

BARTER CLUB PARTICIPANTS IN ARGENTINA: IDEALOGUES OR
PRAGMATISTS?

By

WENDY POND

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Wendy Pond

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Abstract of Thesis Presented to the Graduate School
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This thesis examines the phenomenon of barter clubs in Argentina during the 1990s and early years of 2000 through the lens of social movement literature. Originating in 1995, the barter clubs, or *trueques*, evolved into a nation-wide system of clubs called the *Red Global de Trueque* (RGT) with more than a million participants. Although the barter clubs were used by most participants as a way to deal with the worsening national economy, particularly during the national crisis of late 2001 and early 2002, they were not originally designed as a survival mechanism. The barter clubs were envisioned as an alternative to the dictates of the market – an antidote to consumerism, competition and greed. The founder's strong ideological commitment and their effort to create a similar consciousness among barter club members suggest that the *trueques* be considered as a social movement. By examining the barter clubs in light of Sidney Tarrow's definition of social movements I conclude that the RGT started out with all of the elements of a social movement but failed to consolidate as such. The barter clubs failed to maintain their

trajectory as a social movement in part because of the entrance of the structurally poor into a phenomenon originally designed and used by the “new poor.” This sudden influx of participants motivated by need significantly changed the orientation of the barter clubs.

Although the barter clubs did not consolidate as a social movement they are significant for several reasons. On the one hand, the barter clubs were a survival mechanism that supplied basic goods and services during a time when money was short and unemployment was high. The *trueques*, however, made a deeper impact than just simply providing basic needs during economic hardship. At a visible level, the barter clubs influenced government by putting new issues on the political agenda, and gaining political support of an alternative economic model. The barter clubs also influenced society at a more implicit level. Barter club participants, whether or not they consciously intended it, created new identities for themselves. The barter clubs are also significant as a response to Argentina’s evolving state-society relations. The economic crisis of 2001 symbolized for many the consequences of the state’s move away from a paternalistic, hands-on economic model to a liberal market model. The responses to the crisis and to the underlying change varied – from *asambleas barriales* and *piqueteros*, to *fbricas recuperadas* and barter clubs. This wave of contention demonstrates a broad based search for new modes of both governance and livelihood.

CHAPTER 1 INTRODUCTION

In December of 2001 the economic crisis that had been slowly building in Argentina for four years finally exploded. The government instituted a limit on the amount individuals could withdraw from their bank accounts, precipitating demonstrations known as *cacerolazos*, where people took to the streets banging pots and pans in protest. President de la Rúa declared a state of siege and then was forced out of office after riots ended in the death of 27 citizens (Fue 2003). Four more presidents came and went in the space of two weeks. Meanwhile the government defaulted on more than \$100 billion of debt, one of the largest defaults in history (Argentina 2001). The angry *cacerolazos*, however, were not the only public manifestations of the crisis. Throughout Buenos Aires and the country at large, hundreds of thousands of people were getting together regularly to barter goods and services.

Although the barter clubs were touted by the Argentine media as a way to deal with the economic meltdown (Leoni and Luzzi 2003), they had in fact begun six years earlier, well before the dramatic crash, with a group of 20 people trading in a garage. The barter clubs, or *trueques*, would eventually evolve into a nation-wide system of clubs called the *Red Global de Trueque* (RGT) with more than a million participants.

While the barter clubs provided relief during the economic turmoil, they were clearly not an overnight phenomenon. Rather, the trueque founders created the barter clubs as a way to combat a growing exclusion from the benefits of the marketplace, exclusion engendered by a combination of globalization and neoliberal policies. The

barter clubs were envisioned as an alternative to the dictates of the market – an antidote to consumerism, competition and greed.¹ The RGT not only provided a venue in which to exercise this alternative mode of consumption and production, but the RGT founders also promoted these normative convictions among the club participants.

The founder's strong ideological commitment and their effort to create a similar consciousness among barter club members suggest that the *trueques* be considered as a social movement. Yet despite these obvious signs of social movement activity, no previous research has examined the barter clubs in this framework. The most obvious reason for not making this connection is that by 2002, most people in the barter system were using it as survival strategy, with little regard for any deep-seated normative beliefs.

Previous research on the barter clubs recognizes the ideological claims made by the founders (Leoni and Luzzi 2003, Bombal 2002, Powell 2002). It also recognizes a divergence between the convictions of the founders and the rank-and-file participants. This lack of affinity has been explained as a function of the structurally poor entering into a phenomenon designed and used by the “new poor.” This sudden influx of participants motivated by need rather than theory surely changed the orientation of the barter clubs. The unasked question, however, is *why* the founders were not able to build and maintain a base of members “loyal” to the cause.

Two questions guide this thesis. First, keeping in mind the barter club's philosophical foundations, but also recognizing the divergence between the founder's intentions and the reality of participant motivation, can the barter clubs, in fact, be considered a social movement? To answer this question, I will examine the barter clubs

¹ See *Los doce principios* in the appendix.

in light of Sidney Tarrow's definition of social movements (1998). I conclude that the RGT started out with all of the elements of a social movement but failed to consolidate as such. Second, why did the everyday participant fail to assume the convictions of the original project? To answer this question I will use Tarrow's definition as a point of departure. I will draw on my research conducted in Argentina to examine the formulation and dissemination of barter club values and its organizational methods.

Literature Review

Classical Collective Behavior Theory

The concept of social movement is relatively new, emerging out of classical collective behavior theory. Collective behavior theory applied a "single explanatory logic" for all collective behavior, including crazes, panics and demonstrations. The civil rights movement in the 1950s and the subsequent movements of the 60s and 70s catalyzed a new school of thought (Buechler 2000). These were structured movements demonstrating overtly political and cultural agendas. Consequently, the concept of social movement emerged as a distinct domain of collective action. One of the earliest theoretical frameworks to gain wide currency in this developing realm of literature was resource mobilization theory. It was subsequently challenged by social constructionism and new social movement theory (Buechler 2000).

Resource Mobilization Theory

Resource Mobilization theorists concern themselves with explaining why people agree to join in a social movement, specifically in light of the "free-rider" dilemma: a rational individual would not join a social movement if other people were willing to do the work to secure goods that will then be publicly shared. To solve this dilemma, movements offer selective incentives to encourage and reward participation. Incentives

such as outside funding, professionalization and increased material resources (McCarthy and Zald in Tarrow 1998).

Resource mobilization theory has been criticized for not paying adequate attention to the role of ideas in motivating participation. Myra Marx Ferree points out that resource mobilization theory does not allow that people may act hedonistically, may act for short-term benefits, or may be morally driven to behaviors that conflict with self-interest. As such, resource mobilization theory proffers a kind of “one dimensional rationality”: “The tautologies that arise from treating all forms of behavior as strategically rational by definition exclude a realistic explanation of when behavior may be more or less than an expression of self-interest” (Ferree 1992:32). Part of the problem in this one-dimensional rationality is that preferences are a given, not up for debate or modification. Such an assumption reduces participation motivation to incentives only. The result is to ignore a movement’s role in creating and shaping identity and preferences.

Social Constructionism

Social constructionism, like resource mobilization theory, also focuses on explaining why people participate. Social constructionism, however, focuses principally on the role of ideational factors rather than material rewards. The work of Snow, Rochford, Worden and Benford (1986), offers key insight into the role of ideas in catalyzing participation. Drawing on the concept of framing originally introduced by Goffman (1974), these authors define framing as an interactional process that links an individual’s grievances to the work of the social movement (Snow et al. 1986: 467). “By rendering events or occurrences meaningful, frames function to organize experience and guide action, whether individual or collective” (Snow et al. 1986: 464).

Framing is a necessary activity because people often do not start by buying wholesale into a social movement. “Seldom do individuals join a movement organization per se, at least initially. Rather it is far more common for individuals to agree to participate in some activity or campaign by devoting some measure of time, energy, or money” (Snow et al. 1986: 467). Framing can be a slow process and it can slip out of place over time – since it is always subject to “reassessment and renegotiation” (Snow et al. 1986: 476) – but it is eventually a necessary condition for movement participation (Snow et al. 1986: 464).

According to Snow, Rochford, Worden and Benford, there are four possible levels of framing: bridging, amplification, extension and transformation. In the process of frame bridging, individuals already have a particular grievance and the movement taps into it, providing an “organizational base for expressing their discontents” (Snow et al. 1986: 467). Most resource mobilization theory has assumed that movements simply need to do frame bridging because grievances are already “sufficiently generalized and salient” (468). Frame amplification appeals to values and beliefs that people already hold, but tries to move those values and beliefs higher up in the hierarchy. During frame amplification, values and beliefs previously “shrouded by indifference, deception or fabrication by others, and by ambiguity or uncertainty” (469) are clarified and reinvigorated. Frame extension appeals to values that are ancillary to potential participants. A common frame extension strategy is to incorporate values auxiliary to the principal values of the movement and try to recruit people by appealing to these auxiliary values. Frame transformation is the most radical of the frame processes. It requires a

redefinition of an individual's values, in which "new values may have to be planted and nurtured, old meanings or understandings jettisoned" (473).

These framing processes are all done at the individual, micro level. Snow and Benford (1992) also apply the framing concept to a macro understanding of social movements, which accounts for periods of increased mobilization across different organizations. Master frames refer to "general ideological trends at the macrolevel of social order" (Buechler 2000: 42). Linked to cycles of protest, master frames allow several and varied groups to adopt similar language and symbols. Pathfinders who create the beginning of a cycle face the most difficulties and create an easier time for the movements that follow, but the seminal movements in a cycle also set the stage and terms of debate (Buechler 2000: 42).

New Social Movements

The literature on new social movements shares common ground with social constructionism; both schools of thought focus on the role of ideas in movements. The unique contribution of new social movement literature, however, is the expansion of our understanding of what constitutes a social movement. This literature points to changes in movement activity and structure and suggests the need for new understandings (Laraña, Johnston et al. 1994). Alberto Melucci observes: "The production and reappropriation of meaning seem to lie at the core of contemporary conflicts; this understanding requires a careful redefinition of what a social movement is and what forms of action display its presence" (1994: 110).

There are several ways in which new social movements amplify previous conceptions of social movements. New social movements center on the role of identity-creation rather than material or economic needs (Laraña 1994). As Melucci (1994) points

out, old movements were about the excluded trying to get into the system of benefits or about the redistribution of goods. New social movements, on the other hand, challenge the dominant discourse. They are no longer asking to be included in the system, they are clamoring to redefine the system. New social movements also tend to be acted out by individuals and are often life-style based, extending to the activities of daily life, for instance in the choice of food, dress or pastime. Furthermore, new social movements employ novel, often symbolic, modes of resistance and frequently operate in decentralized organizational forms (Laraña 1994: 6-8).

Because new social movements do not challenge the allocation of values or goods but rather challenge what those values or goods should be, their importance is not so much in their material or policy gains, but in their ability to change thinking. It is the *activity* of the movement that is important, not so much the specific results they achieve. “Conflicts [of new social movements] do not chiefly express themselves through action designed to achieve outcomes in the political system. Rather, they raise a challenge that recasts the language and cultural codes that organize information” (Melucci 1994: 102).

This effort is an ongoing renegotiation and reestablishment of identity and meaning. Because of their unique role of expression and identity-creation, new social movements do not relate to the political system in a traditional way. Instead the challenges they raise are often acted out in daily life in non-institutional ways that raise questions about individual identity. The way new social movements do affect political institutions is in their ability to influence the rise of new elites, to put new issues on the agenda and to create new languages (Melucci 1994:102).

One of the biggest criticisms of new social movement theory is that the putatively “new” movements in fact share quite a bit in common with the “old” movements. But whether or not “new” social movements are in fact new, the theory contributes in an important way to the dialogue: it moves away from a narrow political conception of social movement by recognizing non-traditional actors and unique methods of contention.

Towards a Synthesis

In the literature review so far it is clear that there are various ways to understand social movements. Each school of thought focuses on contrasting variables and different levels of analysis. To properly understand social movements we need a synthesis of the three perspectives.² Sidney Tarrow’s definition of social movements in his book, *Power in Movement*, provides a starting point. As we will see, certain aspects of his definition consciously draw from the resource mobilization theorists and the constructivists. And although Tarrow does not explicitly address the new social movement perspective, its influence is apparent.

For Tarrow, the defining aspect of a social movement is “contentious collective action”. The key ideas subsumed under this concept include collective activity, contention, a common purpose and/or identity, mobilizing structures, and the ability to sustain activity. All of these factors are necessarily present, but they are not sufficient to form a movement. The last requirement is the appropriate political opportunities. Each component deserves a bit of explanation.

² Buechler argues that a “true” synthesis is unlikely because the differing theories subscribe to “different metatheoretical orientations” (Buechler 200: 55). Yet he recognizes the coherency of the “emerging synthesis in social movement theory around the concepts of political opportunities, mobilizing structures, and framing process (54),” which we will see evident in Sidney Tarrow’s work.

Collective activity. Social movements by definition are phenomena of collective activity. Isolated, unrelated individuals acting in discrete ways, even if acting contentiously, cannot be considered a social movement.

Contention. According to Tarrow, “[c]ollective action becomes contentious when it is used by people who lack regular access to institutions, who act in the name of new or unaccepted claims, and who behave in ways that fundamentally challenge others or authorities” (3). Contention can be over discrete policies or abstract values; it can be materially motivated or ideologically generated, or both (5). Contention can be in the form of lobbying or legal channels, but the essential kernel of a social movement is the acting out in non-traditional ways. This kind of activity separates movements from groups like political parties or lobbyists.

Common purpose/Common identity. “It is participants’ recognition of their common interests that translates the potential for a movement into action” (Tarrow 1998: 6). In turn, part of the social movement’s task is to help people identify grievances and generate solidarity. “[R]ather than regarding ideology as either a superimposed intellectual category or as the automatic result of grievances...scholars agree that movements do passionate ‘framing work’: shaping grievances into broader and more resonant claims” (21). Social movements can have heterogeneous make up (and often do), but there is some common identity that binds the members together. This is what leaders have to tap into and bring to the forefront.

Mobilizing structures. This refers to how social movements organize. Tarrow argues that the “connective structures” that link participants with organizers need to strike a balance between being sufficiently loose to allow flexibility and autonomy at the

bottom, but sufficiently centralized to implement effective collective strategies. These kinds of structures are often in the form of social networks. During latent periods in a movement these networks provide “abeyance structures” which can be mobilized when needed (Tarrow 1998: 129).

Sustained activity. The temporal aspect of social movements also distinguishes them from one-time, discreet protests. In order to be a social movement, collective action has to be able to maintain a challenge over time.

Political opportunities. Tarrow notes that discontent and structural societal strain are always present. It is only when the political system opens in a particular manner that provides the crucible for all of the above-described dynamics to catalyze the formation of a social movement.

Tarrow’s definition is useful for three reasons. One, it provides a concrete, basic definition of what constitutes a social movement. It is the conceptual tool by which we will evaluate whether the barter clubs in fact were a social movement. Two, it incorporates elements of the varying schools of social movement thought. The influence of new social movement literature is apparent in the discussion of contention – which includes symbolic and ideological challenges – as well as his discussion of mobilizing structures – which includes decentralized organization. Constructivist concepts are explicit in his discussions on framing and collective identity. His definition also consciously draws from the “rationalists” or resource mobilization theorists, by discussing the opportunities and constraints that lead to action or inaction in a movement. (Tarrow 1998: 198-199). Three, Tarrow’s definition provides a platform on which to discuss why the barter clubs failed to continue as a social movement.

Cycles of Contention, Master Frames and Latin American Social Movements

If we telescope out from the barter clubs we can see that they were not the only form of collective action and protest in Argentina in the 1990s and during the apex of the economic crisis. Other contentious phenomena included the *piqueteros*, *fábricas recuperadas*, *asambleas bariales*, and *cacerolazos*. One way we understand the *trueques* in light of these other forms of activity is through Tarrow's ideas on "cycles of contention" (1998). Tarrow points out that social movements and other forms of contentious behavior do not happen in isolation from each other; successes and failures of one set of actors provide cues to other actors. Furthermore, despite variance in the forms of contentious activity and heterogeneity of actors, there is often a master frame around which all protest occurs. The cycle begins when there is a marked increase in activity carried out by a multiplicity of actors acting out in a variety of ways. Decline in a cycle is brought about by exhaustion on part of the actors and polarization within the movement. Decline is also prompted by the government, which selectively facilitates some claims and ignores or represses others.

Looking to the literature specifically on Latin American social movements brings specificity to Tarrow's perspective. Scholars recognize that Latin American social movements have been influenced in turn by the forces of urbanization, authoritarian governments, and now the new democratic context, one defined predominantly by neoliberal economic policies (Foweraker, 2005; Alvarez, Dagnino and Escobar, 1998). These various forces set the axes around which cycles of contention have waxed and waned in the region. Likewise, collective action in Argentina in the last twenty years has centered first around the military dictatorship and the transition to democracy and now,

most recently, around the consolidation of democracy and the accompanying neoliberal model (DiMarco and Palomino 2004: 8).

Applying the analyses of Foweraker (2005) and Alvarez, Dagnino and Escobar (1998) within the framework of an overall cycle of contention helps to explain demobilization. Alvarez, Dagnino and Escobar point to government plans attempting to cushion the fall-out of neoliberal adjustments, suggesting that these “social adjustment” plans reach out to the excluded. However, they admit adverse effects as well: not only do these plans recreate clientelistic models, but they also dismantle the need for mobilization. Foweraker (2005) also recognizes a move towards demobilization. However, for Foweraker, the switch to neo-liberal economic policies means that the state is less likely to hand out material benefits that movements ask for. Thus social movements adapt by negotiating more, mobilizing less and increasing their interaction with state agencies. “[T]here is a significant change in emphasis in social movement activity that is epitomized in the change from social *movement* to non-governmental *organization*” (126).

Organization

The initial question guiding this thesis is whether the barter clubs can be considered a social movement. Chapter two and chapter three provide the background to answer this question, describing the chronology of the *trueques*. In the process I illuminate the political opportunities giving way to the barter clubs. In these two chapters I draw on interviews I conducted in October and November of 2004³ as well as the findings of other

³ I conducted 22 formal open-ended interviews and 23 informal interviews. Using the *Red Global de Trueque* website, which had a list of barter club locations and contact names, more than 100 emails were sent. A handful of people responded and agreed to be interviewed. Further interviews were conducted based on referrals from the original group of interviewees. Also, more informal interviews were conducted

barter club research. More specifically, chapter two details the economic climate of Argentina during Menem's presidency in the 1990s. This chapter goes on to recount the birth of the barter clubs and their rapid growth up until the year before the economic debacle, documenting the problems which began to plague the barter system. Chapter three details the national economic collapse in late 2001 and discusses its effects on the barter clubs. Chapter four is the analytical heart of this work, taking Tarrow's definition of social movements and demonstrating in what ways the barter clubs fit and in what ways they do not. I conclude that the RGT started out with all of the elements of a social movement but failed to consolidate as such. In the course of this chapter, I also answer the second question guiding this thesis: why the RGT failed to maintain its original trajectory as a social movement. Chapter five places the barter clubs within a larger cycle of protest occurring in Argentina in the 1990s and early years of 2000. By putting the barter clubs in the context of a larger cycle of protest – understanding the mobilization phase, the use of a master frame and the demobilization phase – we can understand the barter clubs as one reaction among many to the changing state-society relations in Argentina.

at several currently operating barter clubs. The founders of the three main barter club systems in the country were also interviewed.

CHAPTER 2 BIRTH OF THE BARTER CLUBS

This chapter begins by placing the *trueques* into Argentina's 20th century political and economic context, discussing Menem's neoliberal policies of the 1990s as well as the rise of the "new poor". The next section details the barter clubs from their inception in 1995 through to 2001— focusing on *trueque* values, club organization and participant dynamics. The third section highlights some of the challenges faced by the *trueques* in during this period.

20th Century Political and Economic Context

Argentina's Recurring Economic Cycle

"Argentina is a nostalgic country and why not? Its past is well worth remembering. In 1914, it was one of the five or six wealthiest countries in the world, and its living standard exceeded that of Western Europe until the late 1950s or early 1960s" (Falcoff 2003). The first half of the 20th century proved to be good times for Argentina, leading to the creation of a strong middle class. Argentina, blessed with the pampas – a tremendous expanse of fertile land – exploited its comparative advantage, supplying meat and grain to the industrialized world (Skidmore 2001: 70). A significant immigration wave coupled with modernizing agriculture, manufacturing and transportation sectors transformed Argentine society, developing the middle and working classes (Banko 2000: 27). Following the Depression, which it fared comparatively well, Argentina successfully industrialized and began producing for domestic consumption while reestablishing its meat and grain exports (Banko 2000: 28). Juan Peron's 1940s corporatist state spread the

benefits to the working class, increasing wages, and extending it new rights. In 1950, Argentina stood out as more urban, modern and with a more educated work force than surrounding Latin American countries (Tokman 1996: 49)

During the second half of the century, however, Argentina witnessed two trends: a slow process of deindustrialization and the steady decline of the once-established middle-class. During his first term Juan Peron's economic strategy of nationalizing foreign-owned companies, maintaining artificially low agricultural prices and increasing real hourly wages held up while global commodity prices remained high. The country grew 8.6, 12.6 and 5.1 percent in the first three years of his presidency (Skidmore 2001: 86). The boom came to a halt in 1949, when world commodity prices dropped and inflation increased. In response, Peron instituted an austerity plan, one of many to come (Skidmore 2001: 87, 88). It was the beginning of what would be Argentina's pattern to the present day: a cycle of trade deficits, inflation and low or negative growth, followed by ultimately untenable stabilization programs, implemented in varying degrees of orthodoxy and regard for foreign creditors.¹ By the time Carlos Menem assumed the presidency in 1989, the pattern had been established and the middle-class had lost ground.

Menem and the Early 90s

Carlos Saul Menem assumed the presidency in 1989. He had inherited an economy in the inflationary and low-growth part of the cycle. The economy had shrunk three percent in 1988 and another six percent in 1989 (Skidmore 2001: 102). Inflation was

¹ Argentina is not only known for its recurring economic cycle, but also for revolving military coups. This pattern began in 1930 with the overthrow of Hipólito Yrigoyen, followed by a series of alternating military and civilian governments. The pattern seems to have ended with the return of civilian government in 1983.

increasing at a rate of 150% per month and the country was almost \$4 billion in arrears on its external debt (Skidmore 2001: 103). Menem, a Peronist, surprisingly instituted a neoliberal reform package. His first move was to privatize state-owned companies including telephone, airlines, electricity, coal, natural gas, subways and shipping (Skidmore 2001: 103). His next step was selecting a hard-nosed economics minister, Domingo Cavallo, who dramatically limited government spending (Skidmore 2001: 103). Price controls were eliminated. Tariffs were reduced, and sectors such as agriculture, wholesale and retail were deregulated (Bluestein 2005: 24). Under Cavallo, the government also instituted the *Ley de Convertibilidad*, which guaranteed the peso in a one-to-one exchange with the dollar.

To fully understand the role of the convertibility law, one must look back to the circumstances of the 80's, the so-called "lost decade". The 80s were characterized by high inflation and a negative growth rate – an average decrease of about half percent per year (IMF 2003). The "lost decade" of the 80s resulted in a severe lack of confidence in the government. In their 1998 article Palermo and Collins examine Menem's response to this "credibility gap." Attempting to curb the hyperinflation endemic to the 80s, Argentina adopted an orthodox monetary policy, i.e., it tightened the money supply. This policy achieved the intended effect of halting inflation, yet it delivered the economy into recession and decreased the amount of money in the public accounts. The temptation at that point was to print more money to try to restart the economy. This option, of course, threatened to resuscitate the specter of inflation. The government needed to grow the economy yet keep inflation under wraps. Palermo and Collins argue that the creation of the convertibility law (combined with the appointment of a highly

respected technocratic economic team led by Domingo Cavallo) allowed the Menem government to not only accomplish these two goals, but also to increase public spending at the same time. As the two authors put it, “the Menem government seemed to have successfully converted a circle into a square” (Palermo and Collins 1998: 43).

The success of this new policy hinged on the adoption of a mechanism the authors refer to as “self-restraint.”² By virtue of being a law, the *Ley de Convertibilidad* signaled that the government was abrogating its option to influence the economy through monetary policy manipulations or alterations in the exchange rate. By forgoing its prerogative to moderate monetary policy and exchange rates, the government had to be able to back up expansionary borrowing by having dollars on hand. Palermo and Collins note that if the government “should require dollars to make payments on the foreign debt, the treasury would need to buy them like any other private institution and this purchase would have to be made with the operating surplus resulting from controlling costs and improving the state’s ability to collect taxes (or, as it also happened, by selling some of its property)” (44).

The plan worked. Guarantees of the exchange rate created a stronger sense of certainty, investment grew, inflation fell, and domestic consumption increased. The subsequent increases in tax revenues combined with profits from government sale of public sectors allowed the government to maintain reserve levels while simultaneously increasing public spending (Palermo and Collins 1998). The early 1990s hailed substantial growth rates, and Argentina was soon the darling of the developing world. The economy grew 10% in 1991 and 1992 and another 5% in 1993 and 1994. Although

² The concept of self-restraint is originally discussed by Elster (1998) and appropriated in a more general form by Palermo and Collins.

the Mexican peso crisis reverberated strongly in 1995 with a negative growth of 4%, the economy recovered quickly, growing 5% in 1996 and 8% in 1997 (IMF 2003).³

The reforms, however, introduced serious deficiencies. The first problem was overvaluation of the currency. The convertibility law led to an overvalued peso, which in turn made exports more expensive and created a national trade deficit (Skidmore 2001: 103). The burgeoning deficit did not matter so long as the economy was growing and foreign investment continued to flow in, as it did throughout most of the 90s (Bluestein 2005). A second problem, not a result of the convertibility law, but one that confounded it, was the increasing government debt. These two issues proved to be decisive factors in the economy's debacle in 2001, but in the mid-90s the gravity of these problems was only dimly perceived. Argentina continued to be the poster child for good development.

A third problem, however, was rearing its head: rising unemployment. Even though domestic policies and international investment trends led to a reactivation of the economy, it negatively affected the labor market. Unemployment increased from 6.5 percent in 1991 to 12.2 percent in 1994 and 14 percent in 1997 (Skidmore 2001: 103, 105) and the government payroll in 1994 decreased by half (Bluestein 2005: 24).

Structural Changes and the “New Poor”

Although unemployment became acute in the 1990s, the trend had begun earlier. The average rate of unemployment before 1980 had hovered around 2-3%, while in the 1980s it averaged about 6%, and in the first five years of the 90s it averaged 11% (Tokman 1996: 48). For many scholars, the 1990s was only a continuation of a development that had started in the 1970s and 80s under the military dictatorship: the

³ In 1995 there were rumblings of discontent with Menem's economic policies. The opposition mounted a challenge to Menem's hegemony in the presidential elections, but failed to capture the vote.

dismantling of the welfare state in favor of a neoliberal model (Bonetto and Piñero 2000, Beliz 1995). Argentina's post-war model centered around social rights. It was characterized by state regulation and centralized union negotiations. The state resolved social questions and led national development (Bonetto and Piñero 2000: 52). In the 1970s, however, the welfare state began to unravel. "Lo que en tiempos de Estado de bienestar se entendía con criterios de universalidad, generosidad fiscal y paternalismo del sector público, trocó abruptamente a partir de los sucesivos procesos de ajuste y de deuda que vivió Argentina de 1975 en adelante" (Beliz 1995: 27).

The debt-ridden years of the 1980s deepened the neoliberal inclination as the country became beholden to conditions imposed by its creditors. Between 1977 and 1982 the external debt increased by almost 500% (Banko 2000: 31). "Argentina...había ido perdiendo progresivamente el dinamismo económico que había sido característico de su economía hasta 1930...Las crisis cíclicas condujeron a la búsqueda de financiamiento externo para solventar los desequilibrios externos" (Banko 2000: 30-31).

The 1990s, under Menem, paved the final neoliberal inroads, particularly with regard to the labor market. From the 1970s through the 1990s Argentina implemented labor policies to make the work force more flexible and to reduce labor costs, allowing industry to compete internationally (Tokman 1996: 62). State leaders made efforts to decentralize collective negotiation and minimize government involvement in labor conflicts. These policies precipitated dramatic structural changes in Argentine society. Traditional institutions began to fragment, as seen in the breakdown in the traditional role and power of unions. Furthermore, employment became more uncertain, the work force

became more informal and salaries decreased (Beliz 1995: 29-30).⁴ The end result was a loss of social mobility and the advent of the “new poor” (Beliz 1995: 27).

Who are the new poor? The new poor are composed of two types: previously poor people who were able to achieve a certain standard of living above the poverty line, but then fell back below that line; and the middle class who had never been poor, but at some point fell into poverty (Minujin and Kessler 1995: 40). The new poor, like the middle class, typically have access to higher education (*educación media y superior*) and tend to have less children per family. The new poor, however, are similar to the structurally poor in terms of job insecurity and lack of health coverage (Minujin and Kessler 1995: 10). Another distinguishing feature of the new poor involves their access to social capital (47).⁵ Many of the new poor have a great deal of social capital to draw on, which allows them to maintain access to certain lifestyle perks, but in turn leads to their relative invisibility.

For some, the improving macroeconomic situation in Argentina of the early 1990s translated into a better life. Yet a great many others joined the ranks of the new poor – by finding themselves unemployed, underemployed, without a permanent job contract, or working in the informal sector. This context of increasing job precariousness provided the crucible for much of the social upheaval of the 1990s, including the barter clubs.

⁴ For more information about the declining employment situation in Argentina in the 20th century see *Un trabajo para todos*. 1997. Buenos Aires: Consejo Empresario Argentino. See also *Metamorfosis del empleo en Argentina: Diagnostico, politicas y perspectivas*. 2002. Javier Lindenboim (compilador). Cuaderno del CEPED, No. 7.

⁵ Minujin and Kessler define social capital as the network of friends and family who are better off and can offer cheap services, do favors, offer jobs, etc. (44).

Birth of the *Trueques*

What became the Argentine barter clubs have their roots in an earlier program. In 1989 Anibal Rubén Ravera, Horacio Rubén Covas and Carlos Alberto de Sanzo created a small publishing firm and NGO in the city of Bernal⁶ called *El Programa de Autosuficiencia Regional* (PAR). The PAR critiqued the global economy for engendering inequity, unemployment, social tension, degradation of the environment, and destruction of community (*Comenzar por Casa*). In response, the PAR promoted self-sufficiency, based on the principals of environmentally sustainable, community-based, and “human scale” production. Their website describes their initial beginnings:

Hacia 1988 la Argentina vivía una crisis nueva. Comenzaba a percibirse nuevos fenómenos económicos...Fue allí cuando se nos ocurrió componer un ideario que velara por quienes se quedaban sin trabajo o eran excluidos por el sistema global. Basandonos en ideas de autogestión y tecnologías socialmente apropiadas intentamos plasmar una consigna que despertara sentimientos de supervivencia con formulas simples pero efectivas. Nació entonces el ‘Programa de Autosuficiencia Regional’...

The main purpose of the PAR was to design, develop and administer projects for ecological, self-reliant existence (Laporte 2003: 165). For instance it promoted organic food production, permaculture, solar energy and recycling. It advocated for a local development model in some ways similar to the idea of import substitution:

La propuesta de la Autosuficiencia Regional es afín a un cúmulo de ideas vanguardistas en el campo económico-ecológico, entre los que se cuentan el Bioregionalismo de Peter Berger, la Permacultura de Bill Mollison y la teoría de Jane Jacobs acerca de la innovación y transformación de las economías nacionales a partir de la sustitución local de importaciones en las regiones urbanas. En nuestra concepción, la Autosuficiencia Regional apunta a promover la identidad e interdependencia de las regiones urbanas y rurales, poniendo en valor, con tecnologías a escala humana, sus recursos ambientales, económicos, técnicos, culturales e históricos, sin perseguir una autosuficiencia total. De este modo, estas regiones no sólo se encontrarán en mejores condiciones para sobrevivir a la

⁶ In the *partido* of Quilmes in the Buenos Aires province

exclusión provocada por la globalización económica y la sofisticación tecnológica, sino que podrán mejorar la calidad de vida de sus habitantes, mediante el intercambio con regiones similares más allá de las propias fronteras. (Primavera, Covas and De Sanzo: Ch 5).

Out of the PAR initiatives came the first barter club. Luis Laporte describes the goals of the first barter club: “Nuestra meta era crear un mercado protegido para aquellos que no podían mantenerse a flote en medio del marco asfixiante de los efectos económicos de la globalización unilateral frente el retroceso de Estado, desde una perspectiva micro local” (165). The first barter club began with a group of 20 people in 1995 in Bernal. Participants got together every Saturday for a few hours to exchange goods and services. They called it the *Club de Trueque*.⁷ A member would come with items such as prepared food, clothes, or artisan products. Each time an item was “sold” the seller would mark the corresponding “credit” on a personal tally card. Then the seller would become a buyer. For every product “bought” that person would deduct the corresponding amount from the running tally on the card. When a group of people wanted to duplicate the system in the city of Buenos Aires paper credits were introduced and the *Red Global de Trueque* (RGT) was born (Laporte 2003: 167). The credits looked similar to money and acted much in the same way. Instead of marking credits and debits on a card, people could “buy” or “sell” using the physical credits. For the ease of pricing, it was decided that one credit should be the rough equivalent of one peso.⁸

Soon *nodos*, the name of the location where a barter club met, began popping up all over the region and the country. Fostered by coverage in the national television show

⁷ *Trocar* in Spanish means to trade or exchange

⁸ The RGT credits have been called different names. At first referred to as “*Ticketes Trueque*,” they also became known as “*arbolitos*,” which refers to the image of a tree printed on the front. I use the term “*crédito*” throughout this paper, which is the generic term for any physical credit used within the barter system.

“*Hora Clave*” in 1996 and by other favorable media coverage, membership began to grow (Primavera, Covas and De Sanzo 1998). In one accounting of the *trueques*, the number of *nodos* went from 17 in 1996 to 40 in 1997, more than doubling to 83 in 1998. The years 1999 and 2000 saw an increase to 400 and 500 *nodos* respectively. By 2001 the number of *nodos* reached 1800 (Ovalles 2002).⁹ The rapid increase in participants was not only due to media coverage. It spread by word of mouth and by virtue of need. One participant who joined in 2001 remarked “Cuando el trueque sale del cono urbano, que se llama aca, de la parte de los suburbios, y se empieza a meter en la capital federal fue como una explosión, cada dos o tres cuadras había un nodo. Fue impresionante. Ibas caminando por la calle y se encontrabas con un nodo”.

Trueque Values

Specifically the RGT seeks to provide alternative spaces for the unemployed.

These alternative spaces serve two functions. One is the practical fulfillment of basic material needs. As one researcher summarizes:

Hay un reconocimiento de las capacidades que los miembros [del trueque] poseen, pero que a la vez el Mercado y las políticas estatales deciden excluir, dejando de esta manera al margen del Mercado formal a un grupo importante de la población, cuyas habilidades no están acordes a las demandada del actual modelo económico (Arcidiacono, Nota 4, first column, 2nd page).

⁹ Accounting of participant numbers has not been an exact or scientific endeavor. The study by Ovalles is referenced in the book, *Trueque y Economía Solidaria* (editor Susana Hintze), but the methodology of that study is not revealed. Other estimations are cited in newspaper articles, but these generally reflect estimates provided by club founders.

The other function is a psychological one of healing and self development.¹⁰ The core value of the RGT is self-help, or *autosuficiencia*. The RGT encourages self-help as a means to extricate oneself from the dependency on a global system that consistently fails to provide. However, this self-help can only be carried out in solidarity with others. The RGT enjoins members to learn to “producir por nosotros mismos aprendiendo de lo demas integrantes, de sus experiencias y técnicas a través de la ayuda mutual” (Preamble to *Los doce principios*, see appendix).

Another pillar of the RGT rhetoric revolves around the evils of money. According to the RGT, in today’s world, the accumulation of money drives the individual. Yet very few people are successful in this endeavor. The vast majorities who fail to successfully play the game of money accumulation are left with few options for survival and personal development. The result is that the individual becomes dependent on a system in which they have little success. Thus the RGT refuses to deal in pesos and instead created a separate currency, the *crédito*. The *crédito*, however, should not be considered as currency qua currency. It is simply a mechanism to facilitate trade. A key dictate of the RGT is to never accumulate *créditos*, but to keep them in circulation.

The RGT also insists that members be both producers and consumers, not just consumers. Members of the club are referred to as “*prosumidores*,” a combination of the *productor* (producer) and *consumidor* (consumer).¹¹ To be a *prosumidor* serves the obvious logistical function of creating both supply and demand. But there is a

¹⁰ Preceding the creation of the RGT was a self-help group formed by PAR called *Emprendedores Anónimos*, modeled on Alcoholics Anonymous, that was aimed at “*personas que experimentaran dudas en la toma de decisiones, vulnerabilidad en lo laboral, incertidumbre ante el futuro y tuvieran la necesidad de evaluar su desempeño personal para una mejor competencia*” (Primavera, Covas and De Sanzo 1998: Ch 5).

¹¹ The idea of the *prosumidor* is taken from Alvin Toffler’s work, *The Third Wave* (1980).

psychological benefit to being a producer as well. The act of creating a good – combining locally available inputs, along with one’s personal creativity and labor – and trading it in the *nodo* builds self-esteem. The RGT concomitantly puts a strong emphasis on micro entrepreneurship – again, as a way to create supply and also build self worth.

These values are described in several documents emanating from RGT headquarters in Bernal. The first four principles in *Los doce principios* provide perhaps the best crystallization:¹²

1. Nuestra realización como seres humanos no necesita estar condicionada por el dinero.
2. No buscamos promover artículos o servicios, sino ayudarnos mutuamente a alcanzar un sentido de vida superior, mediante el trabajo, la comprensión y el intercambio justo.
3. Sostenemos que es posible remplazar la competencia estéril, el lucro y la especulación por la reciprocidad entre las personas.
4. Creemos que nuestros actos, productos y servicios pueden responder a normas éticas y ecológicas antes que a los dictados del mercado, el consumismo y la búsqueda de beneficio a corto plazo.

Structure and Organization of the RGT

Nodos that used the money printed in Bernal by the PAR became loosely unified into the *Red Global de Trueque* (RGT)¹³. By 1999 the RGT had established a *franquicia* or franchise system. A *nodo*, to be properly part of the RGT, had to register with the RGT and use their *créditos*. As a new member signed up he or she would pay two pesos

¹² For the full 12 principles see appendix.

¹³ Two other main *trueque* organizations evolved out of the RGT, the *Zona Oeste* and *Red del Trueque Solidario* (RTS), both with their own specific currency. In addition, there exist independent barter clubs that print their own local currency, accepted only at their particular *nodo*.

and get a start-up amount of 50 *créditos*.¹⁴ The RGT *nodos* franchised in this way were known as “*nodos franquiciados*”. Each *nodo*, although affiliated with the RGT, was autonomous. The structure of the RGT, like the *nodos*, was supposed to be horizontal. The RGT gave advice on how to start a barter club, but each *nodo* decided upon its own particular rules of trade and entry into the club.

[E]l acceso a la información, capacitación, bienes y servicios estan descentralizados y la actuación de los usuarios es libre y voluntaria, sin ninguna exclusión donde todos se relacionan entre si de manera directa y horizontal, sin media intermediaries ni representantes que puedan decidir por nosotros en asambleas o comisiones. Es una democracia directa (*Las Tradiciones*).

To join a *nodo*, a prospective member needed to attend a *charla*, or introductory meeting. The purpose of the *charla* was to explain how the system worked, clarify about pricing and answer any questions. Each *nodo* also had a coordinator. The coordinator was supposed to be a member of the barter club who fostered participation. The coordinator was the main organizer, taking care of administrative details like set-up and break-down. In many cases the coordinator would also regulate prices or handle complaints between club members.

Participants Demographics

Most researchers of the *trueques* make three observations about participant demographics. One is that the majority of participants tend to be women. A second observation is that most participants are middle aged or older (Leoni and Luzzi 2003, Bombal 2002, Lecaro and Altschuler 2002, Powell 2002). These findings are consistent with my observations during my visit to Argentina. The third observation is that early on

¹⁴ In interviews with participants and coordinators the amount paid for the starter *creditos* ranged from two to five pesos. In some cases, individuals did not pay for their first credits, but simply “sold” their goods to obtain their first *creditos*.

in their existence the barter clubs were comprised mostly of the “new poor,” but expanded to include the structurally poor. While this conclusion seems warranted, it has not been rigorously demonstrated. Ines Gonzalez Bombal comes closest to offering substantiation in her 2000 study.¹⁵ She found that the majority of participants (70%) earned less than 500 pesos per month, 39% earned between 500 – 1,000 per month and 28% earned more than 1,000 per month. “Esto indica que la práctica del trueque (aunque no de un modo excluyente) se estaba focalizando en los “nuevos pobres” (Bombal 2002: 103). Furthermore as regards education, an indicator of class, Bombal found that most participants had completed *secundario*, while a third had *terciario* or *universitario incompleto* (104).

Several other researchers state that the participation base was comprised initially of the new poor but grew to include the structurally poor. Interestingly, though, no one offers a direct link between their demographic findings and support for the idea that the new poor began the *trueques*. Leoni and Luzzi (2002), Powell (2002) and Aricidiacono (2002) all cite Bombal’s work, but do not offer any further analysis as to why they conclude the new poor were the initial participants. None of these studies were done over time to see if the participant composition actually changed.

Substantiating the claim that the new poor comprised the initial participant base is difficult, particularly because measuring and identifying the new poor is complicated. As Minujin and Kessler point out, the new poor is an extremely heterogeneous group. Anecdotally, though, the claim seems valid. One indication is to simply look at the founders. All three have higher education. Perhaps more to the point, the founders

¹⁵ Her study is based on 50 in-depth interviews conducted across five *nodos*.

themselves describe the first members of the *trueque* as coming from the middle-class (interview). What is clear, however, is that the *trueques* did not remain solely comprised of the new poor. Multiple people interviewed for this study mention that at one point there were people from all walks of life and economic class participating in the *trueque*. And as the founders note in their account of the *trueque* beginnings:

Según la experiencia de los distintos "clubes", la concurrencia es la más variada : clases bajas en descenso, clase media en descenso, clases bajas en ascenso, militantes desorientados, inclasificables... Creemos que el proyecto atrae a las más diversas clases de personas (Primavera, Covas and De Sanzo 1998).

Furthermore, as the economy worsened and unemployment grew, the *trueque* extended out from its original urban base to areas more densely inhabited by the structurally poor (Powell 2002: 8).

Nodo Dynamics

By 2001 the barter clubs were catering to both the wealthy and the poor. The *nodo* Galpon de Once in the city of Buenos Aires is illustrative. Galpon opened in March of 2001. It met three times a week and at its height roughly 3000 people would pass through weekly. This *nodo* offered middle class services such as hair styling, manicures, and even vacations, which could be paid for in part by *créditos*. There was also a recycling center run by Galpon organizers. The recycling center was a way to generate *créditos* for people who had nothing to bring to the *trueque*. If an individual had no product to sell she or he could bring in glass bottles, cardboard boxes or cans to trade in for *créditos*. In addition to the space provided for individuals to trade their goods, the Galpon also provided free child care for the parents who came to trade. It also ran a *nodo*-sponsored pizzeria and vegetable stand. To enter a *prosumidor* would have to pay one peso. Part of the money from the entrance fee went towards paying rent and electric

bills. The other part of those pesos helped to purchase inputs for the pizzeria and vegetable stand. This system worked well because food items were always in high demand in the *nodos*. And while not all the ingredients were available through the *trueque*, buying them in bulk in the formal market was a cheap solution.

On the one hand, the *trueque* was a way to maintain a certain life style. For instance items for trade in a barter club in the wealthy neighborhood of Recoleta included fur coats, art and books (Crivello 2002).¹⁶ On the other hand, the *trueque* also was a true alternative market. As unemployment grew in the latter part of the 1990s the *trueque* permitted people to obtain basic goods that were increasingly hard to come by, such as food, cleaning supplies and clothes. The *trueque* also provided a venue for people to sell goods they were unable to sell for pesos in the formal market. Oftentimes goods being sold in the *trueque* came from left over inventory of failed businesses (personal interviews, Bombal 2002: 119). Professionals also joined to provide legal services, medical treatment and music lessons. In a June 2001 edition of *El Trueque*, an RGT magazine, services and products advertised included event planning, catering, school supplies, car parts, massage, taxi service, contact lens prescriptions and garden care.

Intersection with Government

In the first two years the RGT did not actively seek government support or sanction. However, by 1997, the RGT began interfacing with the government, both as a way to seek legitimacy and to encounter new forms of integration (Primavera 1999).

Government support came from the national, provincial and municipal level. The city of

¹⁶ This was an independent club, although it was similar to the RGT in its stated goals of creating solidarity as well as promoting production and a continual circulation of *creditos*. They issued their own local *crédito* known as the “*recoleta*”.

Buenos Aires, where the *trueques* flourished early on, created “El Programa de *Trueque* Multirrecíproco” in May 1997 (*Megaferia: Tiempo de Trueque*). It allowed the RGT to use offices throughout the city to host the *nodos* and to train members.¹⁷ The City of Buenos Aires also invited RGT founders Horacio Covas and Carlos de Sanzo, among others, to attend a roundtable discussion as part of an event called *Buenos Aires Sin Fronteras*. The city continued its collaboration in 2001, co-hosting a *megaferia* with the RGT (*Megaferia: Tiempo de Trueque*). In the brochure advertising the *megaferia*, the city of Buenos Aires describes how it wished to “[i]ncentivar a las personas a capacitarse en temática no tradicionales, asociadas a nuevos mercados y sectores dinámicos de la producción y el empleo” and “fomentar y fortalecer la construcción de redes sociales a través de proyectos autogestionados o cogestionados con el estado.” The program provided training to individuals who wished to form microbusinesses within the *trueque*.¹⁸

In 2001 the RGT received national support when the *Secretaria de la Pequeña y Mediana Empresa* in the *Ministerio de Economía* (SEPyME) signed an agreement to promote the *trueques*. The first section of the agreement states that the goal of the agreement is to “promover en todo el país el sistema de trueque o intercambio multireciproco”. The agreement was to also mutually foment the creation of jobs and support individuals in their transition from the informal to the formal market.

(Convenio). I interviewed one woman who benefited from this government support of

¹⁷ The offices used were the ‘Centros de gestion y participación social’ (CGP). There is one CGP in each of Buenos Aires’ fourteen neighborhoods.

¹⁸ In 1999 the program was still running, but had moved from the control of the *Secretaría de Industria, Comercio y Trabajo* to the newly created office of *Secretaría de Desarrollo Economico*.

small business initiatives. As a member of the RGT she received a small subsidy of \$200 pesos a month, which was to be used to buy materials for the aprons and purses that she sewed to trade in the *trueque*. In practice, she used the pesos to pay her utility bills and bought the inputs for her sewn items from the *trueque*. The subsidy lasted five months. She was later approached and received a similar subsidy, but this time not tied to the *trueques*; the subsidy instead was to support production of goods sold in the formal market. SEPyME's relation to the *trueques* was similar to that of the city of Buenos Aires: some material support in terms of co-sponsoring workshops, training and ferias, but perhaps more significant was the "moral" support of allowing the SEPyME and City of Buenos Aires names to go out on marketing materials. Also in February 2001, eight *diputados* attempted without success to pass a bill declaring the *trueques* to be of national interest.

At the municipal level, the *trueques* met with further support. The focus on the *trueques* as a means of providing work and income also motivated more than 10 municipalities and 3 provinces to officially declare the *trueques* to be in their interest (Leoni and Luzzi 2003). In addition to declaring the *trueques* to be of municipality interest, the cities would often allow the *nodos* to use public buildings or space. The municipalities also sought to regulate the *trueques*: some required all *nodos* to register with the local government, and since popular *trueque* items included prepared foods and homeopathic medicines, *trueque* members were often required to attend health workshops.

Problems within the *Trueques*

As the *trueques* grew so did challenges to the system. One issue that spawned several interrelated problems had to do with the *crédito*. At the outset the RGT declared

the value of one *crédito* to be equivalent to one peso. This parity was established simply as a means of convenience. It allowed *prosumidores* to easily set prices. For instance, if an empanada in the formal market cost one peso, then it should cost one *crédito* in the *trueque*. However, as the RGT grew it appeared that it was printing too many *créditos*. A woman I interviewed explained how she registered with one *nodo*, but was required to re-register when she went to another *nodo*. Even though she already had *créditos* from participating in the first *nodo* she was issued the starter 50 *créditos* from this second *nodo*. While this woman did not purposely try to get extra *créditos*, many people did take advantage of the system in this way. A lack of effective centralized record keeping led to people registering at multiple *nodos* to get several disbursements of *créditos*.

After a while, the value of the *credito* became inflated. Inflation might have been acceptable except that it was happening at different rates at different *nodos*, so that an empanada might cost 2 pesos in one *nodo*, but cost 5 pesos in another. Price variation from *nodo* to *nodo* led to speculation; individuals would buy products at one *nodo* for one price and resell them at another *nodo* for a much higher price (Primavera 1999, *La Nación*, Premat 2003).

There were also charges of corruption on part of the coordinators. Several people that I interviewed pointed out the economics of running a *nodo*. It was common to charge one or two pesos as entry fee into a *nodo*. This fee was supposed to cover costs such as electricity, rent, and cleanup. A busy *nodo* might have 500 people enter in a day. If the *nodo* charged one peso at the door and met three times a week it would produce \$1,500 pesos a week. That would total \$6,000 pesos a month. A sizable quantity that would more than cover basic costs of rent, utilities and clean-up. In some *nodos* it was

clear that the extra income was being used to buy in bulk to supply the *nodo*, but in other cases, the accounting of the pesos was not so transparent.

In 1998 four zones – Capital, North, West and South – were created to try to decentralize the RGT and prevent overprinting and speculation. Each zone printed its own currency (Hintze 2003: 56) and established an equivalency with the *créditos* from the other zones (Primavera 1999). However, differences of opinion over the transparency of *credito* printing led the Zone Oeste to splinter off in 2000 and cut all ties to the RGT (Sampayo 2003: 197). The Zona Oeste also cited “incompatible” development trajectories as the reason for splitting (Sampayo 2003: 197). Another important split came in 2001, when the *Red de Trueque Solidaria* (RTS) formed and officially separated from the RGT (Cortesi 2003: 181).

The RTS is very specific about the ways it differs from the RGT. While both organizations emphasize production on the “human scale,” the use of “tecnología apropiada¹⁹” and work as a means of self-realization, the RTS differs over the issues of *créditos* and participation. With regard to *créditos*, the RTS refuses to print a national *crédito*; each zone of the RTS prints its own *crédito*. The RTS believes that zonal credits reinforce the identity, decision-making abilities and development of each zone. While the RTS acknowledges the drawback in having to deal with multiple kinds of *créditos*, it reasons that printing a national currency only replicates the formal economy and all the problems therein (Cortesi 2003: 189). In contrast to the RGT, the RTS also does not charge a “registration” fee or “franchise” fee for new members to get their first *créditos*.

¹⁹ The RTS defines “tecnología apropiada” as working with what is available rather than what is not (Cortesi in Hintze 190). This is a similar concept to the RGT emphasis on using local talent and inputs to create goods, rather than importing them from other areas.

With regard to participation, the RTS has positioned itself as being a more democratic and participatory organization than the RGT. The RTS mode of decision-making is through assembly, which it believes facilitates transparent, democratic, and inclusive participation. The RTS, in turn, criticizes the RGT as tending toward private, closed decision-making processes (Cortesi 2003: 184).

Other problems began to plague the barter clubs. A serious issue was that of supply. A main edict of being a *trueque* participant was to be a *prosumidor*, to be a producer as well as a consumer. However, the production side of the equation came to suffer. People would attend the *nodos* and buy goods, but either not bring goods to sell or only bring used items, such as clothes. The end result was a scarcity of goods as well as a declining quality of goods. Also, many people were bringing items that were not in demand. Trinkets and arts and crafts abounded rather than food items (Lecaro and Altschuler 2002). As the kind of goods that people actually had a demand for were offered less and less, people ended up stuck with stacks of *créditos* and nothing to purchase (Bombal 2002: 125).

Another issue confronting the *trueques* was the subutilization of skills (Bombal 2002, Lecaro and Altschuler 2002: 11). Bombal notes that the *trueques* are repositories of social capital and skills as well as goods and services. Yet with all these resources, and the RGT's particular emphasis on fostering small businesses, there was no real efforts on part of the *prosumidores* to create microenterprises (Bombal 2002: 111). Only 20% of those interviewed by Bombal had plans to create a new project in conjunction with other members (Bombal 2002: 110).

Chapter Summary

Argentina's economic successes of the first part of the 20th century slowly eroded away in the second half the century. The strong middle class that had developed began to fade as a recurring cycle of strong growth followed by wild inflation plagued the country. The neoliberal policies of the 1990s pushed the country into the growth phase of the cycle, but incurred dangerously high levels of unemployment. The middle class consequently further declined and a new class was created: the "new poor". Out of this context the barter clubs were born.

The creation of the barter clubs was a way to not only meet economic need, but it was a vehicle that promoted local production, self-sufficiency, personal growth and solidarity. People joined the barter system both out of need and also to maintain a certain lifestyle, and by 2001 the barter clubs were catering to both the wealthy and the poor. As the barter clubs grew so did the problems that plagued them, including inflation, speculation and scarcity of goods. Tension also mounted over issues of participation and issuance of *créditos*. As a result Zona Oeste and the Red de Trueque Solidaria splintered off from the RGT.

CHAPTER 3 AFFECT OF NATIONAL ECONOMIC CRISIS ON THE BARTER CLUBS

The economic crisis that exploded in December of 2001 dramatically affected the barter clubs. While membership had been increasing at an accelerated rate the previous two years – in tandem with the worsening national economy – the *corralito* of late 2001 and massive joblessness of 2002 led to a tidal wave of new *trueque* participation. The first section of this chapter reviews the economic background leading up to Argentina's 2001 economic debacle. The second section explores how the ensuing rush of new barter club participants exacerbated existing problems within the *trueque*. The last section discusses the RGT's effort to confront these issues and the level of success achieved.

The Economic Crisis of 2001/2002

Serious structural weaknesses combined with cyclical recession to precipitate Argentina's economic meltdown in late 2001. In the document entitled "Lessons from the Crisis in Argentina" the International Monetary Fund (IMF) reviews Argentina's economic development from the 90's through the 2001 crisis. The document highlights what in hindsight were considerable "existing weaknesses and growing vulnerabilities" (IMF 2003: 6) in the system:

Fiscal performance...was repeatedly undermined by off-budget expenditures and was too weak throughout the 1990s to prevent a growing reliance on private capital flows to meet the public sector's steadily rising borrowing needs. Exports, though growing at a solid 8 percent per year between 1990-98, did not keep pace with sharply rising import demand, which grew at an average rate of 25 percent per year over the same period. The relatively small domestic financial sector fostered dependence on foreign debt-creating flows to finance both private and public spending. Finally, despite a good start on structural reforms, by mid-decade these

were petering out and were, in some cases, even reversed, leaving important rigidities (8)¹.

The IMF document further points out that the fiscal debt was exacerbated by borrowing by the provinces, adding to the public-debt ration (6, 13). The overall debt was tenable as long as the economy was growing at 5% or greater, but in the event of lesser growth, such levels of debt were dangerous.

These structural weaknesses were compounded by the constraints of the convertibility law. Palermo and Collins describe the negative current-accounts balance as the convertibility plan's Achilles' heel. Part of the expected goal of the convertibility law was that true exchange-rate parity would occur, i.e., that the peso would equal the dollar without the government needing to prop it up drastically. However, while inflation was kept comparatively under control, the heating up of the economy did maintain a certain level of "residual" inflation, preventing parity from being reached (Palermo and Collins 1998). Eventually, the economy started a cyclical recession in 1998 and the policy of public spending and propping up the peso could not last. The currency board thus became a "liability" as the government accrued burgeoning foreign-currency denominated debt (IMF 2003: 4).

Palermo and Collins outline three possibilities open to the government at that moment. One option was to devalue the currency, but the position of self-constraint embodied by the convertibility law prevented this step.² Furthermore, as the IMF

¹ The rigidities the IMF refers to include rigidities of the labor market. In stark contrast to the views presented by the authors cited in the second chapter, the IMF thought that the country should have a *more* flexible workforce.

² Recall from chapter two that self-constraint was the cornerstone of the convertibility plan; it entailed that the government abrogated its prerogative to moderate monetary policy and exchange rates in order to build confidence in the economy.

document also points out, the economic and political costs of exiting the currency board regime were great: “By the late 1990s, with more than one-half of banks’ assets and liabilities and ninety percent of the public debt denominated in foreign currency (mainly US dollars), abandoning the currency board arrangement would have been extremely disruptive to the economy – as indeed it turned out to be” (37). Furthermore, there was strong political backing of the currency board; in 1998 the problems with the system were still latent and the economy seemed to be doing just fine. Thus no politician was eager to suggest painful preventative medicine. The irony of course was that the growth of the economy masked the weakening government finances. The two other possibilities were to restrict the inflow of foreign capital or to reduce public spending, but neither jibed with Menem’s political position (Palermo and Collins 1998).

Advent of the crisis. In 1998 the economy embarked on the fateful recession that would trigger the economy’s collapse. Several factors precipitated the recession. One was a cyclical correction following the rapid growth of the previous two years. Another was the political uncertainty surrounded Menem’s attempt to run for the presidency for an unconstitutional third term. Economic troubles in other parts of the world also reverberated in Argentina. The Russian crisis in 1998 affected interest rates in emerging markets and in turn reduced capital inflows into Argentina. Yet, while international lending interest rates increased the Argentine currency board “muted” these effects, keeping the spread on Argentine bonds artificially low. The result was to further mask the true economic status of the country’s debt. The following year Brazil, one of Argentina’s biggest importers, devalued its currency. Argentine products became even

more expensive resulting in a 28% decrease in Argentine exports to Brazil (Bluestein 2005: 59). Finally, exports to other countries dropped 10.5% (Bluestein 2005: 59).

These external shocks combined fatally with structural weaknesses: the country was unable to generate enough exports to cover national spending, nor could it expand monetary supply, nor could it institute an expansionary fiscal policy (IMF 2003).

Crisis. Argentina started off the year 2001 struggling to keep afloat. It turned to the IMF for an injection of much-needed capital to maintain its debt financing. The IMF pledged a total of \$14 billion to be dispersed throughout the year, pending the attainment of certain fiscal goals (IMF 2003). These attempts, however, failed “to break the cycle of rising interest rates, falling growth, and fiscal underperformance” (IMF 2003: 59). The situation demonstrated its fragility as the finance minister resigned and his successor was forced out in two weeks. As the year continued, the spread between peso- and dollar-denominated interest rates skyrocketed from one to sixteen percent and the central bank modified its charter, reducing the required currency on hand required by law (IMF 2003: 59). The government then offered a voluntary debt swap. While this move bought the government time on its debt service obligations, the interest rate on the new debt was 17%, an inordinately high rate, demonstrating the desperation of the government (IMF 2003: 59). Confidence in the system continued to erode and the run on bank deposits hit a high in November 2001 (IMF 2003: 61).

The government responded by limiting withdrawals to \$250 dollars a week from individual accounts (IMF 2003: 61). The reason behind such a drastic measure was simple. There were not enough dollars on hand to support the run on the banks. Additionally, devaluation of the peso was imminent, but there was doubt as to what the

new value of the peso would be. With the implementation of the *corralito* the crisis had hit the boiling point. There were riots in the street, culminating in the death of 27 people (Fue 2003). President Fernando de La Rúa subsequently resigned on December 20. In January of 2002, Duhalde – the 5th president in three weeks – declared default (IMF 2003: 62).

2002. The economic and political landscape could look no worse. In 2002 unemployment was at a record 22% (Byrnes 2005), and there was a 11% decline in output (Blustein 2004). Throughout the year the government struggled with a variety of measures to attempt to shore up the peso and stabilize the banking system.

Effect of Economic Crisis on the Barter Clubs

The state of emergency in late 2001 not only sent people to the streets clanging pots and pans in the famous *cacerolazos*, but it sent waves of people into the barter clubs. The news media was integral in spreading the word. In January of 2001, before the national catastrophe fully unfolded, the Argentine newspaper, *La Nación*, only mentioned the *trueques* in passing in two articles. In February 2002, however, the *trueque* clubs were not only mentioned in four articles, but they were the main subject of two articles. One article, “El trueque salvó a una fábrica en Mendoza” (Feb 27 2002), explained how the RGT saved a Mendoza canning business by “loaning” 40,000 *créditos* in return for canned olives, pickles, tomatoes and dulces to supply a particular *nodo*. The other article, “El trueque crece a la par de la crisis” (Feb 6 2002), tells of more than 500,000 families using the *trueque* as a palliative for the crisis. This article ends by providing contact information (phone, email, website) and instructions on how to join.

Clarín, Argentina’s other main newspaper, also heavily covered the barter clubs. An article entitled “El club del trueque que le cambió la cara a un barrio” reported that in

October of 2001 only 100 people were regularly attending a *nodo* in the city of Lomas de Zamora,³ but in March of 2002, more than 2,000 people were going weekly (Torresi 2002). Another Clarín article from two months earlier proclaimed: “Con el trueque ya se compran campos, autos y hasta casas.” In this article Covas, one of the RGT founders, stated that there were 50 million *créditos* in circulation, with 250,000 *créditos* issued daily to new members – which means 5,000 new individuals were joining daily (since each new member received 50 *créditos*). The article continued to report that in the previous six months 75 new *nodos* had opened in the city of Buenos Aires. By June of 2002 5,000 *nodos* were in operation, with a total of one and half million participants (Ovalles 2002).

During this period, it was clear that people were joining the *trueque* as a means of survival. Access to money was limited, jobs were scarce and the value of the peso had plummeted. People used the *trueques* strategically in their desperation to survive. Grander values of self-sufficiency, solidarity and local production and consumption did not factor in. *Créditos* were used to buy necessary items such as food, cleaning supplies, clothes, and school supplies for their children, while precious pesos were set aside to pay utilities and other bills (interviews). One woman that I interviewed stated that in 2001 and 2002 almost all of the prepared food items that she brought into the house came from the *trueque*. Another interviewee described how people would form a line more than an hour before the opening of a large *nodo* in order to get a chance at scarce goods such as food, jostling and fighting to be able to secure bread, vegetables or cooking oil before it ran out.

³ Province of Buenos Aires

In some instances the *trueque* also turned into a form of protest. In May of 2002 the RGT set up a temporary *nodo* in downtown Buenos Aires. The protest, as one participant commented was “un acto simbólico en contra del mercado” (Un Club 2002). In a similar action two weeks later in front of the national Congress, *trueque* participants specifically set up a *nodo* to demonstrate support for a proposed law to regulate the *trueques*. Luis Laporte, a spokesperson for the RGT, explained that a legal framework was necessary to regulate the *trueques* because, among other things, it would provide a means to punish people who counterfeited *créditos*. “Queremos un marco legal porque no podemos controlar lo que pasa. Si alguien falsifica créditos, hoy no se lo puede penar” (Trueque Frente 2002). The *trueques* used in this way as a form of protest is not without its inconsistencies. On the one hand, the *trueque* members protest the market that excludes them. On the other hand, they ask for legislation to bring the *trueques* under the regulating arm of that same system.⁴ This paradoxical stance will be discussed in the next chapter.

Regulating the *trueques* was particularly appealing since the explosion in growth in early 2002 had only exacerbated existing problems. Inflation was perhaps the most nefarious issue. Several factors played into it. First and foremost the RGT simply overprinted *créditos*. There was an attempt to keep track of who registered to prevent individuals from collecting several installations of start-up *créditos*. The registration system, however, simply broke down under the avalanche of new members – people were able to register across several *nodos*, receiving 50 *créditos* each time. A woman I interviewed who was close to the RGT founders commented on how the franquicia

⁴ Likewise, initiatives that would allow the payment of municipal debts with *créditos* were also supported by the RGT (*Clarín* Feb 14 2002).

system broke down. She described the *franquicia* system as the replication of the *trueque* model, but as she noted, once the *nodos* began growing rapidly, “no tenía muy claro cual era el modelo para repetir. Lo único que se repitió era que a cambio de dos pesos te daban 50 créditos. Y eso genero la corrupción.”

Speculation also ran rampant. Some people spent their whole week going from *nodo* to *nodo*, buying goods at one price and selling them at another. Counterfeit *créditos* compounded the problem. In August of 2002 three different groups were arrested for counterfeiting the RGT *créditos*. In one arrest alone, 2,250,000 fake *créditos* were confiscated. Considering that 50 million in true *créditos* were in circulation, that many false *créditos* constituted almost five percent of the total in circulation.

The kind and quality of goods being produced in the *trueque* also became problematic. The August 17, 2003 edition of La Nación One reported how for one woman making cakes for the *trueque* became a losing proposition: “El precio de las materias primas se fue por las nubes y me llegaron a pedir 2000 créditos por un kilo de azúcar. Al final para preparar las tortas tenía que invertir en pesos y a mi casa me llevaba papelitos”. Declining terms of trade resulted in a severe decrease in production. People were coming to the *nodos* to buy, but production was falling off. Furthermore, what remained in the *trueques* were items ancillary to daily needs such as arts and crafts and also things of generally lower quality, like used clothes. In turn, many people ended up with stacks of *créditos* but nothing worthwhile to buy. Inflation, speculation, declining terms of trade and depletion of supply led to massive closing of *nodos*. Towards the end of 2002 the *nodos* were closing down with the same rapidity with which they opened (Premat 2003).

Many trueque participants place the blame squarely on the RGT founders. They believed that the founders had purposely sold *créditos* to make a profit, and in the process wrecked the system. The woman who ran a large *nodo* in the city of Buenos Aires expressed this view:

Esta personas [the 3 founders] empezaron a ver el movimiento que había detras de ellos, empezaron a pensar en pesos, en dinero, en dinero, en dinero y terminaron en hacer una gran estafa...Y gente que nosotros conocimos en su principio que no tenían ni siquiera una casa para vivir se construyeron casas en San Isidrio – San Isidrio una de las localidades mas caras que existe en Argentina...Y cuando me empecé a dar cuenta de como esto, como se estaba manejando y, y las cosas que había detras, lloré muchisimo, yo sufrí muchísimo porque realmente aca había gente muy valiosa, gente que, yo conocí, gente que actualmente hoy la trato, gente que yo quiero mucho. Yo me sentía parte de la estafa porque yo manjeaba uno de los trueques mas grandes que había en Argentina.⁵

The RGT founders, for their part, believed that the government had purposely undermined the barter clubs. According to the founders, the government, which originally supported the *trueques*, turned on the barter clubs when it began to see them as a threat to the clientelistic model. As the RGT founders explained, since people were suddenly able to provide for themselves the politicians were not able to buy votes by giving handouts. The founders particularly blamed *Plan Jefes y Jefas*, a federal program that gave cash money to heads of households, for driving people away from the *trueque* and the principles of self-sufficiency. The founders even allude to more direct sabotage; they believe that politicians in the government were responsible for the falsification of *créditos* (Sainz 2003).

⁵ This interviewee not only believed the founders had purposely overprinted *créditos*, but she also insisted that they made up the story of counterfeit *créditos* to try to get away with their misconduct. When asked about the newspaper articles describing the capture of counterfeit *créditos* she said that later it was retracted.

Trueque Response

As early as May 2002 the RGT attempted to address the failing system. In an RGT pamphlet they asked the *prosumidores*: “Tenga paciencia. En estos momentos estamos abocados a la reforma total del sistema de franquicia y entrega de créditos” (NotiTrueque). By December of 2002 the RGT began printing new *créditos* on special paper from Brazil and with multiple security measures, including a watermark. They also established an oxidation rate, so that the *crédito* lost value over time, forcing people to spend the *créditos* instead of amassing them (Rocha 2002). By November of 2004, when I visited Argentina, there were a handful of independent and RTS *nodos* still active in the city of Buenos Aires. There were no RGT *nodos* left in the capital city.

During my visit, however, I attended a large RGT *nodo* outside the capital city in Quilmes. It still meets three times a week with more than a 1,500 passing through. El Comedero, as it is called, is hosted in a large industrial space that previously housed a factory. Upon entering the *prosumidore* pays five *créditos* and two pesos and receives a leaflet containing PAR news and editorials. One peso goes to the PAR to help pay for the printing *créditos* and the leaflet. The other peso goes toward paying security, the cleaning person and the *nodo* administrator, who works in the *nodo* office and does the bookkeeping. The *créditos* gathered from the entry fee go to paying the coordinator, whose job is to mediate between *prosumidores*, be available to listen to people, and to promote creativity and production. El Comedero houses a big kitchen in the back with an industrial stove and oven, which is available for anyone’s use. For instance, one woman with whom I spoke chooses to bake her goods in the kitchen rather than transport them to the *nodo*. The most typical item for sale is used clothing. Food is another big item. There are fresh vegetables and lots of prepared foods like *tortas*, *tartas*, *galletitas*. There

are also a quantity of prepackaged food items like spices, cookies and noodles, but never in huge quantities. Some of the services offered include hair cutting, tarot card reading and watch repair.

Although the interviews I conducted at this *nodo* were mostly informal, three themes became apparent. First, people come to the *trueque* for the social interaction. Several people describe the *trueque* as “therapy,” a place to come to talk to people, interact and forget their worries for a short time. While many of the people come to the *nodo* in order to ameliorate a difficult economic situation, several people come merely to see friends and distract themselves.

Second, people often move between the *trueque* and the formal market as an economic strategy. As several people mentioned to me, some things are cheaper in the *trueque* and some are cheaper in the market. People are constantly moving between the two to extract advantage. For instance, one woman buys spices at the supermarket and repackages them in small bags to sell individually in the *trueque*. Another woman uses pesos to buy ingredients in the formal market to make prepizzas and pasta to sell in the *trueque*. She says she recuperates the pesos she spends by buying things in the *trueque* instead of the formal market. Many people believe they reap economic benefits from the *trueque*, but how they derive the benefit is not a consciously understood or planned process. A 70-year old man I spoke to buys new things in the formal market (the day I spoke to him he had purchased shoe inserts) to sell along with the used items that he brings in. When asked whether it worked to his benefit to buy things with pesos and then sell them in *créditos* he answered that he really did not know. Third, although some participants were not there for economic reasons only their participation did not appear to

be motivated by the values of self-help, local production, or a philosophical aversion to pesos. For instance, I asked people whether they read the leaflet that was handed out to every *prosumidor* upon entering the *nodo*. On the whole the answer was no.

Chapter Summary

Summary. The story of the *trueques* involves a direct relationship between a worsening economy and increasing *trueque* membership. A corollary relationship also obtained: as the economy worsened the reasons for joining the barter clubs had more to do with necessity and survival rather than thoughts of creating an alternative economic system. And as the *trueques* grew in number so did the problems plaguing them. The national explosion in late 2001 caused a huge influx of *trueque* participants, shaking the already fragile system to its core, exacerbating earlier problems of inflation and speculation and leading to the massive shutdown of *nodos* in late 2002. In response, RGT founders instituted a “reactivation” of *nodos* on a smaller and more controlled scale starting in 2002. However it did not appear that ideology motivated participants even at the “reactivated” *nodos*, but rather desires to engage in social activity coupled with attempts to derive economic benefit.

CHAPTER 4 TRUEQUES AS A SOCIAL MOVEMENT?

Keeping in mind the lofty goals of their early beginnings, but taking into account the changes wrought by unexpected and significant growth, to what extent can the barter clubs be considered a social movement? To consider the *trueques* as a social movement might be a big leap – particularly since *trueque* participation grew in direct relation to a worsening economy and participation at the height of the *trueques* stemmed from pragmatic considerations rather than ideological conviction. Yet the original project was not designed as merely a survival mechanism. The barter clubs were designed as an enlightened alternative to the market; they were based on principles of *autosuficiencia*, solidarity and the repudiation of dependency on the formal currency. To answer whether the barter clubs can be considered a social movement, we will return to Sidney Tarrow’s definition of a social movement and analyze how the *trueques* match up with its several components. As mentioned in Chapter two the barter clubs began with the RGT and eventually two other smaller groups splintered off. For the purposes of this chapter I will apply Tarrow’s definition only to the RGT.

Collective Activity

The first prerequisite of a social movement is that it be a collective activity. At first glance, it appears that this criterion was met from the beginning. By its very nature a barter system requires more than one person in order to exist. Although the first *nodo* was not huge (it started with 20 people), the barter system only grew. Despite the lack of hard and fast numbers, it is indisputable that up until 2002 the *trueques* were multiplying

rapidly throughout the country. Even after the *nodos* began closing en masse in late 2002, several *nodos* still remain in operation to the present day.

However, while the barter clubs do involve collective action by nature, there is a certain level of individualism that underlies the activity. As one researcher observes, the barter clubs in fact present an individualistic solution to a collective problem:

Si bien...la caída [en la nueva pobreza] ya no podía ser percibida como un hecho individual sino que las causas de la crisis que padecían eran globales, generabilizables y casi inevitables, la salida de esta exclusión se presentaba como puramente individual. Paradoja que se sostiene a partir de la persistencia de la idea de un progreso posible pero donde "escapar" de dicha situación dependía únicamente de las capacidades personales. En este sentido, la alternativa del trueque se presentaba con claros tintes individualistas -egoísta, imposibilitando las creencias en acciones colectivas o de demandas al sistema político...(Barbetta).

The individualistic nature of the barter clubs, i.e., the emphasis on self sufficiency and personal ingenuity to overcome exclusion from the established market system is not necessarily problematic when considering the barter clubs as a social movement. First, we know from the literature on new social movements that movements can be carried out on an individual level, especially when based around life-style choices (Laraña 1994). The paradox of individual action constituting a collective activity is resolved when we acknowledge that the individual basis of action is part of a group of like-minded people do like-minded activities, even if separate. Second, as discussed in Chapter two, the RGT's emphasis on self-sufficiency requires learning from others and sharing knowledge, thus creating a market of solidarity.

Contention

Contention is the second element of social movements. As defined by Tarrow contention involves two aspects: people who *do not have access to institutions* who *fundamentally challenge* the system. The *trueques* clearly comport with the first part of

this definition. The RGT specifically prides itself in creating a space those who *do not have access to institutions*, i.e., the excluded. In fact many researchers describe the *trueques'* positive impact on women, a traditionally marginalized sector of society (Primavera 2003, Powell 2002). Furthermore, the everyday participant does not appear to be a seasoned politician, lobbyist or other traditional actor with institutional access. The exception perhaps is the individuals who take on the role of coordinator. Some coordinators do have political experience. For instance, the woman I interviewed who ran *Galpon de Once*, one of the largest *nodos* in the city of Buenos Aires, was a member of the *Confederación General de Trabajo* (CGT), a national trade union.¹ Even so, not all coordinators have political roots. Also worth noting is that in some cases people worked to initiate a *nodo*, even if they were not planning to participate in it. For instance, one gentleman that I interviewed worked with an advocacy group for retired people. He began helping to set up *nodos* as a community service. While politically active coordinators and *nodo* initiators played an important role in the barter clubs they were not the norm.

The second part of Tarrow's definition of contention is the making of new or unaccepted claims that *fundamentally challenge the system*. A starting point of analysis on this point is a quotation by Jeff Powell, which highlights the inherent social and political challenge of what he refers to as community currency systems (CCS):

Lying at the juncture of economics, political science, sociology, geography, anthropology, cultural, environmental and gender studies, CCS are a concrete embodiment of key abstract debates. First amongst these is over the nature of markets. CCS pose serious challenges to the standard assumptions of homo

¹ I also interviewed a coordinator from an independent *nodo* who, during the dictatorship was a member of a leftist group and as a result was an *exiliado interno*. While she obviously has experience organizing this experience is as a subaltern rather than someone with traditional access to institutions.

oeconomicus and the way we value, exchange and consume. By recognizing unpaid women's work, for example, CCS have the potential to restructure gender relations. Secondly, CCS force new discussions over the role of the state. They are only one of several new contenders in the global marketplace competing with the state's crumbling monopoly over both the provision of social services and the money supply. (2).

Powell makes two points. First, that the *trueques* challenge ingrained ideas about consumption and production. The edict of the *trueques* is to consume no more than is needed and to eschew accumulation of *créditos*. Even though Argentina's middle class is eroding away, it still knows how to consume. One Argentine history professor characterized the Argentines of the 90s as a “*dame dos*” culture; with money burning in their pockets the Argentines wanted two of everything (interview). The *trueques* counteract this tendency, trying to create a new wave of people who are willing to buck the dominant patterns of materialist consumption. This new mode of consumption compels a new mode of production. The *trueques* enjoin participants to use socially appropriate technology to produce just enough to provide for reasonable needs. As Powell points out, the Twelve Principles of the RGT attempt to create “alternative behavioral norms” (9).

One might argue that ideas of sustainable development, locally centered growth and self-sufficiency are not new or radical ideas. While these ideas may not be new, they are far from mainstream. In particular, the idea of self-sufficiency – of being personally resourceful in providing for one's material needs – is unconventional in Argentina, with its history of paternalistic governance. More to the point, how those ideas are operationalized – by rejecting pesos and turning to social money instead – is conceptually quite radical. As Melucci might argue, these values “engage the constitutive logic of [the] system” (1994: 103). A fundamental purpose of creating the *trueques* was to demonstrate

that money is neither the starting point for one's survival nor one's sense of self. To use social money encourages creativity and allows a person to create value in terms of time and effort expended rather than in pesos. Furthermore, the *crédito* is not legal tender. No government backs it. Instead the good will and trust of the barter club members underwrites the value of the *crédito*. The personal relationships of the barter club members guarantee its value.

To the extent that participants adopted this theoretical understanding of the *crédito*, the barter clubs indeed embodied an unorthodox approach to collective action. Yet, to the degree that the *crédito* was treated as a peso – commodified, bought, sold, counterfeited – the barter clubs lost the original meaning and impact of their approach. An essential element of most social money or community currency systems, like the Ithaca Hours in New York or the LETS system in Europe, is the focus on local production and consumption.² As the RGT expanded to a national scope, the importance of locally-based development and along with it the philosophical underpinnings of the *crédito* was subverted over time. The bigger the RGT grew and the more national coverage the *créditos* got, the more the RGT moved away from this fundamental ideal. This tendency to grow should come as no surprise. A small *nodo* is hard pressed to provide variety of products. The ability to use the *crédito* in more than one setting makes the *crédito* more useful. Yet the more widely circulated the *crédito* the more it was used as if it were a peso rather than “social money”.

² The Ithaca HOURS system has very similar ideals as the original RGT: promotion of local commerce, sustainable development and a rejection of materialism (see <http://www.ithacahours.com/> and <http://www.ithacahours.org/>). The LETS system also supports local development. See <http://www.letslinkuk.org/>.

Powell's second point deals with the *trueques*' challenge to state hegemony. Powell sees the *trueques* as potentially challenging the role of the state, for instance in competing with the state's monopoly over money supply. By extension, the barter clubs could also plausibly erode the productivity of the national economy. The activity of the formal market has the potential to decline to the degree that people satisfy their needs through the *trueque* and not through the formal market. In other words, it could be a zero-sum relationship. This loss of activity in the formal market would have potentially devastating consequences for the tax base (although Argentina is notorious for poor collections of taxes), the GDP, and international investment, which in part is based on GDP calculations.

Despite the potential of this scenario, it is not a reality. A significant problem continually plagued the *trueque*: in order to create goods for the *trueque* market, primary materials almost always had to come from the formal market. The *trueques* specifically focused on promoting primary material-producing *trueque* businesses, but these micro-businesses never materialized in larger enough numbers or variety of products to create a true alternative *trueque* market. It is important here to make a distinction between different conceptions of the word "alternative". The *trueques* were created as an alternative to the formal market. On the one hand, alternative could mean a complete replacement of the formal system. In this connotation the *trueques* have a zero-sum relationship to the formal market as described above. Alternative on the other hand, could also connote a part-time or complementary relationship to the formal market. It is this understanding that the RGT founders embrace. In interviews the barter club founders

describe the role of the barter clubs as “interstitial,” that is, extracting value where the formal market fails to.

Powell’s quote highlights two levels of contention inherent in the barter system. The first is at the level of ideas; the barter clubs challenge accepted ideas of production and consumption. But as the national economy worsened the new members failed to engage the barter club at this conceptual level. The following section addresses why members failed to adopt the philosophical stance of the *trueques*. Suffice to say at this point, however, that by late 2001 the majority of participants did not reflect the RGT ideas of consumption and production. The second level of contention is the practical; the barter clubs potentially undermined the very engine of the formal economic market. Yet, in the final analysis this is a moot point: the relationship between the *trueques* and the formal market was not zero sum, nor was the intention of the RGT founders to usurp formal market share.

Common Purpose/Common Identity

The third element of Tarrow’s social movement definition is that of common purpose and/or common identity. My interviews revealed a variety of motivations for initially joining the barter clubs: ideology, pragmatism, altruism, curiosity and social interaction. This multiplicity of initial factors does not immediately disqualify the *trueques* as a social movement, however. Two important questions need further consideration. First, did the RGT attempt to “organize experience” and “guide action” (Snow et al. 1986: 464) in order to bring these three disparate groups together? In other words, did the RGT frame its key issues? Second, was the RGT successful? That is, did participant motivations change over time to eventually coalesce around a more or less homogeneous core?

Turning to the first question: did the RGT frame key issues and if so, how? There is no question that the RGT attempted to frame central ideas. This was done at both a conceptual and practical level. At the conceptual level, the RGT tapped into an existing disenchantment with neoliberalism. Inez Gonzalez Bombal asks an interesting question in her work: why it is that the new poor are willing to be in the *trueques* when a few years ago they wouldn't have dreamed of doing it (104)? Bombal notes that there has been a change – from the new poor viewing their status a result of poor microeconomic decisions (Minujin and Kessler 1993) – to viewing themselves as victims of macroeconomic problems over which they had no control (Bombal 2002: 104). She concludes that the change in subjectivity (*subjetividad*), from the rational, autonomous self, making microeconomic decisions to the self as victim of bad macroeconomics is what allowed the new poor to participate in the *trueques*. This change in subjectivity is precisely what the RGT builds on. Appealing to the discontent of the increased numbers of unemployed, the RGT attempted a method of both frame bridging and amplifying, depending on whether a person already held anti-neoliberalism as a high value (frame bridging) or whether a person moved that value up in their hierarchy as a result of coming into contact with the RGT (frame amplifying). An example of this kind of framing is demonstrated in the RGT document entitled “*Comenzar por Casa*”:

La economía global no ha hecho más que acrecentar la inequidad, el desempleo, la tensión social y la degradación del medioambiente. Crece el número de personas disconformes que perciben que el confort no es sinónimo de calidad de vida y por todas partes surgen alternativas al mercado cuyo común denominador es la descentralización, la autogestión y la producción a escala humana.

Here the RGT draws a causal connection between the globalized economy and the commonly perceived societal ills of unemployment, social tension and environmental

degradation. In addition to drawing this connection, it goes on to suggest action and response: self sufficiency and new modes of production.

Part of the RGT conceptual framing strategy involved creating a new vocabulary to describe the *trueque* experience. While the word *prosumidor* originated in the works of Alvin Toffler, the RGT adopted it as its own. The RGT also adopted common words and associated them very specifically with the *trueque* system. For instance the words *nodo* (node) and *trueque* (which comes from the verb *trocar*) have in Argentina become synonymous with the barter clubs. This new vocabulary was disseminated along with the larger *trueque* values during the *charlas* and coordinator training sessions. The barter clubs, in creating a world of *prosumidores* who trade in an economy of solidarity using *créditos*, not only creates a community of like-minded barter club participants, but it also clearly challenges the dominant discourse. As Melucci observes:

[A]ntagonism lies in the ability to resist and, even more so, to overturn dominant codes. Antagonism lies in the ability to give a different name to space and time by developing new languages that change or replace the words used by the social order to organize our daily experience (Melucci 1994: 123).

At the practical level, the RGT attempted to mold participants and create an affinity of ideals through the required *charlas*. For instance, in certain areas a prospective member would have to attend eight *charlas* in order to become a member. These meetings involved rigorous training, replete with workbooks and lesson plans (interview). The RGT also used its online and publishing capabilities to disseminate a large array of articles on *trueque* consciousness. A main distribution point for documents was the

autosuficiencia website.³ In addition to more formal documents such as the “Los Doce Principios” there was a constant posting of articles and interviews reiterating the RGT values as well as cautioning against unethical *trueque* conduct.

Turning to the second question: how successful were these various attempts at framing? Obviously, the RGT was not successful enough to prevent misuse of the barter system by those who were willing to speculate and counterfeit *créditos*. And clearly, the RGT failed to convince a large number of people to stay in the barter system once the formal market got back on its feet. In fact, *nodos* were forced to close down due to lack of the ills of inflation, speculation and corruption.

In spite of these apparent failures, strong examples exist among a variety of participants that demonstrate the success of the framing. Although not specifically referencing the framing categories of Snow et al., Bombal’s research offers several examples of framing taking place. One artist she interviewed supplies a clear example of frame bridging. This artist explains how participating in the trueques was simply a continuation of the practice of values that he already held: “Yo soy artesana de oficio, hace más de treinta años que soy artesana. Nosotros nos iniciamos en la artesanía haciendo trueques. Para mí fue descubrir algo dentro de la sociedad para rescatar...” (Bombal 2002: 114). Another interviewee’s comment demonstrates an example of frame transformation, i.e., the redefining of beliefs:

Yo creía que estaba todo terminado, que no había mas alternativa, porque uno se engancha en que no hay trabajo, no hay posibilidades de insertarse en la sociedad y yo veía todo como una pared adelante. Esto [el trueque] hizo una apertura...se me

³ Autosuficiencia.com.ar is the home of the Programa de Autosuficiencia Regional (PAR). It is this website that contains the documents such as the “Los Doce Principios” and “Comenzar por Casa” of the RGT. The RGT has its own website, www.trueque.org.ar, in which several of the links lead to the autosuficiencia website.

abrió la mente, se me despertó algo acá adentro. Me di cuenta de que existe otro mundo que yo no lo conocía y que acá adentro lo descubrí (Bombal 2002: 113).

In my interviews I also came across examples of successful framing. One woman presented a clear case of frame transformation. She transformed her ideas on the role of money:

Dinero a veces no es lo mas important vos sabes. No es lo mas important. Hay muchas cosas que se pueden resolver sin diner. Con voluntad, con intercambio. Esto yo aprendi aca. O sea, antes yo pensaba el reves, que sin dinero no se podia hacer nada. Y aca me di cuenta que no era lo mas importante. De verdad te digo.

Another woman's experience exemplified frame amplification, that is, the "clarification" or "invigoration" of life events (Snow et al. 1986: 469):

Lo que se estaba dando [el trueque] era recuperar la identidad de las personas, recuperar la dignidad del trabajo y recuperar el sentido de que lo que es el solidaridad, porque esto fue lo que yo descubrí en el trueque. Por eso, en mi caso, me quedé en el trueque. No entré para comer. Yo no tenía problemas. Yo soy profesional, soy médica. No necesitaba ir al trueque al comprarme un plato de comida...yo recuperaré mi propio identidad como persona y la dignidad del trabajo, no? la dignidad de decir lo que yo hago no es que lo regalo, no hago beneficencia y el otro lo compra con su trabajo también. Y fue muy fuerte para mí.

This particular woman felt that the *trueques* had reconnected her to ideas of solidarity and dignity. She had been hearing of the *trueques* from friends, in the news, and had seen them in the streets. But before she actually began participating in the barter system she described herself as being a "snob". Upon becoming a member she realized the *trueques* were quite different from what she anticipated. "Realmente cuando yo tomé contacto y lo viví desde adentro me di cuenta que era totalmente diferente a la idea que yo tenía." She realized that the *trueques* were really a way to reconnect with one's identity.

Mobilizing Structures

The ability of the RGT to adequately frame key issues is not the single lynchpin in the success or failure of creating a social movement. Social movements must combine their ideas with action, which leads to the fourth element of Tarrow's definition: mobilizing structures. Tarrow observes that social movement organizations need to be sufficiently structured to permit effective action, but must also be flexible enough to encourage autonomy and creativity at the participant level (Tarrow 1998: 124).

The RGT tried to strike this balance by creating a horizontal system, one where each club was autonomous and created its own best practices. Yet, in some aspects the RGT was too decentralized. *Nodos* were supposed to be organically formed; it was expected that each would create its own norms and methods, all the while maintaining the core values of the RGT. However, once the number of *nodos* began growing rapidly, the RGT could not guarantee adherence to basic requirements. The RGT could not ensure that *charlas* were being attended or prevent coordinators from selling *créditos*. As one interviewee observed, the trueque in the beginning “Era mucho mas cuidado...se invitaba a la persona parecida a voz, era mas de boca a boca la invitación.” A more moderated growth rate might have allowed for the RGT to instill the core values on the front end and allowed variety and creativity in the execution of each individual *nodo*. Uncontrolled growth, however, led to a great degree of decentralization and little oversight.

Interestingly, the RGT has also been criticized for being too centralized. As discussed in Chapter 2, the Red de Trueque Solidaria (RTS) particularly denounced the RGT for tightly holding power in the small group of RGT founders, with little regard for transparency in the decision-making process. This lack of democratic participation also replicated itself at the *nodo* level. As Leoni and Luzzi's research reveal, there almost

always came to be a permanent coordinator, rather than a rotation of the post as originally intended by the RGT. In all fairness, however, the position of coordinator, especially for the larger *nodos*, required a dedication of time; the lack of rotation often was due to a lack of volunteers willing to take on the role, rather than any malicious greed for power and control on the part of the coordinators.

It would be difficult to determine what steps the RGT could have taken to strike a more effective balance between structure and flexibility. To insure that each new member was thoroughly trained and educated would have required a strictly monitored growth pattern. The risk of course, would be to repudiate the RGT's goal to foment a variety of experiences. Furthermore, the RGT would not have served as a refuge during economic crisis, a fact the RGT founders were proud of. This tension between structure and flexibility ultimately was untenable and the barter clubs failed to create a mobilizing structure to maintain the barter clubs as a social movement.

Sustained Activity

The fourth element of Tarrow's social movement definition is sustained activity. Tarrow does not specify what exact length of time qualifies as 'sustained' activity, but meeting an exact temporal criterion is not necessary in the case of the barter clubs. In terms of overall lifespan, the *trueques* activity is unquestionably a lasting activity. The barter clubs have existed since 1995 and continue to operate, albeit in significantly smaller numbers. And new people continue to join. While I was in the *nodo* El Comedero in the province of Buenos Aires, I happened to speak with a woman who was there for the first time. More interesting, though, is the duration of participation of each individual. The people I interviewed, even if no longer active, tended to have participated for at least a year.

Political Opportunities

Tarrow notes that discontent and structural societal strain are always present. It is only when the political system opens in a particular manner that provides the crucible for all of the above-described elements to catalyze the formation of a social movement. The first parts of chapter two and chapter three outlined the specific political opportunities that the stage for the formation of the barter clubs. Creating the backdrop for the barter clubs was the rise of the new poor, disenchanted with the economic model that excluded them from its benefits. The discontent deepened with the implementation of Menem's neoliberal model and the accompanying spike in unemployment, underemployment and increasing job precariousness. Finally, the dramatic national economic crash created a major impetus for participation in the barter clubs.

Chapter Summary

In reviewing each of Tarrow's categories a common theme emerges: the barter clubs began with all the elements of a social movement, but rapid participant growth, fueled by a worsening economy and eventually a national economic crash, severely strained the original project. This fact is particularly evident in examining the elements of *contention*, *common purpose* and *mobilizing structures*. The barter clubs began by challenging received notions of production and consumption. But as the *trueques* reached national proportions, the elements of local production and solidarity were subverted. Participation was about survival, not about challenging the dominant discourse. Consequently the *common purpose* uniting the pioneering members quickly diluted. While some participants demonstrated a change in attitude, the RGT was largely unsuccessful in aligning the various motivation members with the values of the RGT.

One difficulty in classifying the *trueques* as a social movement comes into sharper focus when we consider the following question. Could the *trueque* be a social movement if they were designed simply to meet practical needs and did not involve any theories of self-sufficiency, local development, social money or solidarity? Or do people have to subscribe to lofty ideals for the barter clubs to qualify as a social movement? The answer lies in a certain synergy between contention and common purpose distinct to the barter clubs. If the common purpose is solely to derive economic benefit then the element of contention disappears: simply trying to derive economic value alone is hardly contentious. Alberto Melucci states: “What is at issue in a conflict is not the terms of the exchange, or the best way to conduct it, but the actual meaning of the exchange itself” (Melucci 1994: 125). If the meaning of the barter clubs is reduced to a simple economic strategy then the meaning of that economic activity is no longer in conflict – it is simply part of the universal effort to survive.

Finally, the barter club’s *mobilizing structures* also failed to hold in the face of chaotic growth. *Charlas* were no longer rigorously required and participation at the organizing level failed to rotate as originally expected. By the end of 2002 the barter clubs had lost the elements necessary to be considered a social movement.

CHAPTER 5 CYCLES OF CONTENTION

The barter clubs were not the only forms of contention in Argentina in the 1990s and early years of 2000. Shortly after the barter clubs began, other forms of collective action came onto the scene, including the *piqueteros*, *fábricas recuperadas*, *asambleas bariales*, and *cacerolazos*. This chapter briefly examines each of these phenomena, demonstrating how they and the *trueques* formed a larger cycle of contention. The discussion will illuminate the master frame common to all of these disparate groups: discontent with the neoliberal economic model. The chapter next highlights the decline of the cycle and the factors specifically affecting the barter clubs. The chapter concludes with a summary of the findings of this thesis with observations on the significance of the barter clubs in the Argentine society.

Onset of the Cycle

The rise of various forms of contention in the 1990s and early years of 2000 fit well into what Tarrow characterizes as the onset of a cycle of contention: a marked increase in conflict, heterogeneity of actors, diverse forms of contention and increased political attention (Tarrow 1998: 144-146). Furthermore, as Tarrow also points out, despite variance in the forms of contentious activity and heterogeneity of actors, these phenomena share a master frame around which protest occurred.

Piqueteros (1996 – present). The *piquetero* movement started in two separate locations, in 1996 with riots in Cutral-Co and Plaz Huincul in Neuquen and in 1997 with the roadblocks of General Mosconi and Tartagal in Salta (Svampa 2003: 14). In these

two instances the riots and roadblocks were in response to joblessness created by the privatization of YPF and subsequent closing of YPF plants, the main source of employment in those towns. These uprisings set off a wave of similar roadblocks and protests among the jobless and poverty-stricken throughout the country. *Piqueteros* have variously demand jobs, social plans and cash subsidies (Svampa 2003: 41). The government response has been both conciliatory and violent. It has responded by granting plans such as *Planes Jefes y Jefas de Hogar* to the *piqueteros*, but has also responded with police force (Once 2006). In some cases the government has also coopted *piquetero* leaders by appointing them to public position (De Piquetero 2006). The *piqueteros* exhibit a variety of organizational styles and a varied demographic base (Germano 2005, Svampa 2003). A common understanding, however, is that the failed neoliberal model brought the country a state of disarray and joblessness (Germano 2005).

Fábricas recuperadas (2000 – present). As factories began to fail in the 1990s workers began barricading the factories to prevent owners from removing the equipment and selling it. The workers claimed the machinery as payment for salaries in arrears. Forming legal cooperatives, the workers took their case to court – and often won. A slew of provincial laws were passed allowing the expropriation of factory buildings and equipment by the cooperatives, declaring the expropriation to be of public utility. An official organization has formed, *Movimiento Nacional de Fábricas Recuperadas*, which became an NGO in 2003.¹ Presently there are more than 100 *fábricas recuperadas* in operation.

¹ For more information see their website at <http://www.fabricasrecuperadas.org.ar/>.

Asambleas barriales (2001 – 2003). The *asambleas* began right after the *cacerolazos* of December 19th and 20th, 2001 (Calello). In the beginning, anywhere from 150-300 people would meet in a public space – plazas, parks, local bars. Not only did people of all ages, political and cultural backgrounds participate, but the topics addressed covered a multitude of questions, from national politics to local issues. The activities of the *asambleas* were diverse, from providing assistance to the unemployed, creating collection sites for the *cartoneros*, and buying in bulk (*compras comunitarias*), to distributing medicines, creating libraries, hosting theatres and festivals (DiMarco and Palomino 2004: 40). The *asambleas* also frequently formed ties with the *piqueteros* and *fábricas recuperadas*. Despite this wide range of projects and goals, the common denominator in all *asamblea* discussions was the failed neoliberal economic model: “[L]o que se plantea dentro de las asambleas y cada vez con mas fuerza, es una discusión sobre el modelo económico de la sociedad, sobre el modelo económico social; una discusión sobre la economía del mercado” (DiMarco and Palomino 2004: 38). In March 2002 there were 272 in the whole country (Calello), but at present the fate of the various *asambleas* is hard to gauge. Most reports of the *asambleas* in the press are those particularly associated with the *piqueteros*. In searching on the internet, most of the neighborhood *asamblea* websites have not been active since 2003.

Cacerolazos (December 19th and 20th, 2001). In a spontaneous protest against the unraveling economic and political situation, thousands of Argentines took to the streets clanging pots and pans, culminating in the resignation of President de la Rúa from office. For many the protest was about the economic crisis and for others it was about the political crisis: "A mí me llamó la atención la existencia de dos sectores en el

cacerolazo, aparte de los vándalos y provocadores: un sector que pedía la renuncia de Cavallo y el fin del modelo económico, y otro que iba más lejos, que quería el fin de las prebendas políticas, quería la renuncia de la Corte Suprema, un Parlamento que funcione, se avanzaba más en el plano de la reivindicación institucional” (José Nun quoted in El Cacerolazo 2001).

Contentious action and social protest has always been present in Argentina. But if we look at a timeline of these activities we can see in retrospect that a cycle of contention had started in the mid 1990s with the barter clubs and *piqueteros* and peaked during the national political and economic crisis of late 2001 and early 2002 when the *asambleas* and *cacerolazos* came into being. Each of these phenomenon carried out very different agendas – demanding jobs in the case of the *piqueteros*, creating spaces for direct democracy in the case of the *asambleas*, venting a visceral frustration with the economic and political chaos in the case of the *cacerolazos*, and creating an alternative economic model in the case of the *trueques*. Yet these various forms of protest constituted by a variety of actors shared a master frame: discontent with the neoliberal economic model.

Decline of the cycle

This cycle of contention does seem to be slowing. Some of the contentious behavior died out soon after it started. The momentary ascendance of the *cacerolazos* marked the peak of the cycle, a spontaneous outpouring of the masses into the street. The *asambleas* also coincided with the pinnacle of the cycle, and while slightly longer lasting, eventually lost steam. On the other hand, other forms of contention continue: many of the *fábricas recuperadas* still operate and the *piqueteros* continue to frequently set roadblocks and made demands on the government. The barter clubs fit in somewhere in the middle of this cycle, outlasting the transient spark of the *cacerolazos* and *asambleas*

but struggling to maintain an existence that the *piqueteros* and *fábricas recuperadas* have steadily maintained.

By examining each conceptual element of a social movement – collective activity, sustained activity, common purpose/identity, mobilizing structures and political opportunities – I have illuminated reasons for why the barter clubs failed to maintain themselves as a social movement. But there are additional factors which influenced the course of the barter clubs. These factors relate directly to the dynamics of contentious cycles. According to Tarrow, the decline of a cycle is brought on by exhaustion, polarization within the movement, and government selective facilitation of claims (Tarrow 1998: 147-150). All of these factors are at play to some degree within the barter clubs.

The first element, exhaustion applies in an indirect way – the barter clubs started closing shop because of inflation, counterfeiting, and speculation, not because the members grew tired of participating. However, lack of time, energy and resources prevented the RGT from assimilating the flood of new members and adequately framing key issues. The second element, polarization, also factored into the breakdown of the barter clubs. The RGT generated two competing barter clubs, the Zona Oeste and RTS. The RTS in particular ardently and publicly criticized the RGT for irresponsible management of *crédito* printing as well as for autocratic control.

The government's role affected the trajectory of the barter clubs. Alvarez et al. suggest that government plans cushioning the adverse effects of neoliberal policies undercut the need for mobilization and reinforce clientelism. This process is exactly what the RGT founders believed to be happening. The RGT founders suggest that plans

such as *Plan Jefes y Jefas de Hogares* attracted people away from the barter clubs and toward easy money from the government. Foweraker explains demobilization in the tendency of social movements to negotiate more and protest less. This dynamic may have also been at play with the barter clubs. The umbrella organization of the RGT, the PAR (*El Programa de Autosuficiencia Regional*), in fact became a non-governmental organization. Part of the reason for forming an NGO was to gain credibility and legal recognition. As we have seen, the RGT specifically worked to get government support of the barter clubs and with some degree of success. But as both Tarrow and Melucci note, the greater the degree of institutionalization the less the degree of contention.

Conclusion

In the early years, when the barter clubs were small, they met all the criteria of a social movement. They were a collective, sustained activity. They behaved contentiously – challenging fundamental beliefs about the nature of production and consumption and providing an alternative to the neoliberal, market-based economy. The barter club members mobilized behind this common purpose not only in the act of bartering, but also through regular *charlas* and rotation of responsibilities in the *nodo*.

Even so, the barter clubs were unable to maintain their trajectory as a social movement, partly because they grew so quickly. The huge influx of participants in the years leading up to the economic crisis of 2001 severely taxed the *trueques*. As people fled to into the barter system to satisfy basic material needs, their original common purpose changed, from challenging the dominant economic model to being simply another way to survive hard times. This change in motivation undermined the contentious aspect of the *trueques*: to barter on principle is contentious; to barter out of need is not.

The mobilizing structure also broke down as the *trueques* grew, affecting the RGT's ability to raise consciousness among its members. Because the clubs were organized horizontally, the RGT could not monitor the practices of each *nodo*. Not only did illicit practices run rampant, but the RGT was unable to sufficiently imbue each new member with the core values of the *trueque*. Despite efforts to frame the issues of self-reliance, local production and the ills of money, the RGT was unable to successfully inculcate these ideals and transform them into everyday practices.

Creating a national system of parallel currency exacerbated the RGT's failure to frame key issues. As the RGT grew it had to decide between divergent models: preserve a small, local system adept at maintaining solidarity, or build a larger multi-regional or national system that could more efficiently allocate goods and services. Ultimately, by choosing a national system based on a national *crédito*, the RGT replicated the very ills of the market economy that the RGT had rejected in the first place: inflation, greed and speculation. By going national, the RGT lost the community focus and personal ties that legitimize a local currency. In turn, the sense of solidarity between like-minded neighbors largely disappeared.

Yet, the barter clubs played an important role in Argentine society. On the one hand, the barter clubs were a survival mechanism that supplied basic goods and services during a time when money was short and unemployment was high. The *trueques*, however, made a deeper impact than just simply providing basic needs during economic hardship. At a visible level, the barter clubs influenced government by putting new issues on the political agenda, and gaining political support of an alternative economic model. The barter clubs also influenced society at a more implicit level. As Feijoo

observes in her examination of the Madres de la Plaza de Mayo, groups can create change without intending to do so. The Madres acted out their traditional role of protectors and in the process unwittingly challenged the system. “In practice, the Madres became another movement of women who, without trying to change patriarchal ideology or abandon their femininity, produced a transformation of the traditional feminine conscience and its political role. As a result, a practical redefinition of the content of the private and public realms emerged” (Feijoo 1994: 113).

Similarly, the barter club participants, whether or not they consciously intended it, created new identities for themselves. As Bombal points out, despite failure to fully extend and transform the ideas of the pragmatic barter club participant, the *trueques* changed participants’ self-perception: “En estas personas no se encuentran convicciones ideológicas tan claras respecto del trueque como ordenador de un estilo de vida alternativo, pero sin duda la práctica misma les permite resignificar su existencia y alcanzar un nuevo posicionamiento” (Bombal 2002: 117). The quintessential example of this transformation is the woman I interviewed who at first looked at the barter clubs through the eyes of a snob. After she began participating, however, she realized that the *trueques* provided a means to rebuild broken identities: “Lo que se estaba dando [el trueque] era recuperar la identidad de las personas, recuperar la dignidad del trabajo y recuperar el sentido de que lo que es el solidaridad, porque esto fue lo que yo descubrí en el trueque.”

More generally, the barter clubs are significant as an indication of Argentina’s evolving state-society relations. Understanding the barter clubs as a nascent social movement that eventually failed to consolidate as such serves to highlight this changing

relationship. To view the barter clubs as a social movement reminds observers to recognize the underlying values and convictions present at their creation. Bringing the *trueques'* normative message to the forefront brings to bear the full significance of the barter clubs – as an innovative and conscious reaction, one among many, to a changing state.

The 1970s marked a dividing line in the history of Argentine state-society relations. In the 1940s and 50s, Peron had set the standard for an active state, one that heavily directed economic growth and incorporated and provided for the working class by organizing and empowering strong unions. The military government that took power from Peron in 1973 attempted to liberalize state hold on economic activity and limit the power that unions had acquired. The advent of democracy in 1983 marked the return to an active civil society. The trend toward liberalization that started in the 1970's, however, continued forward. Carlos Menem carried out the liberalization agenda with particular enthusiasm in the 1990s. Under Menem, several factors coalesced to create a crisis in the new model: mass privatizations of state-owned businesses and the opening of markets to outside competition exacerbated the process of de-industrialization that started in the 1970s and the concomitant decline in the middle class. The result was massive unemployment in the mid 1990s and the exposure of the “new poor” as an established class in Argentina.

The economic crisis of 2001 symbolized for many the consequences of the state's move away from a paternalistic, hands-on economic model to a liberal market model. The responses to the crisis and to the underlying change varied – from *asambleas barriales* and *piqueteros*, to *fbricas recuperadas* and barter clubs. This wave of

contention demonstrates a broad based search for new modes of both governance and livelihood. At one end of the spectrum there are the *piqueteros* who continue to make claims on the government, but through novel forms of contention. Alternatively, the *asambleas barriales* place governance directly into the hands of the citizens, while the *fbricas recuperadas* invest factory ownership and operation directly into the hands of the workers. At the far end of the spectrum are the *trueques*, representing an even more radical response, enjoining their members not to look to the government for assistance but to look to themselves for solutions.

Out of all these forms of contention the *piqueteros* demonstrate the greatest longevity. While the *asambleas* have died out almost entirely and the barter clubs are a mere shadow of what they once were, the *piqueteros* remain active and continue to grow. An avenue for future research would be to compare the trajectory of the *piqueteros* with that of the barter clubs. Do the *piqueteros'* goals and modes of contention resonate more naturally in Argentine society? Were the *piqueteros* able to consolidate as a movement because of better framing practices?

The future of the barter clubs, however, should not be ignored. Despite their fall from headline news, research should stay abreast of the *trueques*. Will their efforts to regroup generate a more effective barter organization? If not, what will be the path of former participants? Will they go on to participate in other forms of contentious behavior?

APPENDIX
PRINCIPIOS DE LA RGT

1. Nuestra realización como seres humanos no necesita estar condicionada por el dinero.
2. No buscamos promover artículos o servicios, sino ayudarnos mutuamente a alcanzar un sentido de vida superior, mediante el trabajo, la comprensión y el intercambio justo.
3. Sostenemos que es posible remplazar la competencia estéril, el lucro y la especulación por la reciprocidad entre las personas.
4. Creemos que nuestros actos, productos y servicios pueden responder a normas éticas y ecológicas antes que a los dictados del mercado, el consumismo y la búsqueda de beneficio a corto plazo.
5. Los únicos requisitos para ser miembro de la Red Global de Trueque son: asistir a las reuniones grupales, capacitarse y ser productor y consumidor de bienes, servicios y saberes, en el marco de las recomendaciones de los círculos de calidad y autoayuda.
6. Sostenemos que cada miembro es el único responsable de sus actos, productos y servicios.
7. Consideramos que pertenecer a un grupo no implica ningún vínculo de dependencia, puesto que la participación individual es libre y extendida a todos los grupos de la Red.
8. Sostenemos que no es necesario que los grupos se organicen formalmente, de modo estable, puesto que el carácter de Red implica la rotación permanente de roles y funciones.
9. Creemos que es posible combinar la autonomía de los grupos en la gestión de sus asuntos internos con la vigencia de los principios fundamentales que dan pertenencia a la Red.
10. Consideramos recomendable que los integrantes no respaldemos, patrocinemos o apoyemos financieramente - como miembros de la Red - a una causa ajena a ella, para no desviarnos de los objetivos fundamentales que nos unen.

11. Sostenemos que el mejor ejemplo es nuestra conducta en el ámbito de la Red y en nuestra vida fuera de ella. guardamos confidencialidad sobre los asuntos privados y prudencia en el tratamiento público de los temas de la Red que afecten a su crecimiento.
12. Creemos profundamente en una idea de progreso como consecuencia del bienestar sustentable del mayor número de personas del conjunto de las sociedades.

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BIOGRAPHICAL SKETCH

Wendy Pond received her Bachelor of Arts in political science from the University of Florida in May of 2000. She returned to UF in 2003 to do a Master of Arts in Latin American Studies with a specialization in political science. While school was in session Wendy worked as a graduate assistant at the Center for Latin American Studies, assisting on various projects including the Center's annual conferences. During her first summer, Wendy participated in the Coca-Cola World Citizenship Program, working as an intern for Save the Children in Nicaragua. The following summer she had the opportunity to intern at the U.S. Mission to the Organization of American States through the U.S. State Department Summer Intern Program. She graduates in May 2006 with her MA in Latin American Studies.