Money for a Human Economy: A Reflection from Argentina

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This chapter provides a normative reflection on the form that money could take in a human economy, based on Argentina's recent history. The human economy is conceived in a bottom-up perspective, as a transformative process through which each individual is allowed to participate fully in a wide spectrum of collective entities, including the abstract structures of society,[2] based on people's local practices and needs. Addressing money issues from this perspective implies taking some distance from the widespread view that this abstract character necessarily "erode[s] the sociability subtending human existence, and the very idea of society itself", as in both Marx's and Simmel's accounts (Maurer 2006: 19). Money is plural and diverse, as it can take a wide variety of forms and tends to reproduce an ample range of social relations, from exploitation to emancipation. In a human economy perspective, then, money's abstract character should be put to the service of collective emancipation, through the extension of society beyond local and interpersonal bonds (Hart 2013a). To avoid exploitation and social marginalization through money, however, it is necessary to ensure people's equal access to it.

This chapter's aim is twofold. First, I try to show that unequal access to money resulting from financial marginalization leads to important consequences for households' financial management, based on ethnographic research carried-out in 2009 in Rosario, one of the most industrialized areas in Argentina, located 400 km from Buenos Aires. Financial marginalization refers to the fact that Rosario's working class has been integrated into financial institutions in an extravert way, focused almost exclusively on consumption credit, ignoring all other needs of access to money. Rosario's working class is exemplary in this respect, since it was progressively left out from protected wage-labour during the 1990s, and that no formal financial institutions tackle their needs of savings (the National Post Savings Bank closed in 1994 – Roig 2009). Second, I suggest how monetary institutions might be transformed in order to reverse monetary exclusion of the low-income population. One possible approach might be to extend working class access to the national currency (the Argentinian peso) through substantial reform of the microfinance industry, based on a clearer understanding of the complexity of existing informal financial practices. I argue first that a diversification of microfinance products with an emphasis on savings is much needed if the various competing financial needs of Rosario's working class are to be addressed. A second, more radical suggestion is to construct new monetary systems through federated networks of local currencies, issued by grassroots organizations. Argentinian monetary history provides evidence of such a possibility in trueque (a system of 'barter clubs' from 1995 to the present), supplemented by currencies issued by provincial governments (1983-2003).

The chapter is organized as follows. Section two shows how Rosario's working class has faced financial marginalization during the last two decades and how cash shortage is managed through a myriad of informal financial practices. Section three considers the limitations of assimilating microfinance to microcredit and suggests some possible developments that could strengthen workers' access to the Argentinian peso. Section four suggests more radical changes, through the issue of local currencies within a federal structure, based on civil society organizations (trueque), and provincial governments.

Monetary Exclusion and Social Marginalization

A Historical Process

The marginalization of Rosario's working class from financial institutions which command access to the Argentinian peso is relatively recent. Indeed, contrary to many southern countries, Argentina's working class was once relatively well-integrated into formal wage-labour market and into the national system of social protection. In the inter-war period, Argentina was considered to be a rich country because of sustained growth in agro-exports. Workers' full integration into the national social protection system was achieved during Perón's first presidency and was then legally extended to the entire active population in the period 1944-55 (Goldberg and Lo Vuolo 2006). This scheme, however, based on employers' and workers' collective insurance, was weakened by growth in undeclared employment during the 1980s and 1990s, because social benefits (e.g., pensions, healthcare and unemployment insurance) remained strongly tied to formal wage-labour employment until the end of the 1990s.

Even so, in the early 1990s, Rosario was still one of Argentina's main industrial bastions, along with Buenos Aires' southern suburbs (Sosa 2007). Most of the male labour-force was employed in big industries based along the Parana River (mainly paper pulp and the harbour). Women used to work in a porcelain factory before they got married. Formal wage-labour employment was usually maintained until retirement and allowed wage earners' families to be fully integrated into the national social protection scheme. In the case of married couples, men were usually the sole breadwinners; wives stayed at home to manage the housework.

For Rosario's working class, then, the key change arose with the implementation of a new monetary regime in 1991, which was intended to call a halt to the hyperinflation that struck Argentina in the late 1980s (in 1989 the annual inflation rate exceeded 3700 per cent). The so-called 'convertibility regime' was born at this time. It consisted of ensuring that the peso was the equivalent of the U.S. Dollar for domestic transactions, through maintaining strict parity between the two currencies (usually referred as a 'currency board'). This fixed parity deeply affected the competitiveness of Argentina's domestic firms. There was no room for devaluation because the whole social fabric was said to depend on this parity (Roig 2007). In order to compensate for losses, the federal government introduced much greater flexibility in the labour market, but the reduction in gross wages did not match any gains from the fixed parity (Beccaria, Esquivel and Maurizio 2007). As a result, the 1990s saw massive deindustrialization and a sharp increase in income inequality and informal employment.

Keeping the convertibility regime after the Brazilian crisis of 1998 led to a huge economic, social and political crisis in 2001-02: GDP decreased by almost 20 per cent (compared with its level in 1998), new forms of social protest emerged and five different presidents took office from December 2001 to January 2002. The convertibility regime was abandoned in January 2002. Since then, the peso has still been considered to be the only legal tender (Sgard 2007) and its exchange rate with foreign currencies was deliberately undervalued to support Argentina's partial reindustrialization (Giosa Zuazúa

2007). As a result, employment and real wages rose and income inequality decreased from 2003 to 2007 (then stayed at that level until 2009). However, this did not significantly alter the employment norm, since the absolute number of non-registered wage earners (i.e., those not registered in the Argentinian social security system) increased only slightly from 2003 to 2010 (Damill, Frenkel and Maurizio 2011). (The proportion of non-registered wage earners fell from 44 per cent to 36 per cent between 2003 and 2008 because the number of declared wage earners increased). In addition, the income gap between registered and non-registered wage earners increased slightly: the real wages of the former regained its 2001 level after 2007, while the real wages of the latter only recovered 90 per cent of their October 2001 level in 2009 (ibid).

Because Rosario's suburbs were highly industrialized, its working class was directly affected by these macroeconomic changes. Admittedly, their economic situation has improved substantially since 2002. However, in the longer run, a dramatic change happened in their employment conditions. Until the early 1990s, all the people I interviewed were involved directly or indirectly (through their partner or parents) in an employment relationship which offered stability, regular salary and social protection. Yet, the structural shifts mentioned above relegated them to the margin of protected employment: during my fieldwork, only two interviewees had relatives with this kind of job. Most household livelihoods were based on a combination of precarious jobs. Men might work as non-registered truck and taxi drivers, construction or industrial workers, street vendors, recycling urban waste and every kind of contingent daily labour. In addition, their wives' contribution to household income increased, through home-based sewing, street vending (mostly food), paid housework, home-based cloth retail and participation in second-hand markets based on their own local currency (trueque – see section three).

Managing Cash Shortage through Informal Financial Practices

This new context is characterized by strong pressure on households' financial management, due to the growing gap between money income and expenditure. On the one hand, access to money became more scarce and irregular, due to falling real wages and the shift from registered wage earning to precarious unregistered jobs, fluctuating self-employed and non-registered wage earnings (the working day usually fluctuates according to the season and weather conditions). On the other hand, the need to access and use money became more pressing, both in order to tackle short-term fluctuations of income (self-employed earnings also depend on wage earners' spending their pay, which usually happens twice a month) and to protect households against long-term uncertainty (change in the macroeconomic environment, job loss, death, illness, split in the household unit, etc.). Moreover, this last need has been intensified by a weakening of the social protection system, due to the growth of informal employment in the 1990s. Admittedly, in order to deal with the exclusion of informal workers from such a system, federal, provincial and municipal governments implemented a myriad of non-contributory assistance programmes for vulnerable households, based either on cash or transfers in kind (Barrientos 2009).[3] Most of Rosario's working class households benefit from some of them. However, the benefits are poor – they meet short-term emergency needs and ignore both short-term income fluctuations and long-term protection against uncertainty.[4]

My interviewees used to cope with pressing financial needs through a myriad of informal savings and credit/debt arrangements.[5] In order to maintain 'financial self-discipline' (Guérin 2006), these are fragmented and not substitutable. They are diverse, but all seek to separate what can be spent from what cannot (Roig 2009). A first category of such practices aims at controlling short-term cyclical cash-flows that are specific to non-wage activities, characterized by low and irregular incomes. The most common of these consists of allocating income to specific expenses, through an earmarking system of boxes or envelopes (Zelizer 1994). For instance, women with small-scale income-generating activities (sewing, cloth resale, cooking, etc.) would put their earnings from the first sales of each week into a separate envelope until the accumulated sum was sufficient to buy the inputs required for the next week's production; only the earnings of subsequent sales would be used to cover daily expenses in the household's budget (see also Absi 2007). Likewise, interviewees whose more capital-intensive income-generating activity (such as a home-based sewing shop) relied on considerable inputs (e.g. wool, sewing thread or paint) systematically purchased more inputs than needed in the short-term to make sure they would not spend savings on non-business items, since it would endanger their activity's continuity. Finally, this separation between short-term cash-flow management and household consumption needs was also based on the common practice of deferred payment for foodstuffs from local shops, known as fiado (Roig 2009; Villarreal 2000).

When it comes to lump sums, savings are usually not held in cash. Rather, they are held in the form of objects, in order to keep them separate from monetary resources that might be spent for daily needs. In other words, they are made ‘illiquid’ (Shipton 1995; Roig 2009). The most common way to do this is through accumulating recyclable goods, such as iron, zinc, copper, cardboard, plastic or glass bottles. These are obtained in different ways, according to household livelihoods: slum dwellers would salvage by night, working as waste recyclers (in this case, they would only sell part of what they collected – Roig 2009); they can also be obtained through people’s jobs (construction workers recycle used pipes, small shopkeepers break down cardboard packaging, etc.), or by stripping down parts of miscellaneous items found in the street (e.g. a fan or radio). A related practice is to gradually acquire bricks to improve housing conditions, either through payment in kind for casual labour or the regular purchase of large amounts of bricks in pesos (here people would save part of their cash income through a system of envelopes, in order to buy bricks in bulk). Bricks can never be resold: as soon as they reach a critical amount, they are used to improve housing conditions.

These practices allow households to guard against long-term linear uncertainty and long-term life-cycle events (see also Shipton 1995). Indeed, recyclable goods can be sold in case of momentary loss of income (loss of a job, illness, broken marriage etc.), unexpected expenses or in order to finance life-cycle ceremonies (birthdays, rites of passage towards adulthood – girls’ fiesta de quince and boys’ 18th birthday, wedding and marriage-related expenses – house construction, funerals, etc.). Amassing bricks serves similar purposes: construction projects are often reserved for the new generation (a house for a recently married offspring, a room for the children); accumulating bricks rather than cash allows housing to be improved in face of long-term uncertainty.

Compared with other southern contexts (Adams and Fitchett, eds 1992; Collins et al 2009; Servet 2006), these practices rarely extend beyond household boundaries. Household savings are physically kept within the domestic unit. Short-term cash-flow management, protection against uncertainty and financing life-cycle events often rely on borrowing from relatives. Only the fiado goes beyond the extended family’s boundaries: to my knowledge, there are no pawnbrokers, no neighbourhood associations for funerals and rotating saving and credit associations (ROSCAs) are restricted to formally employed wage-earners. This is probably due to the conjunction of Rosario workers’ marginalization from formal financial institutions and their previous integration into the formal complex of wage-labour and national social protection. All of this illustrates how precarious they engage with society.

Transforming Microfinance

A first way to reverse monetary exclusion is to propose financial innovations that allow Rosario's working class better access to national currency in case of need. These are usually referred to as 'microfinance', because low income populations in most southern countries are often excluded from formal financial institutions (Servet 2006). However, microfinance is often conceived in a narrow way, when it is restricted to microcredit, understood as a tool for poverty reduction. Such a view is based on the myth of the 'industrious poor', according to which an exclusive focus on providing credit to the poor will necessarily reduce poverty, as the latter are only poor because they lack productive assets (Fouillet et al 2007). Moreover, this argument is politically highly problematic, as it suggests that financially self-sufficient microfinance organizations could replace government spending.

I argue, therefore, that Argentinian microfinance should be reformed, given that it is almost exclusively focused on microcredit. Rather than aiming at poverty reduction, it should, more modestly, seek to improve people's financial management capacities, extending the financial repertoire of Rosario's working class (Servet 2008).[6] It should be conceived of as being complementary to rather than a substitute for informal financial practices (Morvant-Roux 2009). In this section, I suggest two possible changes, based on detailed knowledge of people's informal financial practices and needs (see also Collins et al 2009; Guérin, Morvant-Roux and Servet 2011; Lont and Hospses 2004; Vonderlack and Schreiner 2002): first, to diversify microcredit beyond its use only to finance micro-enterprises; second, and most important, to introduce a wide range of savings schemes.

A Narrow Focus: Microfinance as 'Productive' Microcredit

The narrow assimilation of microfinance to microcredit is widespread in Argentina: offers of microfinance products are almost exclusively focused on lending for productive use; savings schemes and credit for other purposes are exceptional (de Nigris 2008). But Argentinian microfinance has two distinctive features. First, the estimated number of users is very low, compared with other Latin-American countries: Renaud (2007) suggests that only 25,000 people used microfinance products in Argentina. Second, most microfinance services are provided through a government program created in 1997 (the FONCAP, Fondo Fiduciario de Capital Social), since the scope of local and international NGOs operating in this field is very limited in Argentina. This programme funds a network of local NGOs that deal directly with local populations (de Nigris 2008). The main implication of such public funding is that annual nominal interest rates are very low (six per cent, while the official inflation rate was 7.7 per cent in 2009). Otherwise, microcredit is openly inspired by the Grameen Bank's lending method based on joint liability groups of five borrowers: the loaned sum ranging from 500 to 1,000 pesos (100 to 200 euros at the time of fieldwork) for a six-month period, with weekly instalments.

In the northern suburbs of Rosario, the distribution of FONCAP microcredit is supervised by a local NGO, Poriajhú. During field-work, approximately half my interviewees used them. All loans financed self-employed income-generating activities[7], in three different ways. First, buying from a wholesaler in order to sell retail, adding a commercial margin, is common and encompasses a wide range of activities, including small-scale street vendors (clothes), home-based clothes sellers in slums, and established general stores (kiosko – especially for beverages and food). Second, microcredit is also often used as working capital, when income-generating activities need an injection. This is mostly the case for cooked food producers (street or home-based – flour, eggs, sugar, pie plates, etc.) and home-based sewing shops (woven materials, such as clothing, thread, wool, needle, etc.). Finally, microcredit is sometimes used to acquire productive capital, such as a sewing machine, oven, electric whisk, bicycle, bricks or even a fridge. Such items are often too expensive, however, to be financed only through microcredit, which is usually complemented by personal savings or credit from a shopkeeper.

The needs fulfilled by microcredit and its impact on livelihoods depend on how it is used[8]. When used as working capital, microcredit helps to tackle short-term cash-flow management: it allows weekly productive expenditures to be financed independently from household daily consumption. Cash-flow management is also improved by using microcredit to acquire miscellaneous items from wholesalers, but less often, because weekly instalments do not fit with sales fluctuations over a month (especially for clothes). Finally, when it is used for productive capital, microcredit tends to increase the productivity of food production, sewing capacity, sales or the variety of foodstuffs sold.

Microcredit for productive purposes alone, however, is far from reversing the monetary exclusion of workers, for two reasons. First, such loans hardly benefit the poorest, because they tend to target the financial management of small businesses that are already established (Collins et al 2009: 167; Servet, forthcoming: chapter 3). Moreover, there is a risk of increasing inequality from below, since only the better off (well-established business, with relatively significant working capital) use them to increase their productivity. Second, if productive microcredit is a useful tool to tackle cash-flow management needs, it is far from addressing every financial need of Rosario's working class.

Reforming Microfinance: Some Suggestions

It is therefore important to conceive microfinance in terms that go beyond microcredit so that two other kinds of needs might tackled: obtaining lump sums to finance life-cycle events and protecting households against a radically uncertain future (Collins et al 2009; Guérin, Morvant-Roux and Servet 2011; Lont and Hospes 2004; Servet 2006). To meet these purposes, microfinance services should be based on lessons gained from the informal practices presented in the previous section: these reveal that it is crucial to find a balance between two constraints that are hard to reconcile. On the one hand, the fragmented characteristics of informal saving and debt practices should be retained, because both ear-marking and objectification of cash allow people to maintain 'financial self-discipline' (Guérin 2006). One way of meeting this constraint consists in proposing a wide range of 'special-purpose' savings and debt services, aiming to tackle specific needs (see Mutesasira 1999). On the other hand, financial services need to be flexible, in order to allow people to adapt their behaviour to uncertainty and change (Guérin, Morvan-Roux and Servet 2011 – see also Guyer 2004: chapter 9). Indeed, low-income populations usually face a myriad of competing financial needs and juggling them is always subject to unexpected events. Therefore, financial services would probably be used for different purposes. Given massive popular mistrust of financial institutions, such flexibility would probably also help to build trust in microfinance institutions, since this is the main feature of informal financial practices.

A first way to improve working class financial management, therefore, is to extend credit for more purposes than just existing 'productive' microcredit. However, it is important to keep interest rates at a reasonable level: otherwise, income transfers generated by working class' indebtedness would tend to increase income inequalities, in favour of the owners of financial capital. Three paths, which are not mutually exclusive, could be followed in this respect. First, credit for larger amounts could be offered in order to finance acquisition of productive capital by relatively well-established businesses (at present loan amounts are too low). Second, following the experience of SafeSave in Dhaka (Bangladesh), the flexibility of loans should be increased as regards to the amount, repayment period and speed of processing loans (Rutherford 2004). This is important so that people can gain access to loans quickly in case of an emergency, while the rigidity of existing 'productive' microcredits in Argentina prevents this. Third, in order to facilitate the accumulation of lump sums, the Grameen bank's 'top-up' facility, which allows microfinance debtors to refresh their loan once half of it has been repaid, could be deployed. Indeed, detailed analysis of low-income Bangladeshi financial practices shows that this is very popular among the poorest as a way of meeting cyclical expenses that involve large amounts, for buying food-stocks, paying school fees and funding funerals (Collins et al 2009: 162-164).

An exclusive focus on loans would be highly problematic, however, for three reasons. First, this would impede full participation by the poorest, who try to avoid debt because of its cost and anticipated repayment difficulties. Second, it would likely contribute to people becoming over-indebted, as exemplified by microfinance crises in Andhra Pradesh (India), Nicaragua, Morocco, Bosnia-Herzegovina and Pakistan and, even more, by the growing indebtedness of low-income populations in southern countries (Guérin, Morvant-Roux and Villarreal, eds. 2013; Schraten this volume). Even if nowadays the microcredit offered in Argentina is limited, this risk is real, because of the rise of consumer credit since 2004 and its targeting of the poorest[9] (de Nigris 2008: 31). Third, and most important, the fact that all my interviewees save in multiple ways and do so through complex practices aimed at preserving them from being tempted to spend beyond their low and irregular incomes shows that for them saving is more important than access to loans.

Yet, much must be done to improve savings facilities, since no formal financial institution offers such a service to Argentina's working class. First, easily accessible savings would help them tackle short-term cash-flow management problems, as does Poriajhú's innovative 'personal savings' programme (ahorro personal). During the weekly microcredit repayment sessions, debtors are given a chance to repay a bit more than their weekly instalment; this excess is noted and can be withdrawn at during any repayment session. There are three main advantages to this. First, repayment of microcredit is made less rigid, because savings may be withdrawn in order to make good low sales during the week. Second, it improves women's control over their savings, allowing them to save outside the household. Third, accessible micro-savings can also be used as a protection device, providing access to money in case of pressing need. Such 'passbook savings' schemes (Collins et al 2009: 160-62) could also be detached from microcredit, in order to meet non-microcredit users' needs to make regular savings deposits and withdrawals.

Improving long-term savings management (either for financing life-cycle events or protecting against long-term uncertainty) is also vital because the value of saving in the form of objects fluctuates. This requires more complex products to be provided, in order to put long-term savings out of reach of the temptation to spend them for routine purposes. Four avenues could be explored in this respect:

1) First, savings and credit institutions could be formed with a view to financing specific expenses (housing improvements, funerals, etc.). Their degree of formality could vary from ROSCAs to workers' cooperatives[10] (as in nineteenth century building societies): in any case, the collective saving acts as a strong incentive not to use savings for ordinary consumption.

2) 'Special-purpose savings' products,[11] aimed at financing specific life-cycle events (such as birthdays, marriage, puberty ceremonies, housing improvement, funerals, etc.) could be developed. In Bangladesh, the Grameen bank's 'commitment savings account' provides such a product for relatively predictable events, offering a better interest rate if savers save regularly over a five to ten years term. But the poorest hardly use this service, because it is hard to generate regular savings over such a long period (Collins et al 2009: 167-71).

3) To broaden access to long-term savings, Vonderlack and Schreiner's (2002) proposal to 'match savings' is one possibility, whereby a premium is granted only if savings are withdrawn for specific expenses (e.g. healthcare, childbirth, wedding, funerals, etc.). Such a service requires external funding to pay the premium.

4) Finally, long-term financial needs could also been tackled by micro-insurance focusing on specific risks (such as healthcare or funerals – Churchill 2006) or cyclical

expenses (marriage, puberty ceremonies, etc.). In order to avoid transferring income to private companies, these products could be collectively managed through mutual contributions to neighbourhood or workers' associations, when withdrawals could be expected on a specific date.

Pluralizing Money

The second way to reverse the Rosario working class's experience of financial marginalization would be to issue multiple monies in addition to the national currency. This approach is much more radical than the innovations in microfinance suggested above: rather than transforming the existing monetary system from its margins, it allows for the creation of wholly new monetary forms. In any case, such currencies are based on political communities whose social and geographical boundaries do not necessarily coincide with those of unitary states (Servet 2013). They need not necessarily compete with national currencies: they should rather be seen as complementary, restricted to specific transactional spheres, defined by geographical and social boundaries (as were Polanyi's [1968] 'special purpose monies').

This proposition admittedly contradicts popular wisdom according to which each political entity should have its own monopoly currency. But this view is in fact quite recent and specific to the rise of a peculiar political organization, the nation state (Helleiner 2003); nor is it irreversible. Emerging in the mid-nineteenth century and culminated during the twentieth, legal tender was used to unify national markets, enforce fiscal policy, control money supply, and, last but not least, strengthen national identities (ibid). Before that, a plurality of money forms was the norm: both foreign currencies (for long-distance trade) and low-denomination coins issued by local merchants and towns circulated alongside national gold and silver currencies. The nation-state became hegemonic in Europe because it allowed industrial capitalism to be managed on a centralized basis (Hart 2013a). Yet, as Hart argues, this hegemony has been threatened of late by the extension of markets beyond national boundaries as a result of neoliberal globalization. National political institutions are becoming more disconnected from the world economy and money's uniqueness is increasingly contested, through monetary unions, use of foreign currencies, electronic currencies issued by private corporations and local currencies (Helleiner 2003). As Hart points out, regional federations, based on a plural conception of society, are one response to this situation. Money should ideally conform to a federal political structure (Théret 2013) by being organized as a 'federated network' (Hart 2013a: 41) of issuers allowing both local interests to be safeguarded and participation in an increasingly globalized world. Money, then, should be plural and decentralized and could be issued in a non-exclusive way by various scales of government (including municipal, provincial and federal units) and by civil society organizations.

Argentina's recent monetary history illustrates such a view in a particularly interesting way: it has seen multiple currencies issued by provincial governments and networks of civil society organizations. This history shows that radical social change may be achieved through introducing new money forms and provides examples of how to federate local monetary experiments.

The Potential for Radical Change: the Trueque in 2009

In addition to the peso, several unconvertible paper monies denominated in their own unit of account (crédito) circulate in the main Argentinian urban agglomerations. These currencies are also known as trueque,[12] which refers to a wide diversity of monetary experiments initiated in civil society from 1995 onwards (see the next sub-section). As such, the trueque belongs to a wider family of 'community and complementary currencies', which aims at transforming money towards a tool of collective emancipation, in line with the utopian socialisms of Owen, Proudhon and Gessell (Blanc 2010). In Rosario and its surroundings, the crédito bills are of very low denomination, and tap into part of the urban informal economy. They are used on market-days (ferias) when the main items sold are food (mainly groceries and vegetables), used clothes, sewed items and cleaning products. Such ferias are attended by ten to one hundred people, coming from different social backgrounds: from slum dwellers to activists and members of the impoverished middle class.

My ethnographic research in Rosario and its surroundings documents both the potential and the limitations for radical social transformation through local currencies (Saiag 2014). Indeed, the situation varies widely between the city of Rosario and its Northern suburbs. In the former, credito bills are issued by the couple who first implemented trueque there (in 1998), but no formal organization runs it. (Ferias are supervised by 'coordinators', but their influence on credito users is very limited). Moreover, use of the credito is not associated with any political project. On the other hand, in Rosario's northern suburbs, trueque is integrated into the wider activities of Poriajhú, an activist organisation inspired by liberation theology which aims to liberate the poorest through critical education (by radio, school tutoring, an adult literacy scheme, a microcredit program, etc.). Moreover, the credito embodies Poriajhú's political project, because of its symbolic dimension and the way creditos are issued. In Poriajhú, trueque participants receive their first credito bills before getting involved in any transaction; they are therefore indebted to the collective, thereby underlining the political and holistic nature of Poriajhú's project. Rosario is the opposite of all this.

Such differences in the institutionalisation of the trueque lead to deep contrasts in the social relationships for which the credito is a medium. On the one hand, in Rosario, multiple currencies tend to reinforce the prevailing social stratification, because of trueque participants' unequal ability to take advantage of price structures. Indeed, in this locality, relative prices depend on the unit in which transactions are denominated as the credito/peso ratio varies from one commodity to the other. This means that participants who can juggle between the peso and the credito are able to gain from doing so. Yet, only those who enjoy a comfortable income in pesos and are the most mobile around the city can take advantage, whereas most slum-dwellers are restricted to making deals through trueque using commodities they received as payment in kind for daily contingent work (mainly used clothes and expired industrial groceries). In Poriajhú, on the other hand, keeping to strict parity between credito and peso for every commodity prevents this kind of market stratification. (Some juggling between peso and credito also takes place, but with no systematic gain). This version of trade using creditos is an important achievement, since trueque participants' socio-economic backgrounds are highly diverse: they range from relatively well-established small shopkeepers to street vendors and people relegated to working on a day-to-day basis. Moreover, it is a tool for collective emancipation in that the social inequalities that prevail outside the limits of trueque are not reproduced within it.

This overview yields two lessons. First, local currencies do not necessarily lead to a more inclusive monetary system: in order to do so, they must translate a wider political project into the language of money (price determination and condition of access to money), as underlined by Poriajhú's insistence on credito/peso parity. Second, the social change induced by such currencies is confined within local boarders, as money circulation is limited to the main urban agglomerations. Yet, in a human economy perspective, it is just as important to extend the scope of economic alternatives beyond local and interpersonal relations, in order to engage with and transform large-scale bureaucracies and the world order (Hart 2013b).

Transcending Local Borders Through Federated Networks: trueque (1995-2002)

A crucial issue, then, is to find ways to extend the reach of local currencies, without putting into peril their local roots. One solution, suggested by the history of the trueque from 1995 to 2002, might be to build federated networks that allow locally issued currencies to be used beyond their territory of origin.

Such a federative structure did emerge by degrees (Saiag 2013). From May 1995 to late 1996, the trueque consisted of small-scale systems of 'multilateral compensation of credit and debt' (Servet 1999: 183): the account of each participant, denominated in creditos, was debited or credited according to their purchases and sales. Ferias organized by the founders of trueque first took place in Bernal (a southern suburb of Buenos Aires) in the garage of three environmental activists. Several new ferias opened in 1996. At this time, they were not connected, because debt settlement happened in each feria independently. An attempt to go beyond interpersonal relations was made in late 1996, when the system of debt compensation was replaced by issuing bills denominated in creditos (the computer files were said to be too time-consuming to update when the number of participants increased). Creditos were issued locally and belonged to a specific feria (they could not be used to settle transactions outside their original feria). A few months later, the trueque founders replaced the locally issued credito bills with a homogeneous set of bills issued by them which could be used in any feria. The first trueque network was created ('Red Global de Trueque'), but based on a centralized structure.

A federative structure emerged in 1997 as a way of maintaining the singularity of the unit of account (credito) throughout the network, while promoting decentralization of the mechanism for issuing bills.[13] The issuing process became fragmented, through a spatial division of ferias into different 'zones': Capital (city of Buenos Aires), Southern, Western and Northern suburbs of Buenos Aires'. This structure was adapted to the spatial expansion of the network, adding 'zones' when new parts of provinces were incorporated. Each zone established its own rules for issuing money, but in order to be part of the network, they had to respect a maximum ratio of creditos per participant established by the 'Interzonal Commission' (composed by representatives of each zone which met every two months). As a result, each zone issued its own set of bills, clearly distinguishable from other zones' bills (in colour, motif, shape and size), but each locally issued bill was accepted throughout the network, regardless of its original zone. In this way trueque achieved scale (it was present in all provinces at the peak of the Argentinian crisis), while strengthening local development.

Trueque's federal structure ended in 2002. After having reached an estimated 2.5 million participants in the first semester, the main trueque networks were subject to hyperinflation in May-September 2002. Since then, trueque recovered on a local basis, but it lost its federal structure. We need to understand the roots of this crisis if we want new forms of federal money be more resilient. This question is highly complex and contested (counterfeit and a switch in political alliances certainly played a role). I have argued elsewhere that this crisis revealed the political dimensions of how money is issued, as hyperinflation seems to have resulted partly from the use of creditos issued by centralized trueque networks, thereby showing that the federal political project supported by the first trueque network was not shared by all credito users (Saiag 2013). Therefore, for monetary federalism to be sustainable, we should acknowledge its political dimensions, embedded as they are in collective values and representations.

Extending Federalism through Provincial Currencies (1983-2003)[14]

The idea of federal monetary networks can also be applied to state currencies, when the state takes the form of a federal rather than unitary entity. Argentina provides an interesting case, since federated entities (provinces) recurrently issued their own currencies from the 1880s, under a regime of democratic government. They were also called fiscal currencies, because they were closely linked to provincial fiscal circuits, being issued to pay local government employees and suppliers and accepted in settlement of provincial taxes. In most cases, they were convertible into the national currency. They re-emerged in the period 1983-2003, when up to sixteen provincial currencies represented 40 per cent of the means of settlement in circulation (M1). The oldest provincial currencies emerged soon after the end of the last military dictatorship in the north-western provinces (Salta, La Rioja, Tucuman and Jujuy) as a way of gaining a degree of financial autonomy from Buenos Aires. They were much more durable than the national currencies in that they survived the hyperinflations of the late 1980's (the switch from the Austral to the 'convertible peso') and the crisis of the convertible peso (January 2002). Most of them, however, emerged to combat the degradation of provincial finances, during the 1990s (Cordoba, Catamarca, Formosa, Mendoza, Rio Negro, San Juan, Misiones and Corrientes) or in the state of emergency at the peak of the 2001-2002 crisis (Buenos Aires, Chaco, Entre Rios, San Luis and Santiago del Estero).

Admittedly, the room for bottom-up radical social change in this case is slighter than through local currencies, since provincial currencies are necessarily integrated into bureaucratic structures. Provincial currencies are interesting from a human economy perspective for two reasons. First, they may help to redress the geographical roots of financial marginalization, as Argentina's peripheral provinces are characterized by a recurrent shortage of cash, due to the extreme centralization of the monetary system (Olivera 1992). Second, and more important, provincial currencies enhance the value of building selective alliances with progressive provincial governments. Indeed, they increase the latter's room for economic maneuver, through offering greater financial autonomy as regards to both central governments and financial markets. Moreover, provincial currencies are a monetary translation of federative political structures (Olivera 1992; Théret 2013) which make it easier for grassroots initiatives to engage with large-scale transnational bureaucracies, based on recognition of local singularities.

Conclusion: From Research to Political Implementation

I have tried here, building on my ethnographic research, to suggest a number of ways to improve the low-income population's access to money. This has meant engaging with politics on the basis of scholarly research. This raises the question of a researcher's role in the politics of formulating policy: what is his specific contribution in this respect? The social sciences must not be reserved as a tool-kit for policy experts, since this would by-pass collective discussion of societal issues, a sine-qua-non for the goal of economic democracy.

I would argue that the researcher's task it twofold. First, research should shed new light on political issues and alternative possibilities. In this respect, a study of people's savings and loan behaviour can highlight how exclusion from access to money is a synonym for social marginalization. Conceptual work may also frame possible actions to redress this situation: as Roig (2009) argues, governments' and bankers' ignorance of people's need for savings is mainly due to the prevailing conception of poverty as being trapped in the short-term and to a fantasy of escape through entrepreneurship, both of which are wrong. Moreover, if federated networks of local and provincial currencies are to be considered as viable alternatives, we need to challenge the dominant conception of money. Rather than considering it as a single instrument performing all the monetary 'functions', it should be seen as a fragmented set of instruments aiming to evaluate and settle different kinds of debts (Saiag 2014; Guyer 2004; Kuroda 2008; Servet, Théret and Yildirim 2008).

It is also possible to engage more deeply with society. Grounding our researches in what people do and making our work available to the public are important in this respect (Sutton-Brown this volume). A further step might be to promote a vast dialogue linking institutions and people on the ground which could act as a possible lever of social change. In the case of money, this would include microfinance programs involving governments and NGOs, but also provincial governments and grassroots organizations. Researchers' suggestions could then be openly discussed, but also challenged and transformed by confronting other possible alternatives drawn from popular sources. Such a confrontation would aim to generate an unlimited series of interactions from society to research and back to society. The different avenues I have touched on here are rooted in the experience Rosario working class people. Wider exposure within a broad, but selective network of alliances is needed if the core ideals they convey are to be inserted into other contexts.

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2 This normative view is influenced by Nancy Fraser's (2003) conception of parity of participation, according to which 'justice requires social arrangements that permit all (adult) members of society to interact with one another as peers' (ibid. 36). In this perspective, social justice embraces both the equal

distribution of material resources (redistribution) and equal status, regardless of age, sex, sexual orientation, etc. (recognition). As this text focuses on money, it mainly tackles the economic dimension of social justice. We need to understand better the implications of the forms of money and wealth distribution for status differentiation.

3 Most cash programmes are implemented by federal or provincial governments. They focus on households considered to be vulnerable, because of unemployment (plan trabajar, assignación universal por hijos), single mothers, big families (plan madre de mas de siete hijos), disabled household members, etc. Transfers in kind are usually implemented by municipalities and churches.

4 In addition, most of these subsidies are distributed on a discretionary basis in order to win political support (except the asgnacion universal por hijos).

5 I do not provide details about remittances here, because I have no fieldwork data on them. However, they common, as the World Bank highlights: (http://data.worldbank.org/indicator/BX.TRF.PWKR.CD.DT/countries/1W?display=graph – consulted 03/07/2013).

6 The idea of 'repertoire' is taken from Guyer (2004).

7 Beneficiaries had to present receipts in order to attest a 'productive' use.

8 For a deeper critique of microcredit's socioeconomic impact, see Servet (forthcoming, chapter 3).

9 In 2009, some interviewees used consumer credit, but it was only available to someone who could produce a payslip, in a context of high employment and informality (see also Roig 2009).

10 Such institutions are also known as friendly societies. In Europe, they played an important role during the industrial revolution before evolving into specialized formal institutions (see Smelser 2005 [1959] for the case of England).

11 The expression 'special-purpose savings' refers to Polanyi's (1968) 'special-purpose monies', which are used in specific money-uses.

12 Its literal translation is 'barter'. The Spanish term highlights that it is an alternative form of money.

13 This federative structure was challenged 2000-2002 by the creation of two centralized trueque networks. These networks are not described here.

14 This section is based on Théret and Zanabria (2007) and Théret (2013).

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