Balancing growth and solidarity in the Argentine community currency systems (Redes de de Trueque)

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SSE & scale

- SSE inseparable from locality, solidarity and small-scale.
- Capitalist discourse presents SSE as inferior in terms of efficiency, rationality, universality and productivity.
- So can SSE initiatives scale up? Should they?
Questions

- In what ways do SSE scale up?
  - What are the challenges?
  - What are the gains?
  - To what extent does growth affect social cohesion and economic impact?
SSE as exchange system

- Moulaert et al, SSE as social innovation:
  1. Institutional innovation
  2. Social justice, embeddedness, solidarity

- D. North, personal vs impersonal exchange

- Uzzi, Etzioni: small networks grow by extending trust to referred newcomers
Research method

- Fieldwork in 2004 and 2006
- 3 cities > 1 million
- 44 exchange centres (clubes de trueque)
- Survey 368 responses (samples 10% to 15% parts)
The Argentine RT

- Started in 1995, fiat currency after 1996
- Unit of account: creditos (=1 $ = 1 US$)
- 2.5 M users in 2001-2002 (20% EAP). Fallen to 100,000 in 2006 (still largest w/w)
- Local, regional & national associations
- Majority of disenfranchised middle class
Evolution in membership

Cantidad de participantes, 1995 - 2004 (est)

- 1995: 60
- 1996: 100
- 1997: 230
- 1998: 5000
- 1999: 180000
- 2000: 320000
- 2001: 600000
- 2002: 2000000
- 2003: 2500000
- 2004: 200000
- 2005: 220000
- 2006: 200000

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1. Discourse of scaling up!
2. Expansion of first CT: personal exchange
3. From one to two CTs
   Interconnected
   Printed vouchers
   Transfer of trust by referral
2nd growth by institutions

1. From two to five CTs
   - Limits to transfer of trust but reputation
   - Assumption of solidarity
   - First regulations by negotiation and agreement

2. From five to dozens
   - Creation of impersonal institutions
   - Disputes, conflicts: institutional design threatened
   - Limits of solidarity and commonalities
Necessary conditions

To scale up, SSE initiatives combine:

1. the extension of a morality of solidarity and reciprocity from old participants to newcomers
2. reputation of the leaders
3. institutional innovation on-going by negotiation and agreement