentina experienced a strong recession. However, all countries that experience recession do not experience Complementary Currency Systems. What might have been special about Argentina was the practise of bi-monetarism, which was eventually even formalised into legislation in the Convertibility Plan. This explains why the Argentinean government later on did not repress the CT movement.\textsuperscript{108}

On a micro-level some quite diverse explanations has been given about why De Sanzo, Ravera and Covas in the years 1993-94 started planning to launch the CT.\textsuperscript{109} One view that has been claimed and repeated is that the idea of creating a barter club came naturally in 1994 from the participants of the first techno gardens who were already bartering their surplus products.\textsuperscript{110} However, Ravera and De Sanzo claim that this was invented afterwards to make the story more logical than it actually was.\textsuperscript{111}

Another often given explanation is that the PAR needed the CT to justify and be able to continue their ecologist projects. The PAR was at that moment not able to gather enough participants and was close to becoming bankrupt because of troubles finding sponsors.\textsuperscript{112} Covas explains that the CT was the third pillar of the PAR; they had organic production and people looking for work, the CT created a market for action to take place.\textsuperscript{113}

Using an economist vocabulary one could say that PAR had the production factors of land and labour, but lacked the essential factor of capital, so they re-invented it. Capital within the CT should

\textsuperscript{107} As mentioned, important characteristics of an entrepreneur are that they want to be influential, affect their surroundings and wish to be in the centre. Most of all they are action oriented. (Bruzelius and Skärvad (2004), p. 293). These are characteristics that well describe the founders of the CT.


\textsuperscript{109} Sometimes De Sanzo's brother Eduardo De Sanzo and Covas friend Bruno Scarpini are also mentioned as part of the initiating group, but since they did not, for different reasons, participate for a long period of time they are normally left out.


\textsuperscript{111} Interview De Sanzo, Carlos and Ravera, Ruben, founders, Buenos Aires 2010-01-09.


\textsuperscript{113} Interview Covas Horacio, founder, Luján, 2009-12-20.
not primarily be interpreted as a factor for rent-creating investment, but rather a factor to invest in one’s own production to create possibilities to exchange it for other desired products of equal value. PAR had the vision of making it easier for people to create their own maintenance through small and micro enterprise. They thought of the formal market as full of entrance obstacles and wanted to create a more including market with more accessible money. The formal market had failed to give many of its users’ credit, which pushed the PAR to create an informal option, following predictions made in the literature on informal credit.115

Another reason to start a barter club, related to substituting currencies to decrease transaction costs, is in order to escape tax payment.117 During the 1990s the value added tax (VAT) was raised several times in Argentina to finally reach 21 per cent.118 Considering the fact that the CT during its prime time was dominated by unemployed in a land with very high rates of informal labour, makes tax escape seem unimportant. Some CTs did also pay tax during the Convertibility Crisis. However, as this study shows in Appendix 3, the first CT seemed to be dominated by employed, who indeed could get profit from not paying VAT. The informants of this study were all aware of the fact that barter was liberated from tax and one did actually mention it as the main reason to join the club. Founder Ravera emphasises that the PAR always encouraged members to pay tax, but admits that some members thought of the CT as a way of acting out a ”not positive rebellion” and avoid paying tax.

Regarding reasons to join (not to start up) the CT, Gómez found in 2004 that only 1 percent of the members participated foremost because they ”shared the political project of emancipation and solidarity behind it” (3 percent had it as a secondary reason to participate). The vast majority, 78.2 percent, participated because they “needed the income”.120 Explanations given by the 1995 members are somewhat different. When asked what role the CT played in their life in 1995 only two of the seven mention improved economy first and the solidarity secondly. Two more members mention improved economy as a secondary reason to join. Five of seven (including the three founders) mention the solidarity as most important.

Of the three CT members interviewed who joined in 1996, two were in economic trouble and partly

114 De Sanzo in Primavera et al. (1998) p.12. As well as the interviews with the founders.
115 Such as Hellgren (2003) and Guiso et al. (2004)
117 Martín Krause in Hintze (2003) p.115
118 Rapoport (2000) p. 981
120 Gómez (2009) p. 142
solved them by joining the CT. Nonetheless, all of them refer to solidarity as the main reason to participate. This information is presented in Table 1. The informants where asked what this solidarity meant and all of them expressed in different ways that it was a recognition of interdependence between people, and not charity. Many used the proverb “Give a man a fish and you feed him for a day. Teach a man to fish and you feed him for a lifetime.” to explain the philosophy. Solidarity was supposed to be created within the CT through the process of exchange that depended on mutual personal trust.

The discrepancy between Gomez’s findings and the findings presented here can probably be explained by the fact that the pioneer members had a higher economic standard then the members that joined during the Convertibility Crisis. Information about the economic status of the pioneer members can be found in Appendix 3. Another reason could be that much more focus was put on philosophy in comparison with trade the first years of the CT, which will be explained in the following chapters.

Table 1: What role did the CT play in your life the year you joined? 10 CT members 1995 and 1996. Secondary role in parenthesis.

<table>
<thead>
<tr>
<th>Member since</th>
<th>1995</th>
<th>1996</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opportunity to show solidarity</td>
<td>5 (2)</td>
<td>3</td>
<td>8 (2)</td>
</tr>
<tr>
<td>Improved economy</td>
<td>2 (2)</td>
<td>0 (2)</td>
<td>2 (4)</td>
</tr>
<tr>
<td>Total</td>
<td>7 (4)</td>
<td>3 (2)</td>
<td>10 (6)</td>
</tr>
</tbody>
</table>

Source: Author/Interviews

The fact that the CT helped increase members income and living standard has obviously been an important reason to join since day one. However, in the beginning when the economic problems of the country were still not as bad as they would become, many participated to help others help themselves. It is clear that the philosophy of solidarity was more central during the first year than it was after the ”explosion” of the CT during the Convertibility Crisis 2001-2002.

The question of confidence is rarely directly expressed, but can still be analysed. It seems clear that the founders of the CT had an ideology strongly critical of the present economic system. They even started an organisation devoted to regional self-sufficiency the same year as the Argentineans elected a government devoted to the complete opening of the national market. The majority of the other initiating members also joined as an expression of criticism of the lack of solidarity in their

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121 Maybe not surprisingly, if considering the neo-classical assumption of the rational, maximizing, economic man.
society. An often used metaphor was that the CT was supposed “to create a protected market for those who could not stay afloat in the rough sea of economic globalisation”\textsuperscript{123}

The PAR was an ecologist organisation concerned that modern society might lead us all to self-extermination. PAR’s message between the lines (though never explicitly expressed) was “Do not have confidence in the economic system; trust yourself and your friends instead”.\textsuperscript{124} The 1995 Argentinean recession and its social and economic consequences were obviously taken as proof of the accuracy in the message of the founders. From this, the conclusion can be drawn that the first CT was created as an expression of deficient confidence in the contemporary economic system.

7.2 Monetary Experimentation and Development of Trust in the Argentinean Barter Club 1995-1996\textsuperscript{125}

The first exchange system in the club was a creation of De Sanzo and Covas. Ravera was fractured at that time, but unlike explained by De Sanzo in 1998\textsuperscript{126}, Ravera claims that he participated in the meetings but not in the club market. The reason was that the market system was against Ravera’s more anarchistic philosophy.

The three founders chose the first of May for the first CT meeting, to celebrate labour and their own political background. They invited people from their courses to start the CT.\textsuperscript{127} These pioneer members came mainly from the Techno garden course and not the Anonymous Enterprisers as one might have thought. If the CT would have started fore and most for people affected by the 1995 recession it might have been more logical to invite the students concerned with labour vulnerabilities than people interested in turning their home gardens into organic cultivation spaces. However, in order to create a feeling of commonness necessary for personal trust,\textsuperscript{128} the choice of inviting ecologists has a clear logic. Though Argentina was experiencing a strong recession it seems like the initial members were not generally people in great economic trouble. The high social capital among these members seemed to have helped creating a confidence that attracted new members.\textsuperscript{129} This topic is more thoroughly dealt with in Appendix 3.

\textsuperscript{122} Whether this should be seen as an expression of altruism or the self-interest in getting a positive self-image can be discussed.\textsuperscript{123} Laporte in Hintze (ed. 2003) p 166 and De Sanzo in Covas et al. (1998) p. 12.\textsuperscript{124} Most clearly expressed in Interview Ravera, Ruben, founder, Buenos Aires, 2009-11-16. See also Pearson (2003), p. 220.\textsuperscript{125} The main sources of this chapter are the unanimous testimony of the interviews, verified by archive materials and literature. Specific sources will only be footnoted when revealing new important or contradictory information or information that was only found in printed sources and not the interviews.\textsuperscript{126} De Sanzo in Primavera et al. (1998) p 11-14\textsuperscript{127} Interviews De Sanzo, Carlos Alberto, founder, Quilmes, 2009-12-01. Covas Horacio, founder, Luján, 2009-12-20 and Ravera, Ruben, founder, Buenos Aires, 2009-11-16.\textsuperscript{128} Aghetta (2002)\textsuperscript{129} Hellgren (2003) and Guiso et al. (2004) as well as the informants.
The first few months the Saturday meetings were held at De Sanzo's house. These meetings consisted mainly of talks and a smaller part (20 percent according to Covas) was the exchange of goods and services. De Sanzo had taken his ideas from the Anonymous Enterprisers and mixed them with Covas experience in improving industry production through Quality Circles\textsuperscript{130}. The result was los Circulos de Calidad y Autoayuda (Circles of Quality and Self-help). In these circles the participants were supposed to discuss and help each other improve their products. They were also supposed to attempt to liberate themselves from competition and speculation. Instead they were to learn to mutually help each other in a friendly way through ethical and ecological production.

As guidelines, the three founders had created 12 principles or policies, inspired by the Twelve Step Program. For people to consider themselves a member of the CT they had to follow those principles. Studying and discussing the policies was a way for members to create a new sort of consciousness that was regarded necessary in order to participate in this market which supposedly had a different moral than the formal market.\textsuperscript{131} See the principles in Appendix 2.

These meetings with talks, Circles of Quality and Self-help and the 12 principles can be seen as rituals of trust creation and played an important role in getting to know each other, creating new common ideas, ethics, and a sense of belonging. It founded a trust creating commonness, which according to Aglietta (2002) is necessary for market transactions to take place in an informal economy.\textsuperscript{132}

After the meeting the participants proceeded to De Sanzo's garage, where they entered their products in the role of producers. As a ritual they left the garage and entered again in the role of consumers, which also relates to Aglietta's idea that rituals fill an important role in creating trust in less advanced economies.\textsuperscript{133} De Sanzo was aware of this after having read books on Economy from an Anthropologic perspective.\textsuperscript{134} Instead of money, the members used a small personal card where they got positive credits for the products they came with and negative credits for the products they consumed. These cards were afterwards collected by De Sanzo and Covas who spent the rest of the weekend entering all the transactions into an accountancy program in a computer. The next

\textsuperscript{130} In Business Economy, Quality Circles involve employees from different levels and units of the company and let them meet frequently in order to solve problems and improve the production. (Bruzellias et al (2004) p. 261-261)

\textsuperscript{131} The members (Interview Milagros Amura 09-12-16 and Julio Rives 09-12-20) who did not have a commission in the club, do not remember that there were specified principles, but rather a philosophy. Others, especially the qualification teachers (Juan Alberto Ruffinelly, Julio Rives and Susana Rivano) emphasise the principles as fundamental.

\textsuperscript{132} Aglietta (2002)

\textsuperscript{133} Aglietta (2002)

\textsuperscript{134} De Sanzo, Carlos Alberto, founder, Quilmes, 2009-12-01.
weekend the members received their balance. In the long run negative and positive credits were supposed to even out, but accumulation of credits was normal.

One could describe the first CT market as a supermarket (and was in fact referred to as *el almacén*, the grocery shop) and the first club money as a simple VISA-card (see photo in Appendix 4). Without knowing (Internet was rare at the time) about the existence of the Local Exchange and Trade System (LETS), the CT had created a very similar system (see organisation scheme 1). One positive characteristic with this system was that the means of payment was very different from the kind of money people were used with, which made it easier to create new concepts and avoid speculation. Another positive characteristic was that it admitted a certain level of control. In a centralized monetary system the authorities need ways to control the system in order to have the power to keep the monetary promise to maintain the value of their means of payment.

The organisational system was such that the members did not always know who they bought from since all transactions were done through the Shop; see a graphic interpretation in Figure 1. It is clear that this was mainly an economy of impersonal trust which required confidence in the organisers of the accountancy system, but not necessarily personal trust between members.


However, the members did communicate a lot through the Circles of Quality and Self-help. If a member would have brought products of a low demand the others were supposed to give advice on how to improve their production in order to meet an increased demand. It is also clear that not
consuming some member’s product could be a way of indirect exclusion of members who did not follow the ethics of the club. Direct exclusion did not seem to occur, since it would have been against the ideology of solidarity within the CT.\textsuperscript{135}

After two months and eight meetings De Sanzo thought that there was too little exchange. So he and Covas came up with \textit{la Bolsa} (the Stock Exchange or the Bag). After the exchanging in the club shop, members would put their offers on a blackboard. When seeing what others offered they declared their demand. In this way services could more easily be included and more exchange take place.\textsuperscript{136} De Sanzo, with experience in designing board games, considered it a game and it was mainly used for newcomers to practise before qualifying as members. According to the analytical framework of trust a better way to increase exchange in this system of impersonal trust might have been to put more focus on legitimating the authority of De Sanzo and Covas and less effort on creating personal trust between members.\textsuperscript{137} However, the founders thought that they had created a monetary system ruled by personal trust between its users.

The first years the CT was also running a sort of exchange bank; \textit{el Banco de Cambio Reversible} (the Reversible Exchange Bank). The members were at that time paying 10 per cent of what they had bought to the organisation in pesos. That money was later used in the bank and to finance club related expenses. Members who lacked pesos to buy input material for their club production had the possibility to change 110 \textit{créditos} for 100 pesos. Naturally this included a 10 \textit{créditos} fee, since 1 \textit{crédito} had the same value as 1 peso (which was in turn fixed to the dollar).\textsuperscript{138} This was the CT’s first experiment in creating informal credit for its members and speaks to the theory saying that informal credit emerges from the trust created within a community.\textsuperscript{139}

The bank did not last for long. It became difficult because it was unclear whether it was legal. Also, the club started to expand so rapidly by the end of 1996 so the bank operators did not have resources to handle the growing amount of members. From the perspective of financial trust it could be assumed that the expansion became too fast for the creation of social ties necessary for informal credit.\textsuperscript{140} Some years later the PAR went to visit its twin organisation Strohalm in the Netherlands. There they were given the advice not to mix the community currency with the legal currency. This

\begin{thebibliography}{140}
\bibitem{135} Amura, Milagros, member, Bernal, 2009-12-16.
\bibitem{136} Archive material: TRUEQUE subtítulo: La Bolsa, Por: Carlos De Sanzo
\bibitem{137} Aglietta (2002)
\bibitem{139} Guiso et al. (2004)
\bibitem{140} Guiso et al. (2004)
\end{thebibliography}
could not be avoided, but it was at least not encouraged by the PAR through the bank or the 10 percent peso “tax” anymore.

By the end of 1995 the first CT, which by then had two branches (one in Olivos and one in the capital), started to experience its first crisis. According to Ravera there were a lot of false rumours and worries regarding that the data in the accountancy system was being manipulated. All of the CT founders believe that the first system had two major errors. The first error is the only one mentioned in earlier studies; that the system required a large amount of work. Covas and De Sanzo had to spend many hours putting the card information into the accountancy system. With the two new CTs, which were also led by the same two men, it became unsustainable.

The second error was that the system compromised the privacy of the members. The system gave the two founders complete access to all the information on every members consumption and production patterns (members used nick-names due to fear of political persecution and could therefore not be identified by non-members). This was regarded an issue both by the members and the founders.

A third error following the other two is that the system centralised the power. All the members had to trust the founders and the computer (which was still not a widely used machine in Argentina) to accept the market transactions. This was a source of conflict between the members and the founders. Additionally, this was also the main reason why co-founder Ravera did not participate at first. Ravera claims that ”the group collapsed because of politics, everyone wanted to be the boss”. De Sanzo recalls this collapse in detail. By the end of 1995 he went to a conference in Mar del Plata and borrowed 140 pesos from the CT without asking for permission. When he came back a member accused him of theft. About the same time the members had a vote where they decided not to put focus on the Circles of Quality and Self-help but rather on the exchange. This can be seen as natural since those rituals of personal trust creation did not have an important function in an economic system of impersonal confidence.

Obviously, the founders did not at that time manage to create legitimacy for their authority. They did not realize that this centralised system required more trust in those managing the accountancy system than personal trust between the prosumers. So the CT of Bernal moved to the house of another member to start over again, this time in a different way. First of all, they stopped doing ”the

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141 One example is prosumers charging parts in pesos, see Bareito & Vergilio (2003), p 17 and prosumers buying in créditos and reselling in pesos, see http://www.lanacion.com.ar/nota.asp?nota_id=211327
shop ritual”. Instead, they invented “the barter fair/street market” (la feria de trueque), putting up market stands. Members also created magazines that included lists of services offered by different members with their phone numbers.142

This development in direction towards a more decentralised economic system can be better understood when considering that the group of members had put a lot of effort in creating trust, not in a leader but in each other. De Sanzo was disappointed, but many thought this new system had advantages. They got to know who they bought from and could ask about the product, just like in real barter. Member Mirta Tassara de Ruffinelly who joined in the end of 1995 explains: “I never did the card [system]. Anyway, personally I didn’t like it because people were very selective. The people in charge of receiving the things left with the best things. Hehe. Like everywhere. On the contrary, in the street market you see it and [say] ‘I want this’.” 143

Instead of continuing with the accountancy system Ravera suggested they would make a horizontal network where every member decided with whom he or she wanted to trade. This would create more complex trade patterns but all exchange would be fully based on personal trust between members. A graphic illustration of this market organisation can be found in organisation scheme 2.

The base of the market was local clubs, called nodes since they all belonged to same barter web/network. These nodes were recommended to each consist of between 20 and 200 prosumers. This was regarded as a good balance between permitting variety in the supply and the need to know all node members to be able to create personal trust.

In this first network everyone could make their own small papers representing a value. These were called los bonos amarillos (the Yellow Bonus) because it was copied on yellow paper. Starting this new system every member received their balance from the accountancy system in yellow bonuses. When new members joined they could create their own notes or receive from others by offering (the word “selling” was prohibited) goods or services. These papers were only backed up by the production of the CT members, which guaranteed that the pieces of paper would have future value, and by their decision to mutually trust each other and accept these pieces of paper as a means of payment. Since a thorough work had been done to create personal trust within the group, there existed a suitable foundation for doing monetary experiments.

142 See for example Boletín Club de Trueque Bernal edited by Juan Alberto and Mirta Ruffinelly or Red Global de Trueque edited by PAR through Horacio Covas
143 Interview Tassara de Ruffinelly, Mirta, member, 2009-12-04, Buenos Aires.

Barter was the ideal in the CT, but if the values between the exchanged products differed this yellow paper would be used to "remember" the difference for later credit. If barter was not possible, the papers would be used for the whole amount traded. This agrees very much with Skaggs argument that the acceptance of lack of immediate exchange is the origin of money.\(^{144}\) There was never a means a payment called *Nodine (no dinero)* translated to non-money) at this period of time in the CT, as seemingly misinterpreted by DeMeulenaere.\(^{145}\)

It soon became clear that the papers emitted by some of the members, especially the founders, were more trusted and so those papers came to circulate as means of payment between the members. For some weeks the papers were signed by the seller and the buyer and then changed for a new paper (see photo in Appendix 4), but this created long queues and the signatures could have implied a legal binding so consequently is was short lived. These different monetary inventions had nothing to do with lack of club currency since anyone was free to print a new currency, contradicting the prediction of Sargent and Velde.\(^{146}\) This internal experimentation was rather driven by an entrepreneurial lust to experiment, the wish to not create high transaction costs and the fact that only trustworthy options worked in practise.

When asked who made the decisions regarding the monetary development in the CT members refer

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\(^{144}\) Skaggs (1998)

\(^{145}\) DeMeulenaere (2002) p. 2. And repeated by Pearson (2003), p.216. DeMeulenaeres source Carlos De Sanzo claims in an interview of this field study that Nodine was the club currency of a Spanish barter club he visited.
to the founders and the founders refer to the members. It is however not as contradicting as it seems. Suggestions and new practises seem to have sprung from members, but it was the recognition from the founders that made it a new accepted standard.

The founders of the CT claim that their initial idea was not to immediately expand, but to experiment in a closed group for a while before introducing their project to the public. However by the end of 1995 a journalist who got to know about the CT published a text about them in the national newspaper La Nación\textsuperscript{147} without their permission. After that they became a popular subject in the mass media. They were presented as an opportunity for people with economic problems, so many people with that economic profile applied for membership. Realising the potential of the club, the founders changed their minds and decided that expansion was good. With the new, horizontal network system there was no problem allowing new members to join.

When Susana Rivano wanted to join the CT after seeing them on the Hora Clave TV-show in 1996 she got in contact with a member of the Olivos node, which was the closest to where she lived. That member recommended her to not join the Olivos branch but in Bernal since they had conflicts about the emission of the bonus in Olivos. Rivano joined in Bernal but soon started going to all the different clubs because of the nice atmosphere and the good income.\textsuperscript{148} Because it became a common practise among members to participate in several nodes, the nodes decided to give out one currency per node. It helped create a common identity for each branch and made it easier to know where the money came from. However, currencies from other nodes were sometimes accepted. Covas explained: “It happened almost by inertia that participants moved to visit each other. But everybody got to the Trueque [CT] through somebody, so everyone was trusted. People were expected to behave responsibly.”\textsuperscript{149}

The field study of this essay does however suggest that many joined in 1995-96 after hearing about the CT in the media without knowing any other member in advance. New members were integrated in the system through obligatory participation in capacitaciones (qualifying classes) before becoming full members with permission to participate in the club markets. These classes were made to teach interested people the functioning and ethics of the CT. Considering this it seems correct to assume that the network had at this stage already reached a certain level of systematic confidence. This confidence could be explained by members considering them selves belonging to the same

\textsuperscript{146} Sargent and Valde. (2002) p. 93
\textsuperscript{147} See La Nación 1995-10-19.
\textsuperscript{148} Rivano, Susana, member/Qualification teacher, Bernal, 2009-12-14.
\textsuperscript{149} Gómez (2009) p.88.
community and/or by members considering the power of the PAR as legitimate.\textsuperscript{150}

### 7.3 A Compilation of the Continuation of the History of Monetary Experiments and Confidence within the Argentinean Barter Network

#### 7.3.1 1997-2002

Between 1996 and 1999 the CT went from 1000 participants in 17 clubs to 320 000 members in 2000 clubs.\textsuperscript{151} In 1997 the node coordinators started an Inter-zone Committee (IZ) with representatives from the different clubs and regions. They decided to change the local club currencies for currencies by zone. The PAR was responsible for printing the currency used in the southern zone. Members were always recommended by PAR to keep the clubs small, 200 members as a maximum, so that members could get to know each other. To use the power of peer pressure in order to keep monetary promises could be appropriate in an economic system based on personal trust. Yet, in practise a lot of members went to many different clubs. \textit{Megaferias} (Mega markets) with thousands of prosumers participating at once also became popular. The currencies had reached a level of impersonal confidence.

In 1997 the Barter Clubs experienced a new crisis that lead to new institutional changes. In the CT of San Pedro politicians were emitting the club currency. To gain popularity they printed loads of papers and gave it to the members. The San Pedro members took the papers, brought a few products and went to other clubs with a greater supply of products. This created high inflation since the papers had no relation to production. It also created a sort of confidence crisis in the system.

Instead of taking a step back to closed clubs based on personal trust the PAR took a decision that, consciously or not, would let the CT expand. They offered to replace the fake San Pedro currency with the PAR currency which had different safety measures. This currency was \textit{los bonos verdes} (the Green Bonus) since they were not just copied on yellow paper but printed in a real currency printer. By doing this move the PAR took the responsibility for monetary promises to be kept within the CT. This proved that the PAR had the power to enforce monetary confidence within the CT movement. These green bonuses would become accepted as the main means of payment in the whole national CT network (RGT) during the following five years. Thus the organisational

\textsuperscript{150} Aglietta (2002) \hfill
\textsuperscript{151} Gómez (2009). pp. 5-6.
structure of the greater RGT kept the PAR in the centre of power. Further the network was organised in local nodes where the prosumers exchanged products with each other and these nodes elected coordinators to lead the organisation in the node. See a graphical interpretation in Organisation scheme 3.


![Organisation scheme 3](image)

The monetary intervention of the PAR was criticised of yet again concentrating power to the founders. Many saw the IZ Committee as a democratisation of the CT, but the founders saw it as an illegitimate politicising. This disagreement grew and eventually in 2001 the network was split into three different networks with the PAR in charge of one, the IZ in charge of another and a third one collaborating with the PAR. Nonetheless, the monetary invention was in fact appreciated, since most members chose to accept the PAR bonuses. It has been found that the confidence in the CT was strongly related to the coordinators being good leaders as well as the good reputation of the CT system generally, represented by the founders.\(^\text{152}\)

The rituals of personal trust creation became less important. The twelve principles (who had altered a bit since it creation) were less studied. In 1996 members needed to go to eight qualifying classes before being allowed to participate in the club market. The required amount of classes per person was decreased over time. Qualification-teacher Juan Albert Ruffinelly explains that this was acceptable as long as the people who were conscious about the special moral of the club were in

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\(^{152}\) Bareito & Vergilio (2003), Cabezudo in videotape from 2003.
majority and could set the standard through peer pressure in relation to the new ones. However, the expansion of the club became too fast for this system to work which in turn resulted in its collapse, according to him.\textsuperscript{153}

Covas expresses a more optimistic interpretation when claiming that qualification classes partly lost its role because the CT became an established social practise. At the beginning it was necessary to deeply explain the CT to everyone involved, but later on explanation was somewhat unnecessary when the practical example was clear to see.\textsuperscript{154} Moreover, in a system of generalised confidence the creation of personal trust looses importance.

For all observers of the development of the CT it stands clear that the very fast expansion was a result of social urgency due to the collapse of the national economy. CT-qualification teacher and member since 1996, Jorge Cabezudo, tells an anecdote that helps explaining how qualification requirement got reduced: One day at the CT market a coordinator asked him to go and talk to a woman who was waiting for him outside. He did and the woman explained that she had participated in one preparation meeting but had some more qualification to do before being allowed to participate in the market. Now her children were hungry so she had brought some shoes, hoping that they would allow her to participate anyway. He told the coordinators to let her in. Her shoes were very popular and she was able to bring plenty of food back home to her hungry children.\textsuperscript{155}

When PAR started giving out the Green Bonuses the emission got formalized into 50 \textit{créditos} per new CT member (some nodes chose a lower amount though).\textsuperscript{156} The idea was to let the monetary base expand in rate with the increasing production, keeping prices relatively constant. This was a conscious slight over emission with the purpose to create just a little inflation so that members would not accumulate, according to Ravera.\textsuperscript{157} These 50 \textit{créditos} were seen as a sort of interest-free micro loan, permitting members to start up new micro enterprises within the CT. When joining, the new member signed a paper saying that the 50 \textit{créditos} would be paid back if leaving the CT. There was however no way of enforcing repayment.

So how come this informal credit could be created if there were no social ties between financers and financee, as Guiso et al claim is required?\textsuperscript{158} The simple answer is that there was no real financer.

\begin{flushleft}
\textsuperscript{153} Ruffinelly, Juan Alberto, Qualification teacher, 2009-12-04, Buenos Aires.
\textsuperscript{154} Covas Horacio, founder, Luján, 2009-12-20.
\textsuperscript{155} Cabezudo Jorge, member/Qualification teacher, Buenos Aires, 2009-12-09. Anecdote told after recorder being turned of.
\textsuperscript{157} Ravera, Ruben, founder, Buenos Aires, 2009-11-16.
\textsuperscript{158} Guiso et al. (2004)
\end{flushleft}
Nobody had to lend its money since the PAR as financer just printed the money. This explains why no interest was necessary. The cost and risks of lending money was not carried by an individual financer but by the whole community of CT members. Besides, social ties existed because members were in the same CT community.

In 1999 the PAR invented *la franquisia social* (the Social Franchise) sending CT start-up-kits over the whole country, charging 2 pesos from every new member. Whether they did this in order to help as many as possible take part of CT economy,\(^\text{159}\) to control as much of the movement as possible (which was also a consequence), or to get peso fees from as many new members as possible,\(^\text{160}\) depend on who you ask.\(^\text{161}\)

In 2002 Argentina was experiencing its worst economic crisis in history and the CT had, partly due to the Social Franchise, become an important source of income for a substantial part of the country's population. The same year the CT reached its peak with 2.5 million participants in 4700 centres across the country.\(^\text{162}\) However, the same year the confidence in the CT was questioned again and the CT experienced its third great crisis. The quality of the CT products had gradually decreased, forged *créditos* had started to appear and the club economy consequently experienced high inflation. All in all, the monetary promise to maintain the value of the currency was not kept. Many, diverse and conflicting explanations has been given about why this happened. The explanations can be divided in three categories of blame: the members, the founders and the government.

Blaming the members is done by pointing at the fact that there were members who did not produce but brought second hand goods donated by the church. Other members thought this destroyed the working moral necessary to back the club currency. It also awoke a sort of reverse selection, were those who did produce or brought things they had previously bought felt cheated and left the club. Many members also accepted to use notes that were clearly forged and raised prices against advice.\(^\text{163}\)

Those who blame the PAR argue that a high moral standard would have been maintained if rules had been set and followed. Susana Rivano remembers that she was asked by the PAR

\(^{159}\) De Sanzo, Carlos Alberto, founder, Quilmes, 2009-12-01.

\(^{160}\) Rivano, Susana, member/Qualification teacher, Bernal, 2009-12-14.


\(^{162}\) Gomez (2009) p.6

\(^{163}\) Frequent argument among informants, see also Gómez (2009) p 116-117 and Clarín 10/7-2002 and 24/4-2002 (see Internet sources).
administration\textsuperscript{164} to stop discriminating when she told members that they had to produce something to be allowed to participate. According to her the fast expansion was not an expression of solidarity, but allowed because everyone paid the founders in pesos to become members. Rivano thought that the lack of good products in the club could also be the result of some coordinators buying the best products with créditos\textsuperscript{165} in order to re-sell them in the formal peso market. This view is supported by a research paper from 2002.\textsuperscript{166}

Heloisa Primavera, spokesperson for a ”competing” CT network, argues that the inflation was a result of the PAR not keeping count on the quantity of club currency emitted. According to her it was fraud to charge pesos for a worthless currency.\textsuperscript{167} As a result of the CT crisis the good reputation of the founders, so important for confidence in their currency, was ruined. Like De Sanzo puts it: ”first we were the good guys, then we became the bad guys”.\textsuperscript{168}

The PAR claims that the Duhalde government is guilty of the collapse of the CT. PAR was invited to a meeting, arranged by the government, with the heads of the regional banks that were emitting quasi-currencies. The government had, according to the founders, been told by the IMF that they had to abolish these quasi-currencies in order to get another loan. The banks were told that they would get the possibility to exchange their regional currencies to national money. The PAR asked what the government intended to do with the CT. They replied that the créditos did not represent a quasi-currency. After that, unknown persons started appearing outside of the CT markets giving away or cheaply selling bundles of créditos. When speaking of this, all the three co-founders draw a parallel to how Hitler strategically forged dollars during the Second World War.\textsuperscript{169}

According to the founders, the popularity of the CT was a threat to the clientelistic practice in Argentinean politics. The CT took away the clientele from the benefit providers, but the government managed to take it back. The congress came up with a new social security program called Plan de Jefes y jefas de familia (Head of the Family Plan) that was offered to unemployed parents. However, membership in the CT counted as a sort of employment. Obviously this

\textsuperscript{164} During its peak the CT had 15 offices and 120 people working being paid in créditos according to Covas. Medina claims that he and his wife earned 3000 créditos (equivalent to dollars) per month working in the administration.

\textsuperscript{165} Rivano, Susana, member/Qualification teacher, Bernal, 2009-12-14.

\textsuperscript{166} Powell (2002) p. 631

\textsuperscript{167} Primavera in Hintze (2003) p 130 and Clarín 19/2-2003 (see Internet sources).

\textsuperscript{168} De Sanzo argues that the news paper Clarín in the year 2002 tried to undermine the confidence in the RGT by giving them bad publicity. By going through all the articles from 2002 searching on “trueque” on clarin.com this argument can not entirely be confirmed. Most articles do in fact present a positive image of the network, its founders and members. Only one text including critical perspectives on the RGT was found (http://www.clarin.com/diario/2002/04/24/c-03101.htm), written by Heloisa Primavera. Many articles cover the networks problems with forgery, even if this was not done explicitly to undermine confidence in the network it might have been a consequence.

\textsuperscript{169} De Sanzo, Carlos Alberto, founder, Quilmes, 2009-12-01. Covas Horacio, founder, Luján, 2009-12-20. and Ravera, Ruben, founder, Buenos Aires, 2009-11-16.
decreased the advantages of being a CT member.  

From the perspective that the CT had reached a level of systematic confidence one could argue that the emitter of the currency, with other words the PAR which was led by the founders, was responsible for enforcing the value of their currency. No matter who was to blame, it was proved that neither the PAR nor the existing CT system was worthy of a systematic confidence since they could not handle the crisis. Their currency could not keep the promise that members would get something back when accepting the club currency as payment for their products. When the personal trust-creating rituals—such as the Circles of Quality and Self-help or the qualification classes—got reduced, there were no new practises replacing them except a fragile impersonal confidence in PAR and the contemporary CT system. The anarchistic market model invented by Ravera did not admit strict rules or too much control. But mechanisms of peer pressure did not work in the rapidly expanding, non-discriminating network and there was no other rule-enforcement substituting it.

Researcher Georgina Gómez tested the Sustainability of Governance Systems in the Trueque [CT] in 2002. It can be seen as a test of confidence worthiness since it gives a clue of whether or not the systems will be able to keep the monetary promise to maintain the value of its currency. The test was done by analysing the input legitimacy, rule enforcement, resource synergies, transaction costs and organisational costs in the three different networks, plus local groups that did not belong to any network. The network with the worst score is the RGT led by the founder and the best score was achieved by the local, isolated clubs.  

The local CT’s scored higher than the RGT since they did basically not have any costs, and rule enforcement was high since exchange was still based on mutual trust between members who knew each other.

7.3.2 After the Convertibility Crisis, 2002-2009

After months of searching for a new company to print a club currency with even more security measures, it was finally achieved in 2003. The founders then asked people to replace all their old vouchers for the new ones, but the receiving upper limit was set to 60 000 créditos per member. This created further frustration for members who had been saving, against recommendations, to buy something more expensive in the club market. Many did not give the creditós back, so the idea of

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170 confirmed by Gómez (2009) p 118
171 Gómez (2009) pp. 128-130
172 Gómez (2009)
the 50 * créditos* to new members being a micro loan was abolished.\(^{174}\)

With the new, safer RGT currency, two new concepts were introduced. The first was that the currency was a discount bonus or a voucher, like those given to regular customers by supermarkets or airline companies. The PAR wanted to, once and for all, remove the idea that the club currency was money. So they started to explain that the * créditos* are a sort of discount bonus owned by the publishing company PAR and give a 100 percent discount within their club markets.\(^{175}\)

The other concept introduced was "oxidation".\(^{176}\) The concept was first invented by Silvio Gesell in 1918 in his book The Natural Economic Order. The idea is to create disincentives for accumulation and make money more "biological" by letting it loose its value (like biodegradation). Some clubs, like the one examined by Placencia took the concept literally and started a system much like the one practised by Gesell's friends in 1920\(^{th}\) Germany (see further explanation in the literature chapter).\(^{177}\)

Gómez states that "after two years the demurrage scheme was abandoned in most of the new PAR nodes, mainly because participants did not understand how it worked and it was too complicated to implement in practice".\(^{178}\) This might be true, but this interpretation might also be a consequence of disagreement regarding the definition of oxidation. Placencia (seemingly like Gómez) argues that:

"...oxidation and inflation are phenomena that have some common consequences (for both, hoarding is penalised and it increases the velocity of circulation), they also have very different consequences: in the case of inflation, the increase in velocity is not followed by more goods but by a new increase in the general price level, which is very far away from the effect produced (and desired) by oxidation."\(^{179}\)

Nonetheless, Ruben Ravera, who is the most active representative of the barter movement in Argentina these days, does think that Keynes inflation-interpretation of Gesell’s oxidation-idea\(^{180}\) was practical. He explains:

"We said; let us plant an inflation like the countries do, let’s decide on a certain percentage of inflation so that people don’t hold back. (...) We wanted the bills to move. (...) it is familiar to Argentinians to raise the price of things. (...) We went for inflation because we thought that the Argentinians are prone to inflation."\(^{181}\)

So the annual 12 percent loss of value was maybe no longer done by changing vouchers for new ones with a lower value, but it seems to be done by a slight over emission.

In this system qualification classes were mainly given to coordinators. The coordinators were

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\(^{175}\) Interviews Interview De Sanzo, Carlos Alberto, founder, Quilmes, 2009-12-01 and Ravera, Ruben, founder, Buenos Aires, 2009-11-16. See also Gómez p. 137


\(^{177}\) Placencia (2009).

\(^{178}\) Gómez (2009) p. 137

\(^{179}\) Placencia (2009) p. 48

responsible for making sure every one in their node knew each other and felt welcome.\textsuperscript{182} This development agrees with the idea that in a monetary system of impersonal confidence the confidence in leaders is more important than trust between members. A study has shown that one way of creating commonness in this system was the use of special expressions and words that were only understood by people familiar with the CT and the node. This was also a cause of feelings of exclusion since the coordinators did not manage to spread these common symbols. As participation declined so did the systematic confidence in the CT.\textsuperscript{183}

Gómez did, however, find a high level of generalized confidence, but a slightly higher level of personal trust in the CT in 2004. When asked “would you sell on credit and get paid next week?” 42.2 percent answered that they would sell to most people (general confidence), 45 percent said that they only would sell to those they knew well (personal trust) and only 12.8 answered no or only exceptionally. This can be interpreted in many ways. One interpretation could be the one suggested by Guiso \textit{et al}, namely that the effect of social capital is stronger when legal enforcement is weaker and that social capital emerges from membership in a community such as the CT.\textsuperscript{184} Another interpretation relates more to Skaggs theory that money is nothing but credit put on paper.\textsuperscript{185} The philosophy that was taught in the CT was that the \textit{crédito} was not money but just pieces of paper to remember credit,\textsuperscript{186} so no wonder so many members accepted other members’ word as means of payment when they lacked Green Bonuses.

However, the RGT did no longer represent the currently most important CT in Argentina. Gómez claims that of 700 clubs operating in 2004-2006\textsuperscript{187} fewer than 100 maintained in contact with PAR and the rest operated independently.\textsuperscript{188} Setting this fact in relation to the result of the Sustainability of Governance Test further emphasises the importance of confidence in the power of the emitters for their currency to be used.

More then a decade after the birth of the first Barter Club the movement was still alive, but in a smaller scale than during the Convertibility Crisis. After years of experimentation most of the

\textsuperscript{181} Interview Ravera, Ruben, founder, Buenos Aires, 2009-11-16.
\textsuperscript{182} Bareito & Vergilio (2003), Cabezudo in videotape from 2003.
\textsuperscript{183} Bareito & Vergilio (2003), pp 14-18.
\textsuperscript{184} Guiso \textit{et al.} (2004)
\textsuperscript{185} Skaggs (1998).
\textsuperscript{186} Gomez (2009), p. 78.
\textsuperscript{187} On page 17 Gómez claims that the numbers of clubs where mostly unchanged between 2004-2006, but on page 119 Gómez claims that half of the 700 operating in 2004 had closed in 2006.
\textsuperscript{188} Gómez (2009), p. 118
prosumers who did not leave the CT decided to use to the 1996 personal-trust-based model.\textsuperscript{189} In 2008 the Argentinean national news paper La Nación claimed that the CT movement was once again growing, due to increased peso inflation.\textsuperscript{190} Yet in Bernal there is no club operating at present.

A compile of the different CT currencies described in this essay and their design is found in Table 2.

<table>
<thead>
<tr>
<th>Time period</th>
<th>Appellation</th>
<th>Characteristics</th>
<th>Reasons to abolish</th>
</tr>
</thead>
<tbody>
<tr>
<td>1980s</td>
<td>Buy and sell bonus</td>
<td>Double, one time use, paper money.</td>
<td>Limited experiment.</td>
</tr>
<tr>
<td>May 1995- December 1995</td>
<td>Credit Cards</td>
<td>Personal cards controlled in accountancy system.</td>
<td>Impractical and confidence crisis.</td>
</tr>
<tr>
<td>December 1995-1997</td>
<td>Yellow Bonus</td>
<td>Emitted individually, later by nodes, then by zones.</td>
<td>Trust crisis.</td>
</tr>
</tbody>
</table>

Sources: Interviews and Gomez (2009).

7.4 Substitution or Complementation between Créditos and Pesos?

The CT currency was made to be a complement. As mentioned in the theory chapter on CCS:s, club currencies lack access to important inputs and infrastructure due to its limited scope and scale. That means that CT members would have problems if trying to live entirely from the CT. However they could choose to use the CT only to complement with products that they could not sell or buy in the formal market or they could substitute all the possible products from the formal market for available equivalents in the CT. The later option could indicate a higher confidence in the CT than in the formal economy.

It is reasonable to ask how it became possible that so many used a club currency instead of legal money. Gómez explains that:”Participants (...) turned their back on the regular economy and its

\textsuperscript{189} Gómez (2009) and “Vuelven los clubes de trueque en el GBA”(2008)
\textsuperscript{190} “Vuelven los clubes de trueque en el GBA”(2008)
currency, which was excluding them”.\textsuperscript{191} So was the substitution a result forced by exclusion or voluntary as an expression of lack of confidence in the formal economy? Perhaps both.

Gómez finds a strong anti-cyclical correlation between GDP growth and the amounts of members in the CT different years (though she emphasises that once the movement was institutionalised other factors than macroeconomics came into play).\textsuperscript{192} The fact that unemployment and underemployment was very high and no social security scheme existed indicates that the substitution was forced by need. Even though a majority of the members claimed that they liked the CT because it gave them social contacts, a comment by a 2004 member illustrates that for some members participation was indeed forced: ”I think that when people say they like the Trueque [CT], they lie. Coming here is like admitting that you are a loser in the real economy.”.\textsuperscript{193}

This view is supported by a study showing that the use of créditos was closely related to the decreased money supply in Argentina.\textsuperscript{194} After the peak of the CT a great majority of crédito users, 89 percent, reported that if they had the choice, they would prefer to be paid for their products with the national currency as opposed to the créditos.\textsuperscript{195} Access to pesos through unemployment insurance was something that decreased the acceptance of créditos. Internal factors also had effect on the acceptance of créditos; the use of low quality paper for the notes as well as belonging to a national network (which created higher transaction costs) were both factors that increased the probability of members leaving the CT and its currency.\textsuperscript{196}

Dollarization, such as the Argentinean one during the Convertibility Plan, is often interpreted as currency substitution. An Argentinean investigation has analysed the phenomenon of dollarization as an expression of ”Gresham’s law in reverse”.\textsuperscript{197} To stop dollarization the researchers suggest that a government needs to make its currency the better option by reaching a lower inflation rate.\textsuperscript{198} Argentina did experience a low inflation rate in the late 1990s,\textsuperscript{199} however the Argentinean peso had low confidence.\textsuperscript{200} Moreover the corralito excluded many from the financial market through

\begin{footnotesize}
\begin{enumerate}
\item[192] Gómez (2009), p11.
\item[193] Gómez (2009), p. 142.
\item[194] Blackburn & Colacelli (2006).
\item[195] Blackburn & Colacelli, p. 9.
\item[196] Blackburn & Colacelli, pp. 15-23
\item[197] Guidotti & Rodríguez (1992). Gresham’s law states that “bad money drives out good”. In a metal-coin economy people tend to save coins with a high gold or silver content and try to get rid of possible fake coins, putting the fake ones in faster circulation. See Chown (1994) p. 16. In a paper based economy the law is reversed: ”good money drives out bad” since people prefer to use safe currencies.
\item[198] Guidotti & Rodríguez (1992) p. 24
\item[199] Bonnet (2002), pp. 78.
\end{enumerate}
\end{footnotesize}
high rates of interest (in comparison with the CT), negative changes in total investment, banks becoming bankrupt and the freezing and disappearance of bank deposits.

At the same time the crédito had an advantage of offering everyone an interest-free micro loan and a market free from value-added tax. A disadvantage was of course the rising inflation within the CT. Blackburn and Colacelli found that those who accepted to use the CT currency as a complement had a monthly gain, summing up to more than 15 percent of the average Argentine’s monthly income. The CT was given praise in the mass media, at the same time as representatives of the formal economy were portrayed as corrupts. This indicates that people to some extent voluntarily might have preferred the use of créditos over the use of pesos.

Thus the answer to the headline question seems to be that the crédito was in most cases complementing but in some cases substituting the peso. It is possible that substitution was more common before the CT started to get into problems and the formal economy started to recover. The founders have often told the true story of the pioneer member Ana who had economic problems in 1995. De Sanzo gave her some of the surplus pumpkins from his garden. Ana started to produce pumpkin jams and sweets for the CT and over a year she earned the equivalent of three times her peso income. In this specific case it could almost be said that the peso turned into a complement to the crédito. Unfortunately all available surveys cover the period after the CT peaked, making assumptions about the previous period loose.

As this analysis has shown the question of confidence and credit is not a one-way-relation. People might prefer to use legal money, but the conventional system can exclude users from its currency by destruction of labour and loan opportunities, leaving people without liquidity. This lack of credit towards potential borrowers and the unemployed is what lead people not to rely on the formal system. In such cases informal credit and labour become essential, as shown in the Economic History literature on informal credit and in this essay.

201 International Monetary Found, homepage.
202 International Monetary Found, homepage.
204 See footnote 116.
206 Gómez (2009), p. 73.
207 Hellgren (2003) and Guiso et al. (2004)
8 Conclusions

This study has been lead by three questions. We will look at each question and summarise how they were answered.

How did the Argentinean Barter Club’s means of payment function and develop?

This study shows that it is not correct to speak of one means of payment in the CT but rather a series of monetary experiments. Within the CT non-monetary exchange has always been the ideal but seldom the practise. Influenced by earlier market experiments they started their first club using an accountancy system to control the exchange of equal values.

However some conflicts about confidence, the request to expand the movement and cover more consumption needs lead the club to develop their means of payment. The club currency became more accessible and individualised. At the same time more safety measures were introduced regarding the notes and the emission got more and more centralised.

At the same time the national currency was experiencing a period of very low confidence and many citizens substituted and/or complemented national money with the club currency. However, the CT was not made to substitute national money, only complement it and show that an ethically guided monetary development was possible. For substitution the CCS lacked important material inputs and institutions of rule enforcement.

Put in a situation of competition with the government, the big scale CT proved insufficient. So while the national economy started to recover the CT went back to smaller scale clubs rather complementing than substituting the national currency.

It is striking how the characteristics of the club currency moved towards the three functions of money, discussed in chapter 4, even though the founders explicitly wanted to avoid that. They started the project because as a criticism of the contemporary functions of money. But as a result of the lack of rule-enforcement and the urge from the public the club currency became very similar to normal money.

Why was the Argentinean Barter Club’s means of payment created, according to its initial users?
The answer to this question should be considered vague, remembering that the source does not meet the criterions of Source Criticism discussed earlier. According to most of the informants of this study the CT and consequently its currency were created because the founders and the initiating members perceived the formal, globalised economy as problematic. This lack of confidence drew them to try to create an option that would show solidarity with workers and the environment. They claim that they wanted to create a new kind of money that would not slip out of people’s hands but help them to do ethical considerations. The fact that the CT improved their economy gave further motivation.

This study suggests, in contrast to assumptions made in earlier studies, that these initiators did not create the club because of personal economic problems. It is however known that massive personal (common) economic problems were the reason why the CT later on became a huge organisation. A possible learning from this is that historical development is not always as linear or logical as investigators might wish. A phenomenon can arise on the basis of one event and then take a turn and develop due to a completely different reason.

**How was trust and confidence in this means of payment created?**

Aglietta argues that personal trust is created by common symbols, rituals and a "club mentality". In the CT this was done the first period in the Circles of Quality and Self-help at every meeting. Later on members had to do qualification classes before being allowed to participate in the club market. Then these classes were most often only given to the coordinators of nodes. The 12 principles were supposed to create a feeling of commonness.

Aglietta continues by saying that impersonal trust is created by the legitimacy of a national government as the emitter of money. In "the land of the CT" the PAR worked as a sort of government. For a long time the good, ethical reputation of the founders in combination with a high working moral among members was enough to legitimate the movement’s means of payment to reach a level of impersonal trust.

There were however forces in the opposite direction, dissolving the confidence and trust. This could be political fights, lack of communication or unpunished immoral behaviour. If dealt with in an efficient way these confidence crises had the possibility to even strengthen the existing trust and lead it to a higher level of systematic confidence. When "the promise to pay" could not be maintained anymore, due to inflation and better options available, the CT bubble broke. Then the
movement went back to a small scale system based on personal trust between a limited numbers of local club members.

8.1 General conclusions

This essay has argued that money is not a neutral tool, but dependent on and filled with different types of trust. People need to trust that promises will be kept in the sense that value will be maintained, in order to accept money as a means of payment. A resulting question is; who does a person trust and who is responsible for keeping the promise? This essay highlights the importance of money-printing institutions understanding what level of trust they need to support. Personal trust and impersonal confidence works differently and this difference should not be underestimated. The confusion regarding what kind of trust the CT was dealing with seem to have provoked confidence crises. The CT and its currency could only develop when responding to these crises in an accurate way.

Looking at the reinvention of money done in the CT in the 1990s one should obviously not expect it to follow the historical pattern of barter leading to intermediation through money with an intrinsic value and then to a fiduciary based paper money. One reason is probably that the CT is a quite recent phenomenon. The CT’s first system was in fact very much like the latest advances within monetary development: credit card transactions controlled by a computer system. Money with an intrinsic value was never used, which rather agrees with Macleod’s/Skagg’s view that all money is credit and not symbols of barter.

The CT currency does not follow the predicted pattern of institutionalisation of monetary trust starting in personal trust and moving towards impersonal confidence, as theorized by Aglietta. The history of the CT is just like history in general full of non-linear ruptures. The CT started with a system based on impersonal confidence (the accountancy system), then changing it to a system of personal trust (the Yellow Bonus). When personal trust could not be maintained they invented a system of impersonal confidence (the Green Bonus), however that confidence could not be maintained either which pushed nodes to isolate them selves and once again depend on personal trust. This rather link together with the economic and political fluctuation so typical for Argentina.

The findings of this essay do however strongly relate to Sargent and Veldes theory of The Big Problem of Small Change. The great expansion in the use of the club currency seems to be strongly related to exclusion from the formal market. The distress caused by the national crisis lead people to
monetary invention. A previous study found that lack of money in circulation was the main reason why the CT took such magnitude. However, lack of club currency had little role in the monetary development that took place within the club. The wish to lower transaction cost and diversify consumption was surely one motivation, but what actually caused great change were failures and successes in creating trust or confidence.

This implies that lack of money might cause monetary inventions. But it is the success in creating impersonal trust that gives the invention power to affect the whole society. The capacity of a money-printing institution to create and maintain impersonal confidence seems to play a decisive role in the success or failure in the acceptance of their monetary invention. If they do not manage to create confidence in their monetary system their invention will not be used as money.

The interpretation of the Argentinean dollarization process as an expression of Greshams Law in Reverse (good money drives out bad) in combination with the theory of Sargent and Velde (money shortages causes monetary inventions) and the findings of this essay suggest that while in a metal based currency system shortages occur as a result of too high metal value, in a fiat money system shortages can be the result of inferior trust management.

Generalisations should be made carefully. The CT is a very special phenomenon in a specific historical and geographical context. These conclusions might have a limited significance in other more complex monetary systems, but considering the academic debate about Complementary Currency Systems the conclusions probably have greater validity.

For future research it seems like an interesting possibility to use Complementary Currency Systems to test theoretical assumptions empirically. The finding of this essay regarding the social group of the first CT should be more thoroughly researched. The question of whether CT members complemented or substituted pesos before the CT movement peaked could also be furthered examined.

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10 Appendix 1: Quotes in original language – Citas en castellano


Ruben Ravera: “Si yo estoy en una sociedad economica y retiro la moneda y la secuestro, no hay ninguna ley que me obligue a devolverla. En Argentina ocurrió, sacaron toda la moneda y nadie dijo: “este señor es un secuestrador”. Si secuestras a una persona, a un perro, ¿qué pide el secuestrador? Un rescate. Cuando el sistema financiera secuesta la moneda, ¿qué pide a cambio? Me pide una tasa de interes.” P.18.

Carlos De Sanzo: “Crear una moneda que no saliera de las manos de la gente.” P. 23.

Carlos De Sanzo: “Nuestra meta era crear un mercado protegido para aquellos que no podían mantenerse a flote en el mar embravecido de la globalización económica.” P.26.

Ruben Ravera: “El grupo colapsó por la política, todos querían ser el jefe.” P. 33.

Mirta Rufinelly: ”Yo no conocía de la ficha. Además a mí no me gustaba porque las personas eran muy selectivas. Las personas que eran las encargadas de recibir las cosas se iban con las mejores cosas. Jaja. Como en todo. En cambio en la feria las ves y [dices] ‘quiero eso’.” P. 34.

Carlos de Sanzo: “Primero éramos los muchachos buenos y después los malos.” P. 41.
Adela Placencia: “Si bien oxidación e inflación son fenómenos que tienen algunas consecuencias semejantes (en ambos el atesoramiento es penalizando y se eleva la velocidad de circulación), también tienen consecuencias muy distintas. Principalmente porque detonan mecanismos de propagación diferentes: en el caso de la inflación, el aumento en la velocidad de circulación no se acompaña de mas bienes, sino de un nuevo aumento en el nivel general de precios, lo que esta muy lejos de ser el efecto producido (y buscado) por la oxidación.” P. 43.

Ruben Ravera: “Dijimos: vamos a plantear una inflación como lo hacen los países, vamos a fijar un dot [sic] porciento de inflación. Para que la gente no retenga (...) Nosotros queríamos que se movieran los billetes. Dijimos: vamos a redistribuir permanentemente, así pierde su valor. Es entrañable entre los argentinos, subir el precio de cosas (...) Nosotros nos pusimos en inflacionar [sic] porque pensábamos que el argentino es mas proclive a inflationar.” P. 43.

Mariano Grondona: “¿Es un grupo de auto-ayuda para desocupados, es correcto o no es correcto?” Horacio Covas: “El grupo en su composición, es una red abierta. Dentro de esta red de trueque, el club de trueque, hay desocupados y gente subocupada, también hay profesionales y también hay gente que quiere colaborar, o sea, está armado para toda la sociedad.” (Appendix 3)

Horacio Covas: “tres anarquistas postmodernas” (Appendix 3)

11 Appendix 2 Principles

Twelve Principles of the Argentinean Barter Club 1998

1. Our fulfillment 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 do 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 organized 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 behavior 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.
12 Appendix 3: The social group of the initial Barter Club

A lot of attention has been drawn to the fact that the CT as an economic self-help group was not dominated by the structural poor but by Argentina’s ”new-poor”, also referred to as the disenfranchised middle-class.208 The CT started in a year of economic recession with unemployment rates as high as 18.4 percent.209 It seems to be assumed that that the first club therefore must have sprung from the disenfranchised middle-class.210 Since no studies so far have focused on the initiating barter group, it is worth to analyse its socio-economic standard.

The first club of what was to become the Global Barter Network (el Red Global de Trueque) started in the municipality of Bernal, in the Quilmes division placed in the second cord (in relation to the capital), in the province of Buenos Aires. Bernal was an industrial municipality with many factories that closed down during the wind up of the Import Substitution (in the 1970s). Bernal turned in to a dormitory town and some of its old factories were turned into culture centres. Although Bernal contains all social and economic groups, the middle and upper classes dominate. Many of the CT members refer to Bernal as an intellectual town, influenced by its two universities.211

The founders were in their late 30s and early 40s and though there were a wide variety of ages, most of the participants were a bit older than the founders. As previously described the three founders were two Trotskyists and one anarchist, or as Covas puts it:”three post-modern anarchists”. The people invited to start the CT on the other hand had wide spread political ideals. Many can be described as centre-left or not politically engaged, but right wing and fascist friendly opinions was also found among the ”pioneers”. This is consistent with economist Gill Seyfang’s claim that Community Currency Systems ”are equally advocated by holders of opposing ideologies, for quite distinct political and economic reasons.”212

Remembering that the statistical material of this field study has some issues with representation, it is worth to mention that the first members of the club did in fact not seem to have great economic problems. This might be due to the selection of informants made by Ravera who seemed to choose...
highly educated male informants, just like him. In fact both of the two informants that were not chosen by Ravera did have economic problems when joining the CT.

Still seven members is a reasonably high representation from the first group in 1995. It is hard to tell exactly how many they were since informant estimations run between 15 and 60 persons (possibly due to what meeting they remember and refer to). 23 members is a number often repeated, referring to the very first club meetings.\textsuperscript{213} An interesting piece of evidence regarding the number of members is found in a flag done for the $6^{th}$ anniversary of the CT. It declares that the ”pioneers” of the first club in 1995 were 37 persons, of which 13 were men and 23 women (and one could not be identified).\textsuperscript{214}

Of the 10 informants of the due study seven joined in 1995 and three in 1996. Those seven represent almost 30.3 percent of the original 23 members (or 18.9 percent of the 37). In such a small population this can create a strong bias. With this in mind it is however interesting that of these seven members (the three founders included) only one did have economical problems in 1995 (and not due to the recession but to divorce). See Table 3.

\begin{table}[h!]
\centering
\begin{tabular}{|l|c|c|c|}
\hline
Member since & 1995 & 1996 & Total \\
\hline
Economic problems & 1 & 2 & 3 \\
No economic problems & 6 & 1 & 7 \\
Total & 7 & 3 & 10 \\
\hline
\end{tabular}
\caption{Economic problems among 10 CT members 1995 and 1996.}
\label{tab:economic_problems}
\end{table}

In 1996 the CT was introduced to the national public in the popular TV-show Hora Clave. In this show the talk show host Mariano Grondona asks the leading question: ”You are a self-help group for unemployed, right or wrong?” . Horacio Covas answers: ”The group is assembled as an open network. Within this network, the Barter Club, there are unemployed and underemployed, there are also professionals and people who want to collaborate. That is, it is made for the whole society.”. By the end of the show after interviewing many members, Grondona concludes that the economic part does not seem very important for the members but rather that the club seemed to be a way of giving each other hope and to lift the spirit.\textsuperscript{215}

\textsuperscript{213} For example ”Siglo XXI La vuelta al trueque” (1996-11-10).
\textsuperscript{214} Interview De Sanzo, Carlos - Ravera, Ruben, Buenos Aires, 2010-01-09.
\textsuperscript{215} Hora Clave, video tape, el Museo de Trueque
This finding is also confirmed by comments in some of the interviews made.\textsuperscript{216} It implies that many of the CT members in 1995 were not yet disenfranchised. In that case it would not be correct to argue that the CT started only as a result of economic problems among the initiators. It does on the other hand not exclude that the starting of the first CT was closely related to economic worries and insecurity as a consequence of the macro economic changes, which at that moment seemed to lead to problems.

Many of the original CT members thought that the fact that there were professionals such as a dentist, a lawyer and a psychologist (see List of professions among 9 CT members 1995) bartering their services in the club helped drawing positive attention to the somewhat odd experience. This was not a normal flee market, but a moneyless market for services and products for essential human needs.

\begin{center}
List of professions among 9 CT members in 1995.

director of museum
psychologist
primary school teacher
computer systems analyst
teacher and restaurant owner
dentist
chemist
lawyer
director of a theatre
\end{center}

Source: Interviews and Ravera (2009-11-16)

13 Appendix 4: Photos of CT currencies 1995-1996

The credit card of the accountancy system in the Argentinean Barter Club 1995. (Las tarjetas de crédito del sistema de contabilidad en el club de trueque, 1995.)

The Yellow Bonus with two signatures of the horizontal system in the Argentinean Barter Club 1996. (Bonos amarillos con dos firmas del sistema horizontal del Club de trueque, 1996.)
14 Appendix 5: Interview Questions to the CT - Preguntas de la entrevista con el Club de Trueque

Español (English).
Estas preguntas que siguen son la primera versión, después de cada entrevista las preguntas fueron un poco corregidas y mejoradas. No había preguntas directas sobre confianza. Sin embargo, si un informante mencionó algo teniendo que ver con confianza se le pidió que desarrollara y explicara más sobre el tema. (This is the first version of the questions, after every interview the questions were a little bit changed and improved. There were no direct questions about trust. However, if an informant mentioned something related to trust or confidence, he/she was asked to develop and explain more about it.)

- ¿Si le cito en mi informe, puedo mencionar su nombre o prefiere permanecer anónim@? (If I quote you, can I mention your name or do you want to be anonymous?)

- ¿Cuántas personas eran al comienzo, el primer mes? ¿Cuántos hombres y cuántas mujeres? (How many people were in the CT during the first year? How many men and how many women?)

- ¿Se acuerda de la primera vez que participó en el trueque? ¿Cuándo fue? ¿Quién le invitó? (Do you remember the first time you participated in the CT? When was that? Who invited you?)

- ¿Qué sistema de intercambio practicaron al principio? ¿Habían variaciones en la forma de hacer el trueque durante el primer año? (What kind of exchange system did you practice in the beginning? Were there variations in how you did the bartering during the first year?)

- ¿Qué otros tipos de sistemas de trueque probaron? En un texto que he leído se menciona que experimentaron con un medio de cambio al que le llamaron “Nodine”. ¿Qué era? ¿Cómo se distingue del bono que llegó después? (Did you try any other systems? I have read in a text that you experimented with a means of payment called “Nodine”. What was that? Which were the differences between Nodine and the bonus that came afterwards?)

- ¿Por qué empezaron a utilizar créditos? ¿Recuerda la primera vez que utilizaron el crédito? ¿Se acuerda cuándo fue? ¿Quién tuvo la idea? ¿Qué importancia tuvieron los créditos para el desarrollo (los cambios que hubieron) del club? (Why did you start to use the credit? Do you remember the first time you used the credit? When was it? Who came up with the idea? Which importance did the credits have in the development (the changes that were made) in the club?)

- ¿A ver si he entendido el desarrollo bien....? (Ok, let's see if I have understood the development correctly...?)

- ¿Cuál era la mayor diferencia entre su bono y el peso? (What was the greatest difference between your bonus and the peso?)
- ¿Cuál fue la mayor diferencia entre el mercado de trueque y el mercado convencional? (What was the greatest difference between the CT market and the conventional market?)

- He entendido que mucho más tarde tuvieron problemas con falsificación de los créditos. ¿Hubo algo parecido el primer año? (“No” – ¿Por qué no?) (“Sí” - ¿Cómo se realizó? ¿Cómo reaccionaron?) Si tenían diferencias en el club el primer año, de qué se trataban? (I have understood that much later you had problems with forged credits. Did anything similar happen the first year? If “no”: Why not? If “yes”: How? And, how did you react? If you had different opinions within the club the first year, what was it about?)

- ¿Cuál es la idea de los micro préstamos? (What is the idea behind the micro loans?)

- También he leído que en un comienzo los nuevos miembros tenían que participar 3 meses antes de recibir los cincuenta créditos. ¿Cuándo y por qué cambiaron el sistema? (I have also read that at first members had to participate 3 months before receiving the 50 credits. When and why did you change the system?)

- ¿En el club de trueque tienen que pagar impuestos? “Sí” - Que tipo, IVA? Pueden pagar en créditos? ¿Quién tiene la responsabilidad de pagar (cada miembro o la organización)? (Do you have to pay tax in the CT? If “yes”: What kind, VAT? Can you pay with credits? Who is responsible for paying, each member or the organisation?)

- ¿De qué trataron las charlas que tuvieron antes de hacer los mercados de trueque? ¿Por qué las tuvieron? ¿Tuvieron siempre reuniones? ¿Qué importancia tuvieron? ¿Siempre ha sido así en la historia del Trueque? ¿Todavía siguen con las charlas? (What were the talks you had before doing the CT market about? Why did you have these talks? What role did these talks play? Has it always been like this in the history of the CT? Are you still having these talks?)

- Tienen doce principios que aparecen en varios textos sobre el club. ¿Por qué crearon los doce principios del Club? ¿Quién o cuáles fueron los que inventaron los principios? ¿Cómo los usaban/implementaban? (You have 12 principles that appear in different texts about the club. Who invented these principles? How did you use or implement the principles?)

- ¿De dónde conocía Ud. a los otros socios? Y cuándo llegaba personas nuevas, ¿qué pasaba, cómo se integraron? ¿Ud. trocaba también con los miembros nuevos? (Por qué?) (From where did you know the other members? When new people joined, what happened? How did they integrate? Did you also barter with new members? Why?)

- ¿Cuál sería la mejor número de miembros para el club? (What would be the optimal amount of members for the club?)

- ¿Por qué nació el Club en el año 1995? ¿Pudo haber ocurrido en otro momento? (Why was the CT created in 1995? Could it have happened at any other moment as well?)

- ¿Qué significó el Club de Trueque para usted en el año 1995? ¿Qué rol jugó en su vida? ¿Cuáles eran las ventajas y desventajas del Club durante el primer año? (What did the CT mean to you in 1995? What role did the CT play in your life? What were the advantages and disadvantages with CT the first year?)
- ¿Cuál cree usted que era el sentido del club? ¿Qué es la solidaridad en el club? ¿Qué es la ecología en el club? (What do you think was the meaning with the CT? What is the solidarity within the CT? What is the ecology within the CT?)

Estadística personal:
(Personal Statistics)

- ¿En qué trabajaba a comienzos de los noventa? O, más exactamente, ¿entre 1990 y 1995? ¿Cómo se ganaba la vida? (What was your work in the beginning of the 90’s (between 1990-1995)? How did you make a living?)

- ¿De qué forma le afectó a Ud. la recesión económica del 1995? ¿Y a su familia y amigos? (How were you affected by the 1995 economic recession? And your family and friends?)

- ¿Cuál es su opinión acerca de la política del gobierno durante esa época? (What is your opinion about the government’s politics during that period of time?)

- ¿Ha sido miembro de un partido político? ¿Cuándo? ¿Cuál? ¿De qué ideología? (Have you been a member of a political party? When? Which? What ideology?)

- ¿Cuántos años de estudios tiene Ud.? ¿Hasta qué grado fue a la escuela? (How many years of education have you done? Which education level have you reached?)