Complementary and Community Currency Systems are centred on the principle of monetary contestation: The rejection of official money implies a micro-political act of resistance to the government, the globalised economic system and the instruments of control that sustain them. This research seeks to trace the changing and diverse interpretations of monetary contestation in Argentina. It analyses the relationships between the Redes de Trueque and the government in the period 1995-2005, mainly at the local level and including both formal and informal political actors. The idea of monetary contestation was subject to different and changing interpretations that ranged from a clear micro-political project of resistance to a more pragmatic one focused on economic and social resilience. These different interpretations within the Redes de Trueque resulted in vertical and horizontal contradictions. Local governments and informal political brokers supported the project of resilience because they found it consistent with their own political goals and further disseminated the scheme, although it had an impact in terms of contentious politics as well. Check the claim and by whom.

monetary contestation, formal and informal politics, Redes de Trueque, Argentina

Complete text (The complete paper must be no more than 25 pages with 1.5 spacing, 12 pt font (including references, tables, figures, notes etc))

1. Introduction

Community or Complementary Currency Systems (CCS) are schemes in which groups of individuals exchange goods and services in their localities using a self-created and self-regulated currency, instead of using the national currency managed by the Central Banks. CCS represent a contestation to the mainstream monetary system in at least four ways: by introducing the idea of free-money with no interest rates (Kennedy, 1995), challenging the
issue monopoly of the Central Bank and the exclusiveness of banks in monetary intermediation (Lietaer, 1995); and by undermining the principle of one currency per country to allow for differences in regional and local needs for money. Advocates promote CCS also as environmentally friendly initiatives to insulate the local economy from the downturns of the national and global economies, enhance social cohesion within a community, and sustain livelihoods during periods of economic distress (Pacione, 1997; Seyfang, 2002; Seyfang, 2001a; Seyfang, 2001b). CCS presently operate in 56 countries and in the last decade they have been multiplied around the world (Blanc and Fare, 2013).

In what ways CCS represents a monetary contestation, however, remain to be seen because most of them are too local and too small to actually represent a meaningful or realistic challenge to the monetary system. The main exception regarding scale was the Argentine CCS, called Redes de Trueque (RT), which is the case analysed in this article. Between 1995 and 2005 the Redes de Trueque were launched, grew and declined, after reaching a scale of 2.5 million users in the crisis around 2000. While governments in other countries regard CCS with suspicion and often ban them, the Argentina government supported them, most decisively at the municipal level in which several mayors declared that they favoured the scheme.

There were different interpretations on the extent to which the Argentine CCS represented a contestation of the government powers, in what ways and by whom. Within the RT, some leaders sustained a clear anti-state and anti-capitalist discourse, while others adopted a pragmatic position of using the scheme to overcome the economic crisis. At the same time, some participants regarded the RT as the opportunity to construct another economy, embedded in local relations and self-reliance, while others were satisfied by being able to complement their meagre income in the regular economy. Within the government, some public servants took no notice of any micro-level goal of resistance or emancipation in the RT and political brokers further disseminated the scheme at the neighbourhood-level. So, while the idea of a CCS as a local monetary contestation is clear in theory, in Argentina the social actors interpreted it with significant heterogeneity.

This paper will examine the claim that CCS represented a monetary contestation by discussing the Argentine case. It will look into the formal and informal relationships between the RT leaders, the participants and the government. This study distinguishes between the “new” poor (those with a declared middle class history and accumulated assets before the structural adjustment reforms) and the “traditional” poor (those with a declared meagre income history and no significant accumulated assets). This distinction is a mere abstraction that cannot fully separate two clear and mutually exclusive categories, for example because some of the “new poor” have had insufficient income for too long to be considered “new” poor, and would not be able to afford a middle class lifestyle ever again, so there are indeed grey areas between the two strata that would make it difficult to distinguish between them.

In order to study the relationship between local governments and the RT within formal and informal political networks, nine months of fieldwork were done in 2004 with visits and interviews to 45 local coordinators (11 of them were also informal political brokers) and a survey with a structured sample of 386 participants out of which extensive interviews followed with 130 of them. In turn, a series of interviews was done with government officials and experts, while the initiators of the RT and their main regional leaders were interviewed repeatedly to register the oral history of the scheme. Shorter fieldwork visits started already in 2001 and followed at least every two years between 2004 and 2013 to follow up the situation of the nodes, the leaders and the coordinators, but without interviewing significant numbers of participants again.
Following this introduction, the article continues with an overview of the approach to monetary contestation in section 2 and the evolution of the RT in section 3. The subsequent sections 4 to 6 explore the configuration of the actors’ interests and their relationships, and these conclude in final reflections in section 7.

2. CCS as monetary contestation

Complementary and Community Currency Systems have spread around the world since the nineties and have attracted the interests of academics for different reasons. They are mainly seen as grassroots reactions against the monetary system, as one of the fundamental components of the capitalist system. CCS contest the need to maintain one central monetary system per country and subject to the global financial system. Since early 1990s, activists with a critical view of neoliberal economic globalisation have experimented with local money schemes as a means to enhance local resilience and to regain control over economic life (North, 2014: 248-249).

Fare notes that “money seldom figures among the transition tools or projects for economic reform that can promote more sustainable development” (Fare, 2013: 2), and proposes to study sustainable development around the locking-in of activities in a locality, promotion of economic exchange and transformation of practices and social representations. Indeed, CCS spin around the three pillars of sustainable development (economic, social, and environmental) and explain the current academic interest on them.

CCS became popular in Britain in the 1990s as a response to labour market restructuring with low-paid employment, high unemployment and wide impoverishment (Aldridge and Patterson, 2002: 371). CCS became relevant to pursue political and economic empowerment at the local level because they are inclusive of those who can work to satisfy their needs without using national money as means of payment, and in that sense CCS would promote economic empowerment (Lee and Turner, 1996: 1380). In addition, CCS create economic relations at the inter-personal level by allowing neighbours to meet each other with every economic transaction and this generates trust among them. Additional emancipatory potential stems from the emphasis on re-localizing the economy by encouraging locally produced products to be locally consumed and the wealth locally created to remain within the neighbourhood. In environmental terms, CCS would support sustainable development (Lietaer, 2001; North, 2010; Seyfang and Longhurst, 2013) because they facilitate localised consumption patterns thereby reducing energy required for transportation.

Authors like Lee and Turner (1996) consider that CCS main effect lies in its political character, as an “alternative beyond capitalism”. CCS are a form of contestation in which participating citizens’ political values and claims are linked through a specific type of currency. CCS constitute a monetary dispute to the centralized and global financial system and aim at building “a countercultural alternative space from below that operates under specific re-embedded economic and social rules” (Lee and Turner 1996: 1380). In Europe, CCSs often dispute local power relations in the search for autonomous neighbourhood politics. CCS are conceptualized as ‘localised resistance to power relations’ or ‘micro-politics’, using Scott’s terminology of ‘micro-political resistances’ (Scott, 1990). The conception stems from Foucault, who considered money as ‘a structuring discourse, a system of domination that operates through its own logic’ (North, 2007: 28). Taking this approach to money as systems of domination means that money is a constructed discourse that can be resisted locally to create what North (2007) termed ‘heterotopic spaces’ to refer to the coexistence of an ‘impossible space’ with a large number of ‘fragmentary possible worlds’ (Harvey, 1992: 48) existing in the same space simultaneously. CCS, as heterotopic space, have the emancipatory
potent ial to construct more radical economic practices to the dominant capitalist order (Chatzidakis et al., 2012: 494).

Similar conceptions come from the literature on micro-politics of resistance and more recently, of autonomous geographies. The former addresses the ‘everyday forms of resistance’ designed to constrain specific forms of local domination (Scott, 1990). CCS fall into this category as a down-to-earth practical way to challenge this ‘capitalist existence’ (Gibson-Graham, 2008), because CCS constitute an economic practice that does not re-create the dominations of capitalism. A micro-political analysis of action around money relates to the concept of autonomy (Hardt and Negri, 2009) and in this case, the ‘autonomy from the grassroots’ (Credland et al., 2003: 107). CCS promoters are moved by a desire for freedom, self-organisation and mutual aid, that comes from a rejection of an economic and political system where ‘lives are manufactured for us, instead of being the outcome of our choices and desires’ (Credland et al. 2003:109) whereby ‘political decisions are tied to the needs of business and political elites based upon maximising material wealth’ (Chatterton, 2005: 545).

The literature on autonomous geographies links to CCS because it refers to ‘those spaces where there is a questioning of the laws and social norms of society and a creative desire to constitute non-capitalist, collective forms of politics, identity, and citizenship’ (Pickerill and Chatterton 2006: 730). CCS implicitly reject the established system and propose an alternative model outside the regular economy, one that functions at the collective level aligned with the ‘creative tools of desertion, exodus and nomadism’ (Hardt and Negri 2009: 212). The starting point is a disengagement from the capitalist system that in the eye of CCS members serves the very specific interests of economic and political elites. The Argentine RT grew to a scale that certainly caught the attention of local politicians and brokers alike and received shifting attitudes.

3. Argentina’s crisis of the Millenium

After two periods of hyperinflation in 1989 and 1990, Argentina adopted a wide-ranging structural reform programme that was expected to tackle inflation and make the country more competitive in the world market. It was called Convertibility Plan and its main feature was a currency peg that fixed the peso to the dollar at parity in March, 1991. One of the most ambitious and swift privatisation programmes in Latin America was launched, involving almost all state-owned enterprises, public utilities, the pension system, much of the health care and the banking sector. The structural reforms triggered a significant growth rate of 8 per cent a year from 1990 to 1994 but in 1995 a major economic crisis hit the ‘modernised’ Argentine economy. The peg to the dollar almost collapsed, but was saved at the cost of a recession that skimmed 5 per cent off the national GDP in 1995. The unemployment rate, which was around 5 per cent for several decades, soared to 18.4 per cent in 1995. The first Red de Trueque was launched that year.

Although the economy rebounded, the worldwide financial crisis in the second half of 1998 pushed it back into recession. A new government, formed by the opposition party, took office in December 1999 but it was unable to do much to spur economic growth (Harman, 2002). Economic deterioration continued and in September 2001 unemployment reached 20 per cent and 40 per cent of the population were below the poverty line. The term ‘hyper-unemployment’ was coined (Kessler, 1996) and looked as threatening to Argentine households as hyper-inflation had been in the 1980s.

The combination of unemployment and poverty was particularly traumatic in a country like Argentina, where both problems were relatively secondary and there was a welfare state to
on them. Argentina had near-full employment from the 1940s, mainly thanks to labour-intensive industrialisation and the domination of the Peronist party rooted among the workers’ strata. A tight labour market sustained high wages in the formal sector and the informal sector was relatively small, while social benefits were widespread and enabled a family to live on one (male) breadwinner’s income. Between 1940 and 1980, the urban middle class grew from 40.7 per cent to 47.8 per cent of the population, thanks to the upward movement of skilled workers in the manufacturing sector and blue-collar employees (Beccaria and López, 1996; Murmis and Feldman, 1993). Argentine workers enjoyed the highest incomes in Latin America (Lvovich, 2000).

Informal workers in Argentina were far from poor, marginal and dispossessed (Lvovich, 2000). Many workers were unregistered but had considerable capital assets, an income similar to or higher than that of formal workers, stable business activity and social integration. Small entrepreneurs and freelance workers were called ‘autonomous’, rather than informal workers to denote a particular mode of integration into the labour market that placed them in middle class. Nonetheless, a minority of short-term, unstable, poor and socially disintegrated informal workers also existed (Beccaria and López, 1996; Palomino and Schvarzer, 1996).

An early study of the social consequences of the structural reforms coined the term ‘new poor’ to describe households that had recently fallen under the poverty line in a country where about 70 per cent of the population declared itself to be middle class (Minujin, 1997). The middle class comprised shopkeepers, public servants, skilled workers, graduates, blue-collar workers, bank clerks, teachers and small-firm owners. Many of the sectors in which the middle class worked were targets of the reform policies and were thus overwhelmed by the recession. Unlike the “traditional poor”, the “new poor” in Argentina had covered their structural basic needs, but, due to the drastic reduction in their income, could no longer afford their lifestyle. They no longer felt comfortable in the areas where they had lived all their lives, so they normally spent most of their time in their homes, almost invisible. They understood the world differently from the structural poor, reflecting much on social reality, and they were demanding of society and the state. They were the poor with a voice. In contrast, the traditional poor were part of the pockets of poverty that had always been present in the country, although not as visible and widespread as in the 1990s. The traditional poor had neither specific skills nor a stable job. Only a minority of them had secured basic structural needs such as a legally owned home; they lived mostly in shantytowns or as squatters in the cities. They relied minimally on the public services and normally relied on a local political broker to access health care or a place in a public school.

The new and traditional poor are clearly very heterogeneous and the main distinction between the two groups refers to their past trajectory, including their previous status, educational attainment, availability of savings and assets such as their own house, personal capabilities and social networks (Lvovich, 2000; Minujin, 1997; Murmis, 1993, 1995). While the new poor were used to public services, these were one of the main objects of the structural reforms, so they felt abandoned by the state. Around the mid-1990s public awareness of the social costs of the reforms triggered the action of organised social groups within the civil society in what was termed “productive initiatives” because they were based on collective action and aimed at generating an income (Auyero, 2002; Dinerstein, 2003). The self-managed socio-economic schemes organized by grassroots groups after 1997 were the piqueteros (road-blocking groups), the neighbourhood assemblies, the worker-managed factories (Giarraca, 2001) and the first Red de Trueque in 1995.
he launch of the RT: survival with dignity

The Redes de Trueque, the Argentine Complementary Currency Systems, were not introduced as a monetary contestation from the outset because it lacked the ideological aspiration to be one or construct it in the near future. It was one of several income-generation schemes that were launched around that time in reaction to the neoliberal structural reforms of the nineties (Gomez, 2009; Pearson, 2003). However, the RT gradually became a monetary contestation when it developed its own discourse, participants grew into their identity as members of a civic innovation, and increasing numbers of participants traded with a growing diversity of non-state currencies. The government, in contrast, kept losing ground and capacity to manoeuvre as the crisis deteriorated and other civic innovations multiplied.

The first group of the Redes de Trueque was established with 30 men and women in a former industrial suburb of the city of Buenos Aires in May 1995. It was a spin-off of the project of an environmentalist NGO which promoted urban vegetable gardens. At some point, the neighbours started making jams and preserves with the left-overs of fruits and vegetables and trade them with each other. Later on, they also prepared home-made toiletries and added these to the weekly exchanges. They were part of the impoverished middle class who lacked the cash to afford those goods, which they were used to buying in the regular economy. As noted by Pearson (2003) the origin of the RT was a combination of ingenuity and need to protect a lost middle class lifestyle, and this motivated participants to trigger collective action without clear political aspirations.

The initiators did not see their actions as a monetary contestation either, although it became clear to them that it was a rather non-traditional way of organising their local economic activities. Moreover, the group was not using an alternative currency but a simple paper notebook in which they registered their trade. After a few months the three initiators observed that the scheme had a significant impact on the household economies and the exchange meetings of Saturdays were constantly adding new products and new members who heard about it by word of mouth. Horacio Covas, one of the initiators, called it “survival with dignity”, referring to the fact that participants could generate an income out of their own work. The initiators felt its full potential would be reached if the scheme grew beyond its uniqueness. In the hope of finding partner groups elsewhere, they resurfaced old contacts with socialist and environmentalist activists and discussed the scheme in workshops in the capital city of Buenos Aires. Their goal was to “infect others with our enthusiasm”, Covas remembered (Interview in Luján on 29/11/2006).

The effort to replicate the scheme was successful around the beginning of 1996, when a second group launched the scheme in the Capital city and soon a third followed in the Northern outskirts. The three groups were articulated, so trade was possible between them, and participants would exchange their home-made products three times a week. Participants would trade home-made bread for jams, cakes, hand-made pullovers, carrots and soap. These three groups became the first network (RT).

The success in becoming a network of several groups and the subsequent growth in the number of participants marked the limitations of the accountancy system. It was becoming too burdensome and time-consuming to register all transactions within and between the three groups. Ruben Ravera, another initiator, proposed to print notes of fixed denominations that members could use as means of exchange. This was done: the first physical complementary currency of the Redes de Trueque was born in 1996. Once again, the central goal was pragmatic problem-solving in the crisis. The initiators were not aware that creating a currency in a territory where everyone else used the official currency, was in fact, a micro-political act of resistance to the capitalist system that had dried them out of cash. The complementary
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cy, called créditos, enabled hundreds of participants to trade with each other and was the centre of their collective action. At the same time, the group started incorporating notions of the space “in here” of the CCSand “out there” to refer to the regular capitalist economy. “In here” was used to refer to a network of trust where they exchanged goods and services of their own local production under conditions that mixed market exchange and reciprocity. They gradually built a new discourse of their own, in which words like créditos (the name of the currency), prosumers (a conflation of producers and consumer in the same person), nodes (each local exchange group), coordinator (the organiser of a node), and solidarity, among others, acquired a shared meaning that identified participants and distinguished them from non-participants. While the construction of discourse resonates with an autonomous geography, there is no evidence that they intended to start a scheme or resistance at the micro-level.

Unlike other autonomous income-generation schemes where the traditional poor were the majority, the RT had clear traces of disenfranchised middle-class turning to collective action to face the fall. For example, (Gonzalez Bombal, 2002) found that the educational level of the participants was relatively high: 53 per cent had completed secondary school (12 years of schooling) and 28 per cent had received some years of tertiary or university education, while only 19 per cent had primary school alone (seven years of schooling). The majority of the members (56 per cent) were between 40 and 60 years old, 44 per cent were unemployed and 24 per cent had vulnerable employment. Primavera argues that the enthusiasm of the disenfranchised middle class was crucial for the take-off of the RT because activities in the nodes required a set of elements that were not easily found among the structural poor: entrepreneurial and professional skills, an initial idle capital to get started (often including tools and machines) and capacity to secure in the regular economy in pesos the goods and services that could not be paid for in créditos (e.g. housing, public utilities, transportation costs)(Primavera, 1999). Moreover, González Bombal (2002) and (Powell, 2002) underlined that up to two-thirds of the participants were women, some of them with unemployed husbands or odd jobs in the informal economy. The presence of women from a disenfranchised middle class background led Parysow to affirm that the Red de Trueque corresponded to the traditional gender division of labour and hobbies of middle-class women(Parysow and Bogani, 2002). Activities that used to be unpaid (taking care of children and the elderly, cooking and knitting) gained market value and became visible for their livelihoods (Pearson, 2003).

The scale and scope of the exchange varied from one group in the network to the other, as did the supply that included a wide choice of groceries and home-made foods, second-hand clothes and toys, prints and publicity, day care for children and the elderly, decoration items and kitchen-ware, the most varied art and handicrafts, legal and psychological counselling, lessons of every sort, hair-styling, fortune-telling and dental care. Some participants offered in the node the same goods and services that they sold in the rest of the economy, but they all traded for a complementary currency. “The main difference in here is that you sell much more. If I need vegetables at home, I bake croissants and sell it in the node to obtain créditos and with them I can buy vegetables for a whole week. This allows me to live on my own work and not on welfare. If I tried to sell the croissants outside, in pesos, I wouldn’t even know where to start”, a participant explained (Interview in Bernal, 26 June, 2004). It is clear that the vegetables she bought were more expensive than the ingredients she needed to make the croissants, and the margin paid off her work.

The network then became noticed. Formal relations between the RT and the government started in 1997, when the government of the Autonomous City of Buenos Aires (with a status equivalent to a province) sponsored the organization of the First Workshop on Multi-
local Exchange. This was the first formal recognition of the initiative and it stemmed from the Secretary of Social Promotion, which was later seconded by the Secretary of Industry, Commerce, Tourism and Employment. The event summoned 1,300 participants and the initiators participated with other organisers. The Secretary of Social Promotion launched the “Support Programme of Multi-reciprocal Exchange”, the name that the initiative received in those days. The Workshop inaugurated the formal relations between the RT and a local government, and introduced the initiators to two types of politics: interacting with the government as a more powerful actor with its own goals, and dealing with the different views and power struggles that derived from the diversity of visions within the RT. Moreover, the Workshop inaugurated the practice of more or less regular meetings of the RT, still informal and often quite messy, but already taking shape as a civic governance system.

The process was clearly on the upside and the scheme was replicated to become a network with several leaders, locations and hundreds of participants. Their collective action gradually configured an identity and a discourse of its own. A currency of their own was circulating in parallel to the official one, based on nothing but mutual trust. Official recognition was an additional important step in the construction of the autonomous geography.

5. Monetary contestation and vertical contradiction

The leaders of the RT were growing in number and capacities and the leadership was no longer held by just the first three initiators. With the expansion of the network, so have the number of leaders. Together with the Government of the City of Buenos Aires, they organised a second official gathering called the Workshop on the No-Money Economy on March 29th, 1998 with 200 coordinators. In August 1998 the Government of the city of Buenos Aires supported the organisation of the Second National Workshop on Multi-reciprocal Exchange. The events confirmed that the original project launched in 1995 had changed significantly and had appealed a number of activists with a clear anti-capitalist ideology. The written conclusions of the workshops contain a series of expressions that contest the rules of the capitalist system, including its money and the concept of the market society. The leaders and the node coordinators formed Working Groups to elaborate on a number of issues, such as the construction of an autonomous governance system for the RT, the meanings of solidarity and citizenship and how to promote them, the ways to construct a grassroots economy to de-link from the regular economy and its money.

They aspired to construct an autonomous geography (Pickerill and Chatterton, 2009). In political terms the RT could be characterized as an heteropia (North, 2003) because it was adding a layer of social existence in the same space as the capitalist regular economy. The same participants combined a “capitalist existence” and an “anti-capitalist” experience, as defined by (Gibson-Graham, 2006). The discourse of some of the new RT leaders became more radical in their rejection of state legitimacy. Some leaders became quite adamant on prohibiting the circulation of pesos in the nodes, for example, rejecting any support of the government and any other “instruments of control of the state and the elites in power” (Interview with a coordinator of Mar del Plata, 30/11, 2004). Heloisa Primavera, who joined the RT around the end of 1996 and became a prominent leader, recalled that: “I thought back then that the RT spirit of contestation of authority and established norms was an incredible display of citizenship. The RT was becoming the second historical opportunity of Argentina to build more equal and democratic social relations. The first one, of course, was the first Peronist movement that got workers used to expecting paid holidays, public health care and so on. The two workshops of 1998 made it obvious that we were a communitarian and
n movement pushed by a generation of leaders that were prepared to build a different society. The initiators got the message that the RT had taken a life of its own and was no longer ‘their’ project” (Interview in Florida on 2 August 2004).

The bankruptcy of the government and generalised unemployment opened a “window of political opportunity”, defined as the confluence of ‘consistent but not necessarily formal or permanent dimensions of the political struggle that encourage people to engage in contentious politics’ (Tarrow, 1998: 119). Activists recognized a moment in which all levels of the government were weakened by the economic and political crisis and the RT appeared as a scheme that attracted media coverage and wide participation. “It was the perfect invitation to dream of a different future. The RT came like a tsunami to cover the paradigm of scarcity installed in the minds of people who just do their business and which is typical of ultraliberal capitalism, financiarised, and mediatic in which greed is shown on a video-clip”, sustained Primavera (Interview in Florida, Province of Buenos Aires on 2 August 2004). As argued by Tarrow (1998), contentious politics requires that activists mobilise resources available to them at that point to offset the difficulties of building a coalition of ordinary people working together for shared purposes. “Bottom-up mobilisation involves building networks, when activists are able to attract occasional participants and gather necessary resources besides coordinating collective action (Pruijt, 2007:5115). The RT around 1998 seems to have fostered the hope of revolutionary change in the hands of self-defined utopian communitarian activists to move in that direction while developing a community currency.

The radicalisation of the discourse of the RT clashed, however, with the original vision of the three initiators who thought of the RT as a pragmatic problem-solving scheme that would be “complementary” and not “alternative”. The dispute, when made public, seriously damaged the credibility of the system as a whole. At the same time, the majority of the participants continued with their exchanges at the shop floor of the nodes and did not necessarily share the desire to construct an anti-capitalist economic space, as noted by other researchers (Leoni and Luzzi, 2003; Hintze, 2005; Hintze, 2003). The disenfranchised middle strata saw the RT as a solution to protect their lifestyle and as a partial substitution for lost jobs, both in terms of income and personal satisfaction. They expressed that both the economic and the social aspects were important and explained their activities in the RT as the opportunity to “feel useful” despite being unemployed or cashless, because “coming to the nodes reminds you that you can do so much as a human being” (Gonzalez Bombal, 2002: 113). Some participants said they preferred the RT to the “degradation in the labour market” that followed the new hiring modalities and the informalisation of employment (González Bombal, 2002: 106). The RT provided the space for its participants to construct a shared identity centred on autonomy and embedded social relations within a local economy, but that commonality reflected a more pragmatic interpretation of an “autonomous geography” than the one expressed by the RT leaders.

The Redes de Trueque had thus undergone a series of changes between their beginning in 1995 and 1999 which led to a vertical contradiction. A new generation of communitarian and utopian leaders joined and gradually transformed the initiative into a micro-political contestation of the capitalist system, in which the central instrument of resistance was the use of a non-official currency issued and managed at the grassroots level. The commitment to the monetary contestation, however, was concentrated at the level of the leaders and distant from the pragmatic problem-solving interest of many of the participants. The latter aimed at accessing goods to protect their lifestyle and found that collective action was conducive to that goal. In other words, the complementary currencies’ potential for contestation was interpreted in two very different ways by the leaders and the participants and resulted in a
6. Informal politics and horizontal contradiction

The RT continued growing exponentially until 2002, when they reached an estimate of 2.5 million members in over 5,000 nodes across the country (Ovalles, 2002). As the crisis in Argentina aggravated and the scheme became better known, the traditional poor integrated the scheme in large numbers and with the more pressing need to satisfy basic needs, mainly food. The massive entrance of the traditional poor in the nodes, originally constructed as spaces of the disenfranchised middle class, generated a second contradiction at the horizontal level within the RT and its dimension of monetary contestation. The traditional poor saw the RT as one more income-generating activity in their livelihoods’ strategies but did not have the necessary capacities, resources and equipment to produce goods and services at home, so they got considerably less out of the scheme than the disenfranchised middle class participants that joined in the first years (Leoni, 2011). The poor offered their labour as gardeners, for example, but did not have the tools to perform the work.

The massive entrance of the traditional poor into the RT was related to the lack of other choices, the role of political brokers and the dismantling of the welfare state in favour of targeted social policies. The welfare state in Argentina was traditionally organised around the world of work, as explained in Section 3, so high employment levels guaranteed the coverage of most of the population. But there was still a sector of the population that barely accessed waged employment and, consequently, the welfare state. These were the “traditional poor” and represented 15% to 25% of the population, depending on the business cycle (Lo Vuolo and Barbeito, 1992). They typically lived in slums and managed their survival strategies on a large number of income-generating activities, mainly casual work or as waste-pickers and informal street vendors. They had no legal rights to demand access to the welfare services reserved for workers, like health care and education, but they could gain access with the help of the political brokers of the Peronist Party in the neighbourhood. Based on research in slums of the province of Buenos Aires, Auyero emphasised the problem-solving role of political brokers who control information and resources obtained through their formal or informal affiliation to the Peronist party (Auyero, 2002; Auyero, 1997). Voters exchanged electoral support for goods and configured clientelistic networks. The term brokerage came into the socio-political sphere introduced by Eric Wolf, who underlined that brokerage is hierarchical by definition and loaded with power asymmetries, and termed the relationship as one of clientelism (Wolf, 1966).

Brokers typically use a pragmatic approach and adapt quickly to local circumstances and changing times (Szwarcberg, 2012). When political brokers at the local level heard of the RT and its role in generating income, they identified it as a system they could use to support their own networks and keep a grip on their electoral support. A broker who was also a coordinator explained: “I opened a node to help my neighbours to get food and other necessities. Many of my neighbours lost their jobs and cannot find another one, so the situation was bad. We went many times to the municipality but it couldn’t help much because it is also broke, everyone is broke. It was easy to open a node because you just need people who are interested and a place to meet. I work with a councillor and he allowed us to use the office of the Peronist party, so we started it there and our node meets twice a week for trade. Some families eat out of it and afford small luxuries like a cake for a birthday. They appreciate my work and the support of our councillor. He sometimes comes, too.” (Interview with Carmen, San Martin, Buenos Aires, 7 October 2004). This view resonates with Auyero’s (2002) characterisation of
Informal political networks as problem-solving in exchange for electoral loyalty. With no other social policies and scarce resources to aid the poor, brokers perceived the RT could solve the problems of those with meagre incomes and incorporated it within their repertoire of solutions. Across the country they became coordinators and promoted the nodes among their “clients”, the traditional poor, who were willing to participate in the scheme as long as it contributed to their livelihoods.

It may seem contradictory that while the RT leadership conceived the scheme as micro-political resistance and a stepping stone to an autonomous geography, the RT became part of the repertoire of solutions offered by the political brokers who expected electoral support for their work coordinating a node. A female broker explained that there was no contradiction between being a broker and running a node in a venue of the Peronist party in her neighbourhood, because the node was another way of helping participants in their survival efforts (Interview in Mar del Plata, 4/12/2004). Research on brokers elsewhere found a similar pattern: in the Brazilian favelas brokers take a pragmatic approach in the tools they use to keep their networks provided (Koster, 2012), while in South Africa they mingle formal and informal resources to that aim (Erdmann, 2006).

While political brokers incorporated the nodes in their repertoire of informal solutions to the every-day necessities of the poor, local governments soon followed with formal support. Several municipalities started accepting créditos as payment for municipal taxes in arrears or became active in the local nodes in 2000 and (Powell, 2002; Gomez and Helmsing, 2008). This expanded the realm and legitimate recognition of the RT. For example, the municipality of Calchaqui, the Province of Santa Fe, accepted vouchers as payment for local taxes on property, tourism, building improvements and for any taxes in arrears. The mayor used the créditos to buy inputs needed in the municipality (e.g. food for the municipal soup kitchens, cleaning products and services) and to pay its employees for overtime. The major justified the decision by saying that “there are 300 families living on the RT in this district. The municipality cannot be the ‘island in pesos’ of the local economy. If the RT is good for citizens, then it is good for the local government too”, he declared (La Nación, 22 November 2001). In VenadoTuerto, also in the province of Santa Fe, the municipality accepted up to 30% of the local taxes in the local vouchers and used them to start a social policy programme in the district (Gomez and Helmsing, 2008; Plasencia, 2008).

Provincial constitutions did not always allow it and specify that municipalities can only accept official money to cancel taxes, but several municipalities found ways around that law. In the municipality of Plottier, in the province of Neuquén, the mayor became a member of the local node and started buying goods and services for the government (e.g. prints and photocopies, repairs for public buildings) with payments in kind. The mayor explained that the node spared him from the “moral obligation” of having to help the population in need and not being able to do so. “I also find it an interesting tool for the local economy, so we obviously cannot stay out of it”, he declared (RevistaTrueque, Año 2, No. 3). El Bolsón, another Patagonian locality, followed it, as did several municipalities in the Western suburbs of the city of Buenos Aires.

It did not take long before the radical discourse of contestation of the RT as well as the scale they had reached raised concerns, both at the formal level of government as at the informal level of the brokers. On the formal side, the RT were becoming a parallel economy that did not pay taxes, contested various fundamental powers of the state and its instruments of control and on which the government had minimal or no effective regulatory capacity even in the most basic aspects like the hygiene of the food on sale in the nodes Leoni (2011: 66). The state could neither control nor protect the RT because local exchange networks with complementary currencies did not appear anywhere in the Argentine legal codes. A total of
three further draft bills were discussed in the national Congress during 2002 but none of them was eventually approved.

At the informal level, the brokers started frowning at the discourse of autonomy that some of the participants were also appropriating as they experienced the node as an empowering experience. “The broker helped me when my wife was sick but since then he keeps coming back to ask me to attend his political meetings and I am tired of that. It seems I always owe him. Since I started coming to the node, I have discovered that I can get a lot of things with my own work and I need him less and less. I get unsold vegetables from a greengrocer’s nearby and I bring them to the node to sell. It is not much, but it has provided me another way to go by” (Interview with a 45 year old man in La Tablada, province of Buenos Aires, 23 September 2004). As underlined by Koster (2012), brokers are fragile actors that understand their own vulnerability and so some of them did not receive well that their political clients may consider the node as an exit from clientelist networks. Even if they had supported their expansion, the RT were starting to present a contestation to their capacities of social control.

The interest of the brokers and the traditional poor in the RT changed drastically in May 2002, when the government launched the subsidy for Unemployed Heads of Households. It was the first welfare option for the unemployed in a decade, distributed by the local governments at the local level and with brokers’ informally assistance to identify households in need. The Programme for Unemployed Heads of Households aimed at securing an income to the most vulnerable households and distributed cash as long as the head of household received training or contributed 20 weekly hours of labour to the municipality. It targeted the protection of the family, so it required that the children of school age be kept at school and their basic health care be taken care of in the public health system. The Programme reached almost 2 million beneficiaries in its first year of life and was heavily criticized from both the left and the right wings, which agreed on denouncing that it promoted clientelism at the municipal level (Hintze, 2003).

By 2003 the regular economy was bouncing back and the Redes de Trueque were losing their appeal. The RT had serious internal problems like forgery of the créditos, hyper-inflation, abuses and speculation with prices and political conflicts at the level of the leadership. With the economy under recovery, participants that could find a job left the nodes. The two systems became disentangled by their own nature and the different needs and interests of the new and traditional poor that participated in the RT, which configured a horizontal contradiction. For the disenfranchised middle class participants, the RT helped them protect their lifestyle during severe economic distress because it constituted an uncostly, down-to-earth, practical way to escape the crisis collectively with other neighbours. In contrast, the traditional poor joined the RT later, pushed by the crisis, in absence of other options and in search for the basic necessities. They had no accumulated assets, no income in pesos and no working capital. They combined the activities in the nodes with every other income-generating option at hand, including odd jobs in the informal economy, scavenging, and whatever assistance they could get from the brokers. They would typically obtain second-hand goods in charities or scavenging and then they would sell them in the node, with various degrees of success. As a result, the impact of the RT on their household economies was considerably less and Leoni (2011) further argued that the traditional poor were more comfortable with waged employment or social policies than with the self-employment implied by the RT, so they readjusted quickly by leaving the nodes as fast and massively as they entered them.

The RT eventually proved not to be a solution to traditional poverty, as was confirmed by Leoni (2003), but introduced the poor to the possibilities of “surviving with dignity”, which was based on own work and collective action. This was a critical element on which the
ranchised middle class built the RT and quite distant from the individual and hierarchical principles of clientelistic networks. The longer term effect of the experience, however, will probably be seen in a future crisis of the welfare state, because the RT declined too abruptly to be able to assess the increase in resilience on empowerment among the traditional poor.

7. Conclusions: resilience before resistance

Complementary and Community Currency Systems are centred on the principle of monetary contestation. The use of means of payment other than those issued by the central bank or the national government implies a micro-political contestation of the government, the globalised economic system and the instruments of control that sustain them. It speaks directly of the construction of an autonomous geography discussed by Pickerill and Chatterton (2006: 730) as a space ‘where there is a questioning of the laws and social norms of society and a creative desire to constitute non-capitalist, collective forms of politics, identity, and citizenship’.

This research has analysed the relationships between the Redes de Trueque and the government, mainly at the local level, including both formal and informal political actors. It has shown that the RT were not launched as a political project but as a pragmatic and creative scheme to improve resilience during the neoliberal reforms. It appealed firstly to the disenfranchised middle class, as was already underlined by other researchers. However, the RT became a political project at a later stage, in hand with another generation of leaders that pushed forward a discourse of contentious politics. The use of an unofficial currency did have a connotation of micro-political resistance to money and other instruments of control of the state. The construction of anheteropia was by then underway, and the scale and notoriety of the RT attracted the attention –and the support- of the government of the City of Buenos Aires. The window of opportunity for this type of collective action was created by the convergence of institutional collapse and economic demise at the turn of the Millenium. The leaders of the monetary and political contestation of the RT were able to grab the opportunity to advance their anti-capitalist vision. The evolution of the RT from a pragmatic solution to a direct monetary contestation reflects the dynamism of the micro-politics of resistance: they are not just one thing but mutate with the circumstances and changing windows of opportunity in the political and economic arenas, as well as with the actors that imprint their projects of contestation. The question is, however, who contests what in various times and spaces.

In the RT there were different actors who understood their use of unofficial currency in various ways. The different interpretations ranged from a clear micro-political project of resistance to one of a more economic and pragmatic nature that aimed at resilience; that is, at protecting the middle classes from further impoverishment. Nevertheless, all interpretations facilitated the construction of shared identities and a common discourse that helped participants to distinguish “us” from “them” and minimally promoted the principle of “survival with dignity”. In other words, resilience and resistance took different priority over each other for different types of actors.

The diversity of visions regarding the RT led to a vertical contradiction -on a hierarchical axis- that distanced the more utopian leaders from participants. The vision of the utopian communitarians had a longer term horizon and capacity to transform the relations within the economic and political system, but it did not appeal to sufficient participants to stick in the longer term. Participants at the shop floor of the nodes may not have been particularly interested in the micro-politics of resistance, but they were attracted by the income generation
s of the activity. As an effective scheme of resilience, the RT empowered participants in the economic, social and political arenas because it offered more choices. The position of local governments that supported the scheme was aligned to a pragmatic interpretation of the scheme as well, and the mayors thought in terms of solving income generation during the crisis.

Besides the vertical contradiction, a horizontal contradiction appeared as the RT kept expanding. This research distinguished between the “new” poor and the “traditional” poor, although it is admittedly an arbitrary distinction. The traditional poor joined the RT looking for basic necessities to survive and considerably later than the new poor, who sought to preserve the access to goods and services that they could no longer afford as a result of their fallen incomes. While both were pragmatic approaches with considerable distance from a political project of resistance, they were also different to each other because the traditional poor focused on survival and the impoverished middle class centred on resilience.

Moreover, the relationships that the two strata maintained with the government were historically different: the disenfranchised middle class was served by the welfare state centred on waged labour, while political brokers mediated the access of the poor to public services. With meagre resources at hand, the political brokers approached the RT with pragmatism and saw in it a way to maintain control among their clientelistic networks. So when the RT irrupted from the grassroots as an income-generation scheme, informal brokers quickly incorporated them within their menu of problem-solving schemes and disseminated the nodes among the traditional poor. Local governments and brokers supported the RT while it was useful to their goals, and used it within their repertoire of solutions, but they probably never reflected on the political contestation of using unofficial currency. In broader terms, governments were interested in supporting complementary currencies as long as they saw in them a solution to specific problems like unemployment and social exclusion, or an instrument to advance local economic development and the locality’s autonomy.

The case of the RT calls for a consideration of the profile of the actors, their interests and their chances of sustaining this contestation. From a pragmatic interpretation of the micro-politics of resistance, using an unofficial currency is not indicative per se that there is a political project of monetary contestation behind it or that it is the spark of a wider social movement. At the same time, the scheme mingled the traditional poor and the disenfranchised middle class, enabled the poor to survive the most severe economic crisis in Argentina without having to exchange favours for electoral support, and stayed in the social memory of the disenfranchised middle class as a viable economic option.

Surviving the neoliberal reforms of the nineties “with dignity” and at the collective level constitutes an intermediate layer of political resistance between the instrumental approaches of the brokers, the economic survival of the traditional poor and the resistance and social transformation of the utopian leaders. Resilience was a further interpretation of CCS as a monetary contestation based on a window of opportunity during a crisis. While it may lack a clear and strong political project of resistance, it entails an effective choice based on autonomous work and collective action across social groups as an opportunity of empowerment.
References


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