



International development: challenges for a world in transition

Argentinas Poor: Surviving without money

Carlos de Sanzo Co-founder of the Global Exchange Network (English subtitles)

We thought about it like a board game, with pieces, fake money, monopoly money if you like, and with the possibility that all the players could start out on equal terms

Narrator

From the early 1980's Argentina's economy has been in recession. It once had a substantial welfare state but that's gradually been whittled away. Investors have been unwilling to lend to a failing economy. That's struggled with very high inflation, followed by massive unemployment.

Hairdresser (English subtitles)

There's no actual money here. I can have my own business at home but my old clients cannot come because they have no access to money either, so there you go

Woman in red (English subtitles)

I have no job, neither does my husband. I feel ashamed

Another woman (English subtitles)

In my house my husband has a job but I have four kids to look after and all of them go to school so the money he makes is not enough

Narrator

Argentina's economy has been consistently mismanaged, with politicians loving to blame foreign debt for all their domestic problems.

Dr Daniel Chudnovsky, Economic Professor of Buenos Aires University

It's a disaster, at national level, at provincial level, at municipal level so this also put into question the whole legitimacy of the state to try to solve the situation there. Most of the Argentine citizens do not believe in state solution or even the politician's solution because they are not able to manage the public good.

Fernando Geroné, Major of Quilmes (English v/o)

Quilmes is a district that surrounds the city of Buenos Aires, where more than 600,000 people live with over 20% unemployment, and over 100,000 people living in shanty towns, with a very serious social problem and many people living on what they can rescue from rubbish tips. Quilmes is also an area with very strong textile, paper, and metal industries and today these sectors are going through an extremely difficult time.

Narrator

What could be done to stop the rot? A quiet revolution was under way in Quilmes. As people had to find new ways to live without money. A phenomenon known as the 'The New Poor' emerged in the early 1990's, when many people who had worked in the public sector lost their jobs in a massive privatisation programme. The government made millions by selling off companies, but had to pay the price in other ways. Unemployment is now around fifteen per cent.

Dr Daniel Chudnovsky

One of the big consequences was that people who were employees of the public enterprise or in the Civil Service, or even many domestic enterprises that were not able to keep up with the more, the growing competition in the domestic market, lost their jobs. If you are an engineer or a technician, they used to work in a factory in a small or medium sized centre probably for

twenty years; you are in the dole in 1995, in a country where you don't have any unemployment benefits. You may have a few savings but the question is, to whom are you going to sell your skills.

Eduardo Hecker, Economic Development Secretary of City of Buenos Aires (*English v/o*)
The 90's not only generated social exclusion amongst the poorest sections of the population but a good part of the middle classes who were used to a relatively high standard of living lost it.

Narrator

The country's galloping inflation was eliminated by a draconian measure, which tied the Argentinean Peso introduced in 1991, with the US Dollar. This has meant in effect that Argentina has no independent exchange rate policy and currency is at the mercy of international interest rates.

Meanwhile wages have been cut. People's living standards have been falling and Buenos Aires remains one of the most expensive cities in the world.

Carlos de Sanzo, Co-founder of the Global Exchange Network (*English v/o*)

An exchange club is placed where a group of members of the Global Exchange Network gather to carry out exchanges. It generally opens one day a week two or three hours at a time. The members of the Network take their products. Spread them out on tables. And at certain time transactions begin using coupons. Later it ends and everyone goes home with something different to the things they brought with them.

Narrator

These people belong to the Global Barter Network. And are called 'Prosumers' because they both produce and consume. They're bringing goods and services to the market place to sell for credits. The barter coupons which have an individual value. Traders pay a one-credit entrance fee. Participation is growing daily.

Carlos de Sanzo (*English v/o*)

Joining the Network is so easy. You don't have to pay fees. Training is minimal. Anybody, even those without qualifications can do something; sweep, child mind, water a plant, so it's very friendly. It includes everyone.

Ruben Ravera, Co-founder of the Global Exchange Network (*English v/o*)

What does a person have to do to enter the Network? We try to make entrance as easy as possible. The person participates in a meeting which we call 'First Timers'. They have to attend such meetings and express their skill, vocation and their expectations with the club and after this initial process, the Network invites them to join and gives them 50 credits.

With these 50 credits you can start to develop a relationship with other 'Prosumers'; the other members who produce and consume. There is a very low desertion rate. People who join, rarely leave the system.

Narrator

Credits enable these traders to enjoy multiple reciprocal barter. They don't have to exchange goods with just one other person, but can have a whole series of transactions with many people.

Most of the members are women because most women have more possibility of inventing things. Men are more specific. A man's a plumber, an ironmonger, a gasman or a professional but is exclusively that. Because she's a housewife, a woman has to do a lot of different things. She's more adaptable and smarter when it comes to doing more things.

Carlos de Sanzo

What we see today was the woman arriving first, then shyly, even a little bit ashamed comes her husband and they later form a unit. For instance the man stays at the table selling and

the woman who has better knowledge of household needs and the quality of the products goes buying.

Currently I'd say 90% of co-ordinators are women and 70% of the participants are women. Without them we would not have been able to develop this network.

On-screen translation of plaque: TOURISM IN THE NETWORK

Woman 1 (*English subtitles*)

I got involved in the Trade Network to improve my lifestyle. My daughter was about to become 15 and she wanted a birthday party but I didn't have any money. I heard about the Network and got involved. I started out slowly but got more into it as time went by and consequently my daughter had a great party and now I don't want to leave the Network. Trading has allowed me to improve my lifestyle with dignity.

Woman 2 (*English subtitles*)

I think trading is great. It allows me to exchange things that I don't need. Maybe some other people need my things and who knows I might need their stuff myself.

Woman 3 (*English subtitles*)

I joined the Exchange Network because of necessity. I am unemployed like everyone else. I am a single mother and proud to say that I have children. One of my twin girls has finished her studies and because of trading I had the chance of organizing a special dinner. I also bought them clothes and didn't even have to spend any money whatsoever. I got everything I needed right here and in the clubs that I visited.

Narrator

A significant number of people queuing up would consider themselves to be among the new poor.

Woman in red (*English subtitles*)

I feel ashamed of doing this. What I want is to work with dignity. I feel bad. I know that this is also work but I feel humiliated. What I really need is to work, to have money. What do you think about it, as an outsider? You'll realize how very sad this is, but I have to do it because it's the only chance I've got.

Narrator

All these people have skills, products and possessions but can't sell them within the main economy in order to buy other things of value. This alternative economy helps them to do just that.

Carlos de Sanzo

In the first instance we resisted the use of a tangible thing with which to exchange. Maybe out of prejudice. Later we realised that people liked the coupons and it didn't mean there was any contradiction with the original spirit of the idea. Quite the contrary. Thanks to the coupons the activities multiplied. or clubs started sprouting up like mushrooms throughout the country. The creation of the exchange tool, which we later called 'Social Currency', is far reaching, not limited to one locality, but for everyone. That's why we called it the Global Exchange Network.

Narrator

As well as the regularly daily markets around the province of Buenos Aries, huge events are organised where members of the Global Barter Network congregate to trade, swap advice and recruit new members through the country.

Participants can advertise their trades and professional services over the Internet or in a list which each club produces.

It's at events like these that the full range of services available for credits are on display for all to see.

Heloisa Primavera, Activist & Trainer for the Global Barter Network

I pick everything. I pick this. I pick this. I pick that. I pick this. This was made especially for someone that made it especially for me, my size. I have shoes from barter and I have my hair made by barter. I have everything. And my jacket. And you know what we are eating at home. My computer service. Everything.

Eduardo Hecker, Economic Development Secretary of City of Buenos Aires (*English v/o*)

Today is a very important day for the city. Because the barter club trading programme has an important significance. A lot of people are here to develop their activities. And to show what they're all about. And the government is here to show support, take an interest and become much more familiar with what's going on.

Enriquez Martinez, Secretary of Small and Medium Enterprise of Argentina

We've organised a huge exhibition at the Global Exchange Network, which we're supporting throughout the country. We also hope to organise these events in the whole of Argentina.

Narrator

How does the alternative currency interact with the formal economy?

Enriquez Martinez

The social currency is used exclusively in this place. You can't use Pesos here and therefore people exchange in terms of demand and supply with the exclusive social currency.

Carlos de Sanzo

Our idea is that there's a market of millions of people who are today excluded from consuming and producing and who need to have a currency and a market that matches their possibilities. That's our aim.

Carlos de Sanzo

It doesn't intend to do away with formal money. But rather to compliment it. The Global Exchange Network doesn't propose the abolition of supermarkets. On the contrary. It's trying to persuade supermarkets to contribute goods to the club.

Banks, even multi national companies are somehow within the scope of this network because we believe that if we are to achieve a change, if we are to change the world, we are all going to do it, without identifying good guys and bad guys.

Narrator

All these credits are individually marked and numbered to regulate the supply and prevent forgeries. They also have a limited shelf life to keep them in constant circulation.

Carlos De Sanzo

The volume of transactions carried out must be around 400-600 million credits a year. This is equivalent to 400-600 million dollars. Today a family in the exchange club can increase their expenditure to a value of up to 600 credits a month, which is more than the average income in the general population.

Horacio Covas, Co-Founder of the Global Exchange Network (*English subtitles*)

What's the difference between this and this? They're both paper and ink. But both of them have very different characteristics. This is money for formal use. It's monopolized by the state. This one is a social currency. It's made by the people and it's decentralized. Money can cancel out debt; social currency is used for exchanging. Money is linked to a property

known as interest which in some way reproduces itself, whereas this money not only has no interest, but its value expires after a certain time so it doesn't accumulate

Narrator

However people who are working for credits can't qualify for any welfare benefits, though in Argentina there's no safety net for the unemployed or people working in the informal economy anyway.

Discussions are taking place with the government and the founders hope that members will soon be allowed to pay some local taxes in credits.

Man in blue shirt (*English subtitles*)

The Exchange Network is a new way of survival. It allows us to see a way out, and sometimes because of the crisis, the political crisis that our country is suffering, we are forced to form a brotherhood of sharing, so we can improve the situation

Narrator

Just as the Network has helped the population in Argentina, it is hoped it can be introduced in other parts of Latin America.

Jaime Cardoso, Secretary of Employment of the state of Invernadero, Brazil (*English v/o*)

We're here with the committee from the Secretariats to learn about this movement of exchange and solidarity because we want to start the movement in Brazil and in Rio de Janeiro particularly. The important thing for this type of movement is for it not to be a laboratory. It only meets its social objective if it becomes massive like here in Argentina. We're not interested in labs which are very localised. We're interested in reproducing the massive dimensions of the programme.

Narrator

Community currencies like the credits circulated in the Global Barter Network increase purchasing power to improve daily household survival.

They foster supportive communities and help to build sustainable economies, based on local production and local trade.

The Global Barter Network now has around 100,000 members plus their families. It's a response to poverty in Argentina. A home grown solution. Not parachuted in by international aid agencies.

What it does show is that social movements in the south are capable of responding to the challenges of globalisation and poverty. And we have a lot to learn from them.

Fernando Geronés (*English v/o*)

I think we're in a process which allows us to integrate a lot of people back into society. While realising that this isn't the definitive solution. And what people are looking for really is the possibility of recovering their jobs and being able to support their family.

Narrator

As Argentina continues to battle with its prolonged recession it is clear that this movement cannot be dismissed as a marginal phenomenon.

Carlos De Sanzo (*English v/o*)

It's like a snowball. It gathers momentum. Because there's food the dentist comes. Because there's a dentist, the craftsman comes. Because there's food, a dentist, a craftsman, the tradesman comes and so on, until you reach small businesses, local governments, large companies and national government.

As in the case of Argentina, where the Secretary of small and medium business has from the 20th December year 2000, signed an Agreement to encourage exchange clubs throughout the country.